



Working Paper No. 126

**WHY DO CITIZENS ASSENT TO PAY
TAX? LEGITIMACY, TAXATION AND
THE AFRICAN STATE**

by Michelle D'Arcy

**A comparative series of national public
attitude surveys on democracy, markets
and civil society in Africa**



Core Partners:

Center for Democratic Development (CDD-Ghana)
95 Nortel Atabia Street, North Airport Residential Area
P.O. Box 16 404, Legon-Accra, Ghana
233 21 776 142 • fax: 233 21 763 028
www.cddghana.org

The Institute for Democracy in South Africa (IDASA)
P.O. Box 56950, Pretoria Arcadia, 0007, South Africa
27 12 392 0500 • fax: 27 12 320 2414/5
www.idasa.org.za

Institute for Empirical Research in Political Economy (IREEP)
Campus ENEAM Gbagamey 02 B.P. 372
Cotonou, République du Bénin
229 21 307992 • fax: 229 21 302329
www.ireep.org

with support units at

Michigan State University (MSU)
Department of Political Science
East Lansing, MI 48824
517 353 6590 • fax: 517 432 1091
www.polisci.msu.edu

University of Cape Town (UCT)
Democracy in Africa Research Unit
Centre for Social Science Research
Private Bag Rondebosch 7701 South Africa
Office: 27 21 650 3827 • Dept: 27 21 650 3811
fax: 27 21 650 4657
www.csst.uct.ac.za

www.afrobarometer.org

AFROBAROMETER WORKING PAPERS

Working Paper No. 126

**WHY DO CITIZENS ASSENT TO PAY TAX?
LEGITIMACY, TAXATION AND THE AFRICAN
STATE**

by Michelle D’Arcy

January 2011

Michelle D’Arcy is a Ph.D. candidate, School of Politics and International Relations, University College Dublin.

AFROBAROMETER WORKING PAPERS

Editor

Michael Bratton

Editorial Board

E. Gyimah-Boadi

Carolyn Logan

Robert Mattes

Leonard Wantchekon

Afrobarometer publications report the results of national sample surveys on the attitudes of citizens in selected African countries towards democracy, markets, civil society, and other aspects of development. The Afrobarometer is a collaborative enterprise of the Centre for Democratic Development (CDD, Ghana), the Institute for Democracy in South Africa (IDASA), and the Institute for Empirical Research in Political Economy (IREEP) with support from Michigan State University (MSU) and the University of Cape Town, Center of Social Science Research (UCT/CSSR). Afrobarometer papers are simultaneously co-published by these partner institutions and the Globalbarometer.

Working Papers and Briefings Papers can be downloaded in Adobe Acrobat format from www.afrobarometer.org.



Idasa



co-published with: **GLOBALBAROMETER™**

Why Do Citizens Assent to Pay Tax? Legitimacy, Taxation and the African State

Abstract

Why do citizens assent to pay tax? On what condition do private individuals agree to commit their personal income to a public fund at the disposal of the state? What are the reciprocal responsibilities of the state expected in return for this remarkable act? The paper poses these questions in the context of African states and tests three distinct theoretical perspectives: i) the fiscal exchange thesis that emphasizes the vertical relationship between citizen and state – specifically the services received in return for tax ii) the ‘national political community’ approach, which highlights the horizontal relationship between citizens, in terms of the extent of national identification and iii) the comparative treatment perspective, focused on how the state treats the citizen relative to their compatriots. An ordered probit model is employed to test these theories, using micro data from the latest rounds of surveys conducted by Afrobarometer. The results provide support for certain aspects of the fiscal exchange, no backing for national community approaches and more persuasive support for the comparative treatment thesis. These findings challenge existing accounts, which focus exclusively on fiscal exchange and national community, and suggests new avenues for research, as comparative treatment has to date not been applied in the literature on tax attitudes. The paper concludes by considering the implications of the findings for wider debates about the legitimacy of African states.

Introduction

Why do citizens assent to pay tax? On what condition do private individuals agree to commit their personal income to a public fund at the disposal of the state? What are the reciprocal responsibilities of the state expected in return for this remarkable act? While voting may be the citizen's main action as a political actor - to determine who has access to power, paying tax is her primary political act as an economic actor and provides that which enables the state to exercise power. As the main source of revenue for most governments it has always constituted a central arena within which citizens and the state have engaged to determine the character of their relationship.

This paper poses questions about the assent to tax in the context of Africa, where the determinants of tax attitudes and, more pressingly, broader questions about the citizen-state relationship have yet to be explored and explained fully. Although a broad consensus argues that most African states have a legitimacy deficit and that this deficit is at the root of the continent's developmental challenges (Englebert 2000), a debate persists about the exact character of citizen-state relations. Some see this relationship as being embedded, with African states captured and insufficiently autonomous from social forces (Bayart 1993, Chabal & Deloz 1999). Others argue that the relationship is characterized by distance, with the state being autonomous and elites insulated from outside pressures (Bates 1981, van de Walle 2003). In both, illegitimacy is assumed and its cause seen to be either debilitating distance or embeddedness.

If taxation is an ongoing and constant gauge of the legitimacy of the state in the eyes of its citizens, it should provide a way to speak to the question of whether it is distance or capture that characterizes the citizen-state relationship. As Schumpeter suggests, drawing wider implications from specific findings on fiscal issues is defensible because public finances are 'one of the best starting points for an investigation of society' both because of 'the causal importance of fiscal policy (insofar as fiscal events are an important element in the causation of all change)' and because of their 'symptomatic significance (insofar as everything has its fiscal reflection)' (Schumpeter 1990, 101). The citizen's assent to tax both reflects and defines state-society relations so understanding its determinants can shed on wider issues as to the character of African states.

This paper uses the assent to tax to analyze more precisely what African citizens expect from their institutions of governance. Section I gives a descriptive overview of the main trends in taxation in Sub-Saharan Africa over the last thirty-five years, highlighting that that which differentiates between countries, and so needs to be explained, is direct taxation, the most visible form of tax, which most acutely invokes the citizen-state relationship. Section II considers the literature which has attempted to explain these trends. It draws a distinction between explanations focused on regime, where most of the attention in the literature has been placed, and those that emphasize the role of the state, which has often been considered primarily in terms of its technical rather than normative aspects. The paper focuses on the latter – the institutions that allow for the exercise of power, rather than the former – the rules governing access to power. Section III outlines three theoretical arguments for the main determinants of the citizen's assent to tax: 1) fiscal exchange 2) national political community and 3) comparative treatment. Section Four tests these arguments using data from the Afrobarometer surveys, to establish if these theories find empirical support and, more precisely, which elements matter. Finally, the paper concludes by considering the wider questions of state legitimacy which the issue of the assent to tax provokes.

Section I: Taxation in Africa – Differential Outcomes and the Puzzle of Direct Taxation

Figure 1: Average Tax as % of GDP 1972-2006 for 42 African States



Source: African Development Indicators

There is a wide divergence between African states in terms of both overall levels of tax take and structure. Figure One presents the range of average tax outcomes as a percent of GDP in 42 African states in the time period 1972-2006, taken from the African Development Indicators (ADIs). It shows a range of between 5% of GDP in Chad to 44% in the Lesotho. Table 1 uses data from the IMF's Government Financial Statistics yearbooks, which is very detailed in its breakdown of types of taxation but not as complete as the ADIs, to illustrate tax structures in countries at three different levels of tax take: 10% of GDP and below; between 10 and 20%; and 30% and above. What the data illustrates is that the greatest difference between African states is in the amount of direct taxation they collect. Import and export taxes constitute the backbone of tax regimes for nearly all countries. These are supplemented by other indirect taxes in the form of excise and sales, which contribute roughly the same proportion in each category, although excise is more important to lower tax states. Direct taxes constitute the key differential. Low tax countries have a poor ability to collect income and corporation tax, while middle and higher tier countries collect respectable amounts. While the presence of foreign extractive industries is a key variable for corporation tax in some countries, such as Botswana, South Africa, Namibia and Zambia, there are still questions to be asked as to what other factors may explain these divergent outcomes, particularly in income tax outcomes.

Table 1: Structure of Taxation at different tax take levels for 19 SSA countries

Country	Tax % GDP	Income	Corporation	Sales	Excise	Import	Export
Uganda	8	2	10	31	11	20	53
Ethiopia	9	10	9	41	16	25	25
Rwanda	10	8	8	10	20	29	17
Sierra Leone	10	10	17	3	19	44	27
Mean		8	11	21	17	30	30
Ghana	11	10	8	-	5	19	62
Burundi	13	9	11	10	24	22	23
Cameroon	13	12	20	13	9	27	27
Benin	14	3	11	13	5	46	46
Senegal	15	8	12	-	-	-	28
Gambia	17	19	37	-	-	62	27
Kenya	17	17	17	31	31	19	25
Cote D'Ivoire	20	6	23	18	4	31	.
Zambia	20	15	17	32	22	16	10
Mean		11	17	20	14	30	31
Botswana	22	9	39	4	-	42	42
South Africa	22	33	25	20	12	4	46
Togo	23	7	27	15	3	28	43
Swaziland	26	12	14	6	2	52	14
Namibia	29	25	17	20	5	32	19
Lesotho	32	18	6	25	10	45	22
Mean		17	21	15	6	34	31

Notes: Average breakdown of taxes as % of overall tax take 1972-2005, grouped by tax capacity. Countries only included with at least one observation for each decade.

Source: GFS

Section II: Explaining Differential Tax Outcomes

There is widespread consensus among economists as to the key economic variables that determine a state's ability to collect taxes: the size of the economy; the sectoral structure and degree of employment diversity; levels of external trade; the size of the informal sector relative to the formal; the presence of natural resources (Tanzi and Zee 2000). There must be something to tax and the existence of 'tax handles' is important. However, as the most comprehensive survey of taxation in Africa has concluded, the empirical evidence 'suggests that factors specific to these countries (eg the political system, attitudes towards government, quality of tax...etc) are important determinants of variation in the tax share in GDP' (Stotsky and Wolde-Mariam, 1997, 24). As confirmed by the aggregate trends outlined above, that which needs to be explained is the tax effort above and beyond what could be expected based on the size and structure of the economy. The size of direct taxes is the key determinant of differential tax outcomes in Africa and explaining why these vary (aside from the presence of foreign multinationals) requires explanations that focus on non-economic factors.

Unlike the debate in economics, there is little consensus on the political and institutional variables that count. For the most part, political scientists have sought to establish the impact of regime type, while policy experts have focused on 'state capacity' – the technical institutional characteristics that boost revenue extraction. Among the former, the key question has been

whether democracies or dictatorships collect more tax. Some have argued that dictatorships have the coercive power and the minimal constraints to extract more (Haggard 1990), while others contend that democracies have a greater ability to extract taxes because of the underlying consensual relationship between rulers and ruled (Levi 1988). Yet, the empirical evidence remains ambiguous. Cheibub finds no significant evidence that democracies are either better or worse than dictatorships at collecting taxes (1998), while Boix and Thies contend that democracies are better (Boix 2001, Thies 2004) and Fauvelle-Aymier claims the opposite (1999). Without being able to find convincing evidence on the impact of regime type, this literature sheds little light on the mechanisms that might count: whether citizen motivation or differences in state constraints are the key channel and, overall, how legitimacy effects tax outcomes.

One factor which may help to explain this lack of clarity is the fact that the regime literature pays little attention to one crucial actor, and so misses a set of important omitted variables. By focusing on the ruler's desires - on the extent to which they are determined by or free from societal preferences - and the constraints that the relationship between ruler and society places on their ambitions, the regime literature overlooks the essential role played by the state and its institutions in interacting with, and mediating between, ruler and society. These institutions, most especially the revenue authority, are the main focus of a second body of literature that derives mostly from policy practitioners, particularly officials at the World Bank and the IMF. This literature focuses specifically of 'state capacity' and the technical aspects of administrative design; organizational reform, improved IT systems, better audit procedures, non-corrupt and competent officials etc (see, for example, Gillis 1989, Gillis et al 1990, Bird and Oldman 1990, Thirsk 1997). This viewpoint is summed up neatly by Casanegra who claims that 'in developing countries, tax policy is tax administration' (1990, 179).

The technical capacity of the revenue authority is certainly an important factor in strong revenue collection, and particularly in explaining successful tax reform. Hlophe and Friedman attribute the improved revenue performance in South Africa of the reformed tax body – the South African Revenue Service (SARS) primarily to administrative reform (2003). In the last 15 years similarly reformed tax administrations have been established in number of African countries, including Uganda, Tanzania and Zambia. All have witnessed improved revenue performance (Gloppen & Rakner 2003). The assessments carried out by Hlophe and Friedman and Gloppen and Rakner were primarily concerned with establishing whether or not improved revenue performance had increased democratic accountability, but were forced to conclude that, on the contrary, the increase was primarily due to administrative reform. However, what both articles fail to consider is the reverse causality: the prior importance of attitudes to the state in determining the aggregate levels of tax that reforms are attempting to improve upon. Taking initial differentials between countries as the dependent variable begs questions about the impact of normative attitudes towards the state, something which the 'state capacity' literature is, in general, little concerned with.

While much of the state capacity literature strips taxation of its normative aspects, seeing it as a predominantly technical process, the regime focused literature has paid little attention to the state's capacity and institutional relationship to society. Taking the state centric focus of the former and the normative concerns of the latter could throw light on what is missing in both; an analysis of taxation that takes the theoretical focus away from regime and towards the state, interested in its legitimacy in the eyes of citizens rather than its purely technical capacity.

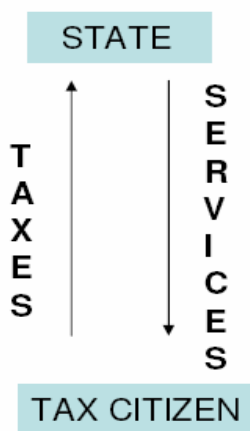
Section III: Why do citizens assent to pay tax?

As originally modeled by Allingham and Sandmo in their theory of tax evasion, the citizen's decision about whether or not to pay taxes is primarily motivated by the probability of being audited and caught evading (1972). This model, however, was subsequently criticized, and revised by one of its authors, for focusing exclusively on the coercive side of compliance, at the expense of the consensual (Sandmo 2005). Latterly, economists have focused on the consensual aspects, termed 'tax morale', in an attempt to explain the positive motivations for compliance (Cummings et al 2005). Three main lines of theoretical argument have been made either directly in relation to tax morale or indirectly in terms of the citizen-state relationship - the fiscal exchange thesis, arguments as to the strength of the national political community and those focused on the comparative treatment of citizens.

The Vertical Aspect: Citizen and State

The fiscal exchange thesis, as Figure 2 illustrates, posits that the main concern of taxpayers is what they get directly in return for their tax payments, in the form of services. Furthermore, this fiscal contract is seen to be the foundation of the relationship between the state and its citizens. Extrapolating from this core idea, a number of ancillary and more general theoretical propositions have been made: that how a state earns its revenue determines its character (Moore 2004); that the state is most responsive to those from whom it collects most of its revenue (Timmons 2005); that this dependency is the citizen's chief bargaining tool in battles to make the state more democratic and responsive (Levi 1988, Ross 2004).

Figure 2: Fiscal Exchange Theory



While this argument has received a great deal of theoretical attention and corroboration, the empirical evidence remains ambiguous. In large n, cross national statistical analysis, both Ross and Timmons found support for the fiscal exchange thesis (Ross 2004, Timmons 2005). Ross, in the context of testing the taxation to representation thesis found a significant relationship between the ratio of tax to spending and democratic representation, suggesting that a cost-benefit analysis underpins citizens' calculations. Timmons argues that those who pay for government obtain the bulk of its benefits; when the poor pay more (in the form of regressive taxes) the government is more focused on the delivery of basic services. When the rich do, via progressive taxation, the protection of property rights takes precedence. However, both micro data and qualitative work have found alternative results. Using survey data from South Africa, Fjeldstad found no clear correlation between fiscal exchange and compliance (Fjeldstad 2004, 549-550). The difficulty of operationalizing and aggregating an individual's behaviour and her relationship with the state to

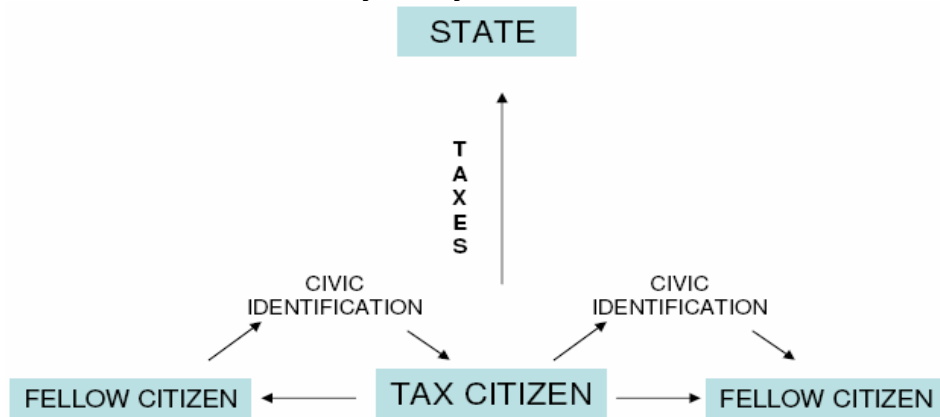
the macro level, suggests caution should be employed in interpreting Timmons and Ross's results. Equally, the difficulties of generalizing from particular cases are well known. The fiscal contract hypothesis, well established theoretically, has yet to receive emphatic empirical endorsement.

One of the reasons why the evidence remains mixed may stem from the simplification inherent in its framework and in particular the reduction of taxation and state-society relations to a one-dimensional model. The citizen, from this viewpoint, contracts the state to fulfill particular functions and pays for these services. It essentially conceives of taxation as a market-type exchange between two actors in a public sphere. This conception misses the critical point about taxation – that it is the translation of private wealth into a public resource. By its nature it goes beyond a two actor exchange and, in the transition from private to public, invokes not just the citizen's normative and contractual relationship with the state, but also how she views her fellow citizens. Although everyone will, to some extent, benefit from the public services which their taxes pay for, they also know that some portion of those taxes will be spent on their compatriots. The decision about whether or not to pay taxes also hinges on how the citizen relates to the collective.

The Horizontal Angle: Citizen and Community

This horizontal relationship between citizens has been taken by some to be the main variable in explaining individual willingness to comply and resulting aggregate tax outcomes. It is seen to be important in determining the citizen's willingness to see her money spent on other people. In terms of how this civic identification is fostered, political scientists have emphasized how the polis is constructed and, in particular, its terms of membership. Lieberman has argued that the definition of National Political Community (NPC) is crucial (Lieberman 2003). He compares South Africa where, under Apartheid, the NPC was small, exclusive and racially defined to Brazil, where regionalism was the main logic in an NPC that was large and inclusive, with many cross-cutting cleavages. He attributes the higher revenue performance of the former to the superior ability of a small, exclusive and cohesive group to solve collective action challenges like taxation. Persson has also highlighted the importance of horizontal relations, in a broader African context, particularly in relation to ethnicity (Persson, 2008). She argues that countries who, upon independence, emphasized national over ethnic identity have been more successful than those who allowed ethnicity to become the main animus of politics. She uses Botswana as an example of a state that succeeded in the construction of a national identity and Uganda as a case that failed to do so.

Figure 3: National Political Community Theory



Both Lieberman and Persson emphasize how the willingness to spend on fellow citizens is determined by the initial definitions of inclusion and the levels of cohesion in the political communities that result. Although they differ in terms of which kind of polis they see as the most effective – Lieberman arguing (in an analytical rather than normative sense) for small and exclusive and Persson for large and inclusive – the causal arrow in both cases runs the same way. They both posit that formal rules of citizenship generate different levels of civic identification that later affect the state’s ability to collect revenue.

The Comparative Treatment Perspective: Citizen, Collective and State

In the realm of taxation, most explanations to date have focused exclusively on either the vertical relationship between citizen and state or the horizontal one between citizens. Although the evidence individually strongly suggests validity is to be found in both approaches, either in isolation would seem, at best, only partially true. Furthermore, both miss a crucial third element in the calculations that lead to a citizen’s assent to pay taxes; her comparative position. Citizens do not consider their relationship with the state in a vacuum where both parties are the only actors. Nor do they generally think about their fellow citizens without considering their own relationship with the state. They also think about how the state treats them relative to their fellow citizens. This judgment will affect not only their judgment of the state but also how they view their compatriots. If the state treats certain groups preferentially, this will colour the citizen’s relationship with the state and the group receiving favours. A crucial variable then is not just what I get from the state or who is in my community, but what I get from the state (and how the state treats me) relative to those who are in my community¹.

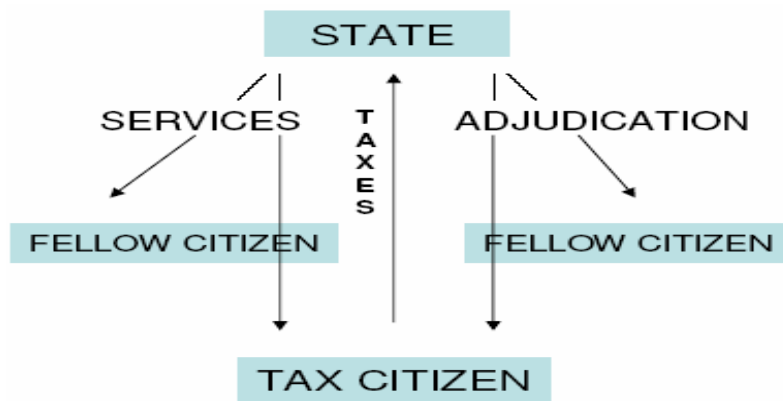
This emphasis on the comparative treatment aspect and the importance of fairness is made forcibly in the work of Bo Rothstein, Jan Teorell, Peter Evans and others. They highlight the agency of the comparative treatment perspective as a causal mechanism in debates on good governance, social capital and economic development. Rothstein and Teorell argue that impartiality in the exercise of power is the key characteristic of ‘good governance’ (2008).

¹ The issue of comparative equity is important not only from the point of view of what you get for your taxes but also what you pay, which lies beyond the scope of this paper. The idea that the tax burden should be equitably distributed according to ability to pay is well established, through the principle of progressivity. Traditionally progressivity focuses more on vertical inequities between individuals rather than horizontal ones between groups – for more on how a concern for horizontal equity could be incorporated into fiscal policy, see Stewart et al 2009

Elsewhere Rothstein makes the case that social capital and trust are generated not by horizontal relationships but at the interstice between vertical and horizontal: in how the state provides services to citizens and adjudicates between them (Rothstein 2003). Citizens will feel able to trust their compatriots if they trust the state to intervene and adjudicate fairly in when there is a breakdown in relations between citizens. Evans and Rauch emphasize the centrality of the ‘Weberian’ state, meaning the existence of a meritocratically selected and adequately paid bureaucracy – these being the necessary conditions to ensure impartiality in the state’s institutions (Evans & Rauch 2000). In all of these arguments, the state’s legitimacy rests on its impartiality; its proven ability to treat citizens equally in its dealings with them and to adjudicate impartially in disputes between them. Upon this rests not only the citizen’s trust in government, but also their trust in each other.

The comparative treatment perspective, then, centers attention on the state’s adjudicatory and enforcement responsibilities. In some respects it is a perspective that adds to and integrates the horizontal and vertical theories rather than constituting an entirely distinct theoretical framework. In the language of fiscal exchange it emphasizes that adjudication is a ‘service’ that citizens require of the state, as much as basic collective goods like health, education or roads. In fact, Rothstein and Teorell go so far as to claim that it is the fundamental and primary role that citizens require of the state. The comparative treatment perspective also highlights that when the citizen views the state she does not do so in isolation, but through the lens of her relationship with her fellow citizens. The horizontal connections between citizens do not emerge in a vacuum but are influenced, even formed, by their collective relationship with the state. By viewing horizontal and vertical theories together, as the comparative treatment perspective demands and Figure 4 illustrates, it becomes clear that both in isolation are limited. A holistic perspective that integrates the two highlights the importance of the interstices between vertical and horizontal and the need for holistic and integrated theories.

Figure 4: The Comparative Treatment Viewpoint



Theoretical Hypotheses: Why do citizens assent to pay tax?

The three theoretical perspectives discussed above lead to three distinct hypotheses as to the reasons why citizens assent to pay tax:

H1: Citizens assent to tax because they are satisfied with the services that they receive in exchange

H2: Citizens assent to tax because they feel a strong sense of civic national identification with their fellow citizens

H3: Citizens assent to tax because they feel that the state treats them fairly relative to their fellow citizens

These hypotheses, however, are agnostic about a number of key issues: which services are of most concern and what aspects of service delivery are critical to the citizen? What form of discrimination is more corrosive to the citizen's view of the state: vertical discrimination between citizens qua individuals or horizontal discrimination against groups? The empirical section that follows attempts to test these hypotheses jointly, to assess their validity and relative impact and to address the issues that they leave unspecified.

Section IV: Data and Methodology

Data: The Afrobarometer Surveys

The data used comes from the Afrobarometer surveys conducted by the Centre for Democratic Development, Ghana, the Institute for Democracy, South Africa and the Institute for Empirical Research in Political Economy, Benin². It is a comparative series of national surveys on attitudes to democracy, markets and civil society conducted in a number of African states. The data used in this analysis is drawn from Round 3, conducted in 2005 in 17 African countries with approximately 1,200/2,400 respondents per country on 100 variables³. The sampling error is ± 3 where the sample was 1,200 respondents and ± 2 where it was 2,400. The survey used stratified random sampling of voting age citizens and the interviews were conducted by trained enumerators in local languages.

Dependent Variable

The dependent variable is the answer of the respondent to the question: *'For each of the following statements, please tell me whether you disagree or agree: The tax department always has the right to make people pay taxes'*. Again it is important to stress that the area under enquiry is assent – whether or not citizens agree that the collection of tax by the institution of the state designated for that purpose is legitimate – rather than compliance – whether or not they themselves pay tax. The inclusion of the terms 'always' and 'right' in the question capture the normative character of assent as being a non-conditional acquiescence to the legitimacy of the institution's claims. The possible responses are: *'Strongly disagree'*, *'Disagree'*, *'Neither agree or disagree'*, *'Agree'* and *'Strongly agree'* ie the standard Likert Scale. Those who refused to answer or responded *'Don't know'* were dropped from the data set⁴.

² Data freely available at www.afrobarometer.org

³ The countries included in the data are: Benin, Botswana, Cape Verde, Ghana, Kenya, Lesotho, Mali, Malawi, Mozambique, Madagascar, Namibia, Nigeria, Senegal, South Africa, Tanzania, Uganda and Zambia. As the data providers acknowledge, the country selection is intentionally biased toward liberalizing regimes. Authoritarian regimes and countries in conflict are under-represented.

⁴ To try to determine whether 'don't know' answers were driven by concern over who was conducting the survey or low educational levels, cross tabulations were conducted with a question asking about the survey's perceived sponsor and the respondent's educational background. Similar proportions of the 'don't knows' thought the survey was conducted by government or tax authorities as compared to those giving other responses. The educational background of the 'don't knows' was also comparable, suggesting that they could be excluded without introducing bias on the grounds of either fear of the authorities or lack of education. In addition, as a robustness check, the 'don't knows' were included in the middle category 'Neither agree nor disagree' to see if this affected results: it did not.

Independent Variables

The independent variables are grouped into three main categories: 1) SERVICES – drawing on fiscal exchange 2) NPC – drawing on national identity theories and 3) COMPARATIVE – drawing on the theory of comparative treatment. Appendix A summarizes the details of the main explanatory variables.

1) Services

The direct vertical relationship between citizen and state in the area of service provision is examined in terms of three aspects: access, quality and general performance. In each category two basic services are considered – health and education. This gives a total of six variables to test – overall assessment of the government’s performance in handling health and education, personal experience of how easy it is to access health and education services and the perceived quality of those services⁵. This parsing of the data enables three key questions to be asked: if services are important explanatory variables, if so which services and what aspects of service provision.

2) National Political Community

It is challenging to find a variable that captures the extent or depth of civic identity. Since the literature has highlighted the challenge that ethnic affiliation has presented to establishing overarching national identification (Persson 2008), a proxy is used in the form of a question asking respondents about the extent to which they feel a stronger commitment to their national rather than ethnic identity. Two dummies are created from this question: one *NationalID*, if they identified more with their national identity, and *EqualID*, if they identified equally with their national and ethnic identity.

3) Comparative Treatment

The comparative treatment thesis requires an indicator of how fairly the citizen thinks she is treated by the state relative to others. Since the dependent variable relates to taxation, two variables are used that ask about enforcement by the authorities of those caught evading tax. The first asks ‘How likely do you think it would be that the authorities could enforce the law if a top official did not pay a tax on some of the income they earned?’ This captures whether or not the respondent feels that everyone, regardless of their power position and standing, will be treated equally by the authorities if they evade tax, and constitutes the variable *EnforceOf*. Respondents are also asked ‘How likely do you think it would be that the authorities could enforce the law if a person like you did not pay a tax on some of the income you earned?’⁶ This captures whether or not the respondent feels that they, and people like them, would face enforcement for evading – i.e. that everyone would equally face the threat of enforcement, thus implying that the system is fair. Effective enforcement has been shown to affect individual compliance through the mechanism of credible threat for evasion (Cummings et al 2005), but here the dependent is assent and the suggested mechanism is through perception of fairness. The respondent’s answer to the question constitutes the variable *EnforceAll*. The respondent’s view of how fairly their ethnic group, *EthnicTreat*, is treated is the final measure.

4) Controls

⁵ In all of the variables those with no experience of public services are excluded. If these proportions were significantly large this would bias our results, as the absence of public services might be driving the results. However, in this case the proportion of those with no experience was only 6% for public clinics and 13% for public schools.

⁶ These two variables could arguably be capturing the same effect. However the correlation coefficient between them was low, at .19, meaning that only 4% of the variation in one variable is related to variation in the other.

Basic demographic data is included in the survey: the respondent's age, gender, occupation, educational attainment, ethnic group and whether they live in a rural or urban area. Occupation is recoded into whether or not they work in the formal sector, this being an important factor in determining the likelihood that they actually pay tax. Whether or not your ethnic group is in power is also included as a control variable as Kasara has shown that the ethnic group of the ruler is often taxed more heavily than others, in terms of agricultural production at least (Kasara 2007). All of these are included as variables, to control for individual effects. Country dummies are included in the regressions to control for country effects. The model also controls for a number of variables that have been shown to affect tax behavior: levels of generalized trust, as trust has been shown to affect the degree to which you expect others to pay their taxes and so avoid the free rider problem (Scholz & Lubell 1998, Fjeldstad 2004, Kjaer 2009), and whether or not you perceive the tax officials to be corrupt. The final control is satisfaction with democracy, to try to isolate the state-institution from the regime specific effects.

Methodology

The dependent variable is an ordered categorical variable and the data has a three-level hierarchical structure: individuals are clustered within primary sampling units that are nested within countries. Although sometimes linear regression is used on variables with a Likert scale, this is based on the assumption that each of the four intervals is of equal length. This assumption is hard to defend, thus the more accurate method is to use an ordered probit (as popularized by McKelvey and Zavoina 1975). A multilevel model is not used as no variables at the national or subnational level are included in the model; our main interest is in individual level variation and we do not want to lose that variation through aggregation. We deal with the hierarchical nature of the data in a number of other ways: using country fixed effects, running individual country regressions and robustness checks using aggregated medians at the town/village level.

The following equation is used to estimate the citizens' assent to taxation:

$$Y_i^* = x_i' \beta + \varepsilon_i$$

Where Y_i^* is an unobserved latent variable reflecting the citizens assent and x_i' is a vector of the following explanatory variables: $X = \{SE_i, PS_i, NPC_i, C_i, CT_i\}$ where:

SE_i = personal socio-economic characteristics (gender, age, occupation, whether you live in an urban or rural area)

PS_i = Perceptions of public services

NPC_i = Strength of national identification

CT_i = Comparative treatment variables

C_i = Other controls

The disturbance term, ε_i reflects stochastic differences between individuals that are not controlled for.

Results

The results, as summarized in Table Two, suggest that elements from fiscal exchange and comparative treatment theories are significant. As β coefficients from probits are difficult to interpret, Table Two gives the marginal effects on the probability of assenting and their standard errors for each coefficient. This is the marginal effect on the probability of a respondent strongly agreeing that the tax department has a right to collect tax when all the other independent variables are set at their median response.

Table 2: Marginal Effects Results from Ordered Probit for Response 5 (Strongly agree)

Theory	Variable	1	2	3	4	5
Fiscal Exchange	Handling of health	.031*** (.005)	~	~	.03*** (.005)	.036*** (.008)
	Handling education	.017*** (.005)	~	~	.016*** (.005)	-.004 (.009)
	Access to health	.017*** (.004)	~	~	.015*** (.004)	.005 (.006)
	Access to education	.012** (.004)	~	~	.011** (.004)	.005 (.007)
	Quality of healthcare	-.006* (.003)	~	~	-.005 (.003)	.007 (.006)
	Quality of education	.005 (.003)	~	~	.004 (.003)	-.012* (.006)
NPC	National ID	~	.005 (.005)	~	.002 (.005)	-.002 (.008)
	Equal ID	~	.02*** (.005)		.014** (.005)	.023* (.008)
Comparative Treatment	Enforcement Officials	~	~	.031*** (.004)	.027*** (.004)	.024*** (.006)
	Enforcement All	~	~	.05*** (.005)	.047*** (.005)	.038*** (.012)
	Ethnic treatment	~	~	-.021*** (.005)	-.014** (.005)	.022* (.01)
Controls	Corruption	-.002 (.004)	-.006 (.004)	.002 (.004)	.001 (.004)	.01 (.008)
	Trust	.017*** (.004)	.021*** (.004)	.013*** (.004)	.016*** (.004)	.025*** (.007)
	Satisfaction with democracy	.045 *** (.004)	.054 *** (.004)	.051 *** (.004)	.04*** (.004)	.028*** (.007)
Demographic Controls	Urban	-.005 (.004)	-.006 (.004)	-.005 (.004)	-.004 (.004)	-.004 (.006)
	Formal	.008 (.005)	.009 (.005)	.008 (.005)	.009 (.005)	.012* (.006)
	Noedu	-.066*** (.017)	-.067*** (.017)	-.066*** (.017)	-.066*** (.017)	-.065*** (.012)
	Primaryed	-.053** (.019)	-.051** (.019)	-.05** (.019)	-.053** (.019)	-.045** (.018)
	Secondaryed	-.039 (.019)	-.029 (.019)	-.028 (.019)	-.031 (.019)	-.02 (.018)
	Thirded	-.019 (.019)	-.015 (.019)	-.014 (.019)	-.017 (.019)	-.005 (.02)
	Female	-.010** (.004)	-.009 ** (.004)	-.01** (.004)	-.01 (.004)	-.014*** (.003)

	Age	-.000 (.000)	-.000 .000	-.000 (.000)	-.000 (.000)	-.000 (.000)
	Ethnic group in power	-.007 (.005)	-.007 (.005)	-.005 (.006)	-.007 (.005)	-.006 (.006)
	Log Likelihood	-35299.2	-35385.8	-35248.3	-35180.2	-35455
	χ^2	1639.10***	1465.89***	1528.70***	1708.59***	929.49***
	Pseudo R ²	0.0227	0.0203	0.0212	0.0237	0.0184
	N	25394	25394	25394	25394	25394
<i>Notes: Standard errors are in parentheses below the coefficients. Tests were run with Stata 10.0</i> <i>*** Significant at .001 level ** Significant at .01 level * Significant at .05 level</i>						

As shown in the first regression, which includes variables suggested by the fiscal exchange thesis plus the controls, the services that the citizen receives are important, though interestingly health services have a larger impact in these results than education, and access is more important than quality. Believing that the government is handling the improvement of basic health services well or very well increases the probability of strongly agreeing that they have a right to collect tax by 3.1%. The equivalent coefficient for education is just over half the magnitude, at 1.7%. Access to basic services seems to have a greater impact on the assent to tax than the experienced quality of those services. If you find it easy or very easy to access public health and education services you are 1.7% and 1.2% more likely to assent to pay tax respectively. The number of problems you have experienced in basic education services does not have a statistically significant relationship with the dependent, while the equivalent for health is significant but the effect is not large: with each additional problem experienced your level of assent decreases by .6%.

The results isolate which basic services and what aspect of service delivery matter in terms of citizen assent to tax. They suggest that while both services matter, health provision has a larger impact than education. This could be because those with children of school age, a subsection of the population, will be directly concerned with education while all have a stake in good health facilities. Furthermore, perceived performance of the government's overall handling of basic services has a larger impact on citizen assent than their direct experiences, confirming that it is the dynamic aspect of service provision that is important. To change a citizen's attitude towards tax the crucial element is not simply their experience of services today, but also their expectation of improved delivery in the future. Finally, access would seem to be more important than quality of services; both access to health and education services are positively related to assent, while only quality of healthcare seems to matter, though this result is small and its statistical significance disappears in subsequent regressions.

The results provide limited support for the horizontal view that emphasizes the primacy of civic national over ethnic identity. There is a positive relationship between the dependent and the extent of exclusively national identification but the effect is small and not statistically significant. The relationship between the dependent and the extent of shared ethnic and national identity is of greater magnitude and significant. Those with a shared sense of identity are 2% more likely to strongly agree that the government has the right to collect tax. Though this result is significant, it does not confirm the hypothesis predicted by the theory – that those with a stronger sense of national identity will be more likely to assent. Thus the results provide little support for the thesis that the more successful the state has been in establishing an over-riding national identity

the more citizens will assent to pay taxes, but rather suggest that it is a shared identity between national and ethnic group that contributes to citizen assent.

Model 3 tests the comparative treatment approach. The results show that believing that officials will face enforcement if caught evading increases the assent to tax by 3%. Believing that you and people like you will face enforcement increases the likelihood of assenting by 5%. Perceived unequal treatment of his/her ethnic group by the respondent is also important. The perception that your ethnic group is sometimes or always treated unfairly decreases your probability of strongly assenting to tax by 2%. Thus the data provides support for the hypothesis that fair treatment by the state, both of individuals and of groups, increases assent to pay tax.

Model 4 integrates all three theoretical approaches to try to distinguish which are most important when the citizen makes a holistic decision. The government's handling of health and education and access to health and education remain statistically significant but the perceived quality of health services become insignificant. National identity remains insignificant. Believing your ethnic group is treated unfairly, that you, people like you and officials will face enforcement for evasion remain significant and retain the magnitude of their coefficients. In terms of magnitude, the variable with the greatest impact on the probability of assenting is the belief that you and those like you will face enforcement (5%), followed by the government's handling of healthcare (3%).

Turning to the control variables, it is interesting to note that, across all the regressions there is no statistically significant relationship between corruption and the assent to tax. The majority of people feel that some tax officials are corrupt but this does not affect their judgment on the state's right to collect tax. Satisfaction with democracy does have a positive relationship with the dependent, increasing the probability of assenting by 3.6%. Trusting others also makes you 1% more likely to assent. In terms of the demographic controls it is interesting to note that there is no statistically significant difference between urban and rural residents or those working in the formal sector. However, women, those with no education and those with only primary education were significantly less likely to strongly agree to the government's right to collect tax by 1%, 6.5% and 5.3% respectively. This suggests that there may be a link between ones ability to pay and ones assent to tax, as each of these groups are usually poorer. Whether or not the respondent's ethnic group was in power did not have a significant relationship with the dependent. This does not contradict Kasara's results, but suggests that individuals may not be aware of the fact that their group is being taxed to a greater extent than others.

As one form of robustness check, to try to isolate further individual effects, Regression 5 uses median responses at the town/village level for each variable and clusters the standard errors at this level, the lowest sampling unit in the survey. As can be seen from the results, all the coefficients on the fiscal exchange variables lose their significance except handling of healthcare, which has an even higher marginal effect on the dependent, and quality of education which becomes statistically significant. All of the comparative treatment variables remain significant though the effect is smaller. However, the ethnic treatment coefficient has become positive though the significance level is low. Trust and satisfaction with democracy retain their significance and magnitude, and corrupt remains insignificant. While a large degree of variation is lost by using medians, it suggests that the independent variables with the most robust relationship to the dependent are the government's handling of healthcare, perceived likelihood of officials and citizens facing enforcement if caught evading.

Including country fixed effects in the regression allows the intercept to vary. The country dummies do indeed indicate that the coefficients on the β s for all countries are significantly

different from the base (which in these results is Malawi). To test if there were significant differences between countries in the Xs, the main independent variables were decomposed into interaction terms with individual country dummies and included in the regressions. As many of the interaction terms were significant, it implies that the Xs do vary and hence the slopes will be different. Table 3 presents the marginal effects, rerunning the Regression 4 country by country.

Table 3: Ordered Probit Marginal Effects on dependent

Country	Handle Health	Handle Edu	Access Health	Access Edu	Quality Health	Quality Edu	National ID	Shared ID	Enforcement Of	Enforcement 2	Ethnic Treatment	R2	N
Benin	.06** (.023)	.006 (.022)	-.002 (.023)	.028 (.022)	-.01 (.014)	-.02 (.014)	-.12*** (.025)	-.04 (.024)	-.082*** (.019)	.11* (.022)	-.052*** (.022)	.0805	1198
Botswana	.036 (.021)	.012 (.021)	.023 (.022)	-.014 (.023)	.02 (.018)	-.014 (.018)	.007 (.023)	-.021 (.023)	.032** (.02)	.066*** (.02)	-.035 (.02)	.0188	1200
Cape Verde	.033 (.023)	.012 (.023)	.022 (.02)	-.016 (.021)	.017 (.018)	.000 (.018)	.062 (.042)	.052 (.037)	.10*** (.018)	.012 (.03)	.09 (.06)	.0334	1256
Ghana	.009 (.032)	-.01 (.031)	-.019 (.026)	.071** (.025)	.004 (.018)	-.004 (.018)	-.03 (.032)	.028 (.033)	.039 (.026)	.137*** (.07)	.000 (.03)	.0319	1197
Kenya	.002 (.014)	.022 (.015)	-.002 (.014)	.017 (.012)	.006 (.008)	-.004 (.008)	.024 (.017)	.019 (.017)	-.02 (.013)	.03 (.018)	.013 (.014)	.0293	1277
Lesotho	.058** (.02)	.02 (.036)	.065** (.021)	-.02 (.027)	.019 (.022)	-.023 (.023)	-.056 (.034)	-.043 (.035)	.034 (.021)	-.005 (.04)	-.134*** (.034)	.0279	1161
Madagascar	.02** (.007)	.005 (.008)	.008 (.007)	.012 (.007)	.011 (.006)	-.007 (.007)	.021* (.01)	.014 (.011)	.008 (.006)	.021* (.007)	-.021 (.019)	.0189	1350
Malawi	-.019 (.027)	.015 (.027)	.03 (.024)	-.008 (.028)	-.02 (.014)	.029 (.015)	-.022 (.031)	-.057* (.029)	-.013 (.024)	.087** (.032)	-.055* (.025)		
Mali	-.043 (.025)	.001 (.022)	.018 (.02)	-.046* (.021)	-.014 (.014)	.018 (.015)	.021 (.024)	.015 (.021)	.013 (.018)	.069** (.023)	.002 (.03)	.0275	1244
Mozambique	.023 (.02)	.043** (.019)	-.026 (.016)	.029 (.016)	.011 (.01)	-.014 (.01)	.001 (.022)	.04 (.023)	.000 (.016)	.035* (.017)	.008 (.023)	.0379	1198
Namibia	.066** (.022)	.054* (.022)	.013 (.022)	.067** (.022)	-.012 (.014)	.01 (.014)	.042 (.028)	.058 (.031)	-.04 (.02)	.01 (.024)	-.014 (.023)	.0335	1199
Nigeria	.043** (.015)	-.012 (.015)	.007 (.014)	.064*** (.015)	-.017* (.008)	.019* (.008)	-.039** (.016)	.02 (.013)	.037** (.012)	.015 (.013)	.02 (.012)	.0192	2363
Senegal	.018 (.017)	.024 (.017)	-.024 (.015)	.017 (.015)	-.008 (.009)	.011 (.009)	-.007 (.021)	.004 (.022)	.01 (.015)	.04* (.02)	-.028 (.02)	.0409	1199
South Africa	.017 (.013)	.033** (.013)	.004 (.012)	-.013 (.013)	.01 (.009)	-.016 (.009)	.021 (.014)	-.007 (.016)	.066*** (.011)	.038** (.012)	-.013 (.014)	0.0360	2400
Tanzania	.048* (.021)	.05* (.025)	.035 (.021)	-.005 (.026)	-.016 (.014)	.005 (.016)	.065** (.026)	.042 (.049)	.026 (.019)	.074** (.026)	-.046* (.023)	.0302	1304
Uganda	.058*** (.018)	.02 (.019)	.006 (.016)	-.014 (.018)	.005 (.01)	.000 (.01)	.011 (.022)	.087** * (.02)	.079*** (.015)	.034 (.027)	-.019 (.018)	.0181	2400
Zambia	.013 (.017)	.022 (.017)	.026 (.016)	.022 (.015)	-.000 (.01)	.001 (.01)	-.001 (.025)	.023 (.023)	.067*** (.017)	-.009 (.024)	-.013 (.019)	.0334	1200

Notes: Standard errors are in parentheses below the coefficients. Tests were run with Stata 10.0
*** Significant at .001 level ** Significant at .01 level * Significant at .05 level

These results provide further support for the comparative treatment and certain fiscal exchange variables and virtually none for NPC approaches. In seven of the sixteen countries, a perception that the government is handling healthcare well has a positive and statistically significant impact on assent to tax of between 2 and 6%. The equivalent variable for education reaches significance in four countries. Access to health has a clear positive relationship in one country, Lesotho, and access to education in three states. Overall, then, there is partial support, in some countries for fiscal exchange, most clearly for the government's handling of healthcare. Having a strong sense of national identity has a statistically significant relationship with the dependent in three countries, but in two of those – Benin and Nigeria – it is negative, the opposite of what the theory suggests should be the case. By contrast, in ten countries, belief in enforcement has a positive and statistically significant impact on assent to tax of between 1.1 and 13.7%. Believing that officials would be prosecuted if caught evading increases the probability of assenting in six countries by between 3.2 and 10%. Puzzlingly, the relationship is negative in Benin. Perceived unfair treatment of your ethnic group has a negative relationship on the dependent in four countries.

The results help us to identify which theory, and what aspects of that theory, matter for citizen assent in these seventeen African states. In terms of fiscal exchange, access to basic health and education services and the impression that the government is improving these services over time are important in the pooled results, but only specific aspects seem to matter in a limited number of countries in the individual regressions. Overall handling of healthcare seems to matter more than education, in the pooled results, though education is important in a number of individual countries. The quality of either service, however, does not seem to have a significant impact. The results provide little support for the importance of civic national identity in citizen assent to tax. A strong sense of national rather than ethnic identity is not significant in the pooled results, and even seems to have a negative effect on the dependent in two individual country cases. The comparative treatment variables are the most robust, especially enforcement ones. The perception that you and those like you will face enforcement is the variable with greatest marginal effect on the probability of assenting in the pooled results, and is significant in the most number of countries in the individual regressions. In sum, the findings provide qualified support for fiscal exchange, limited backing for national political community approaches and more persuasive support for comparative treatment theories, which have not previously been applied to attitudes towards taxation.

Conclusion

This paper has sought to answer the question of what determines the assent of citizens within African states to the government's right to collect tax. An alternative question to pose is: what does the state have to do to earn the right to collect tax from its citizens? If the assent to taxation is seen as a proxy for the legitimacy of the state in the eyes of its citizens, then what are its component parts?

To earn the right to collect tax, according to this paper's findings, the state must fundamentally treat its citizens fairly. Although theories of comparative treatment have not before been applied in the literature on tax attitudes, these results suggest that it is an important factor in determining citizen assent. There is also support for certain elements of the fiscal exchange thesis. The key aspect, according to the results is not necessarily efficiency of delivery – in terms of access and quality – but responsiveness; the state must be seen to be addressing needs and improving services over time. Whether health or education services are more important seems to vary by country, though on aggregate health is an important factor in a greater number of countries.

Taken together the results suggest that earning the right to collect tax requires the state to perform a number of roles and be judged in doing so by different criteria. To arbitrate between citizens the state must to an extent be above its citizens, the key criteria being impartiality and fairness, values which are different to, and would be impugned by, too great adherence to stringent standards of accountability and responsiveness. By contrast, where services are important, responsiveness is the key aspect of provision for citizens. The state, then, can be seen to have a number of functions and the requirements of each demand a different relationship to society and different attendant normative values.

This broad point is particularly important in the context of the debate cited earlier as to the causes of illegitimacy in African states and specifically whether it is distance or capture which characterizes citizen-state relations in most African countries. While not being able to resolve the debate about which is the correct characterization of relations, the results can speak to the normative preferences of African citizens. They essentially require the state to be both distant/impartial and captured/responsive, in its different roles. This insight could then redirect attention away from simple either/or dichotomizations of the relationship, to more specific ones about why structurally induced distance has not translated into better performance by the state in the role where that is actually an asset or embeddedness has not led to more responsive service delivery.

Almost as interesting as the positive findings from the results are the negative ones. They provide little support for a strong relationship between civic identity and attitudes towards taxation. Nor do they suggest that corruption among tax officials is a factor in the citizen's assent to tax. While it would be stretching the scope of the results too far to claim that corruption does not undermine legitimacy, the findings do suggest that it may not always be at the root of the credibility deficits afflicting particular state institutions. We need to work harder to establish precisely how and why corruption becomes an anti-developmental force, rather than assuming from the outset that it is.

Much of the work produced by the post Washington Consensus paradigm either ignores normative concerns altogether, focusing exclusively on technical capacity, or conflates them into terms such as 'good governance', which are sufficiently broad as to be effectively meaningless. There is a great need for a more precise and reified understanding of the component parts of governance and their attendant normative requirements. The assent to taxation, on which this paper has been focused, provides one possible way to do so, but we need further research to fully unpack the complex nexus of relationships between citizens, their state and each other.

APPENDIX A

Summary of the Main Independent Variables and Controls

Variable	Question	Value	Value
Handling of health/education	<i>'How well or badly would you say the current government is handling the following matters, or haven't you heard enough about them to say: Improving basic health services/addressing educational needs?'</i>	<i>1= 'Fairly well' or 'Very well'</i>	<i>0= 'Fairly Badly' or 'Very badly'</i>
Access to health/education	<i>'Based on your experience, how easy or difficult is it to obtain the following services? Or do you never try and get these services from government: Medical treatment at a nearby clinic/A place in primary school for a child?'</i>	<i>1= 'Easy' or 'Very easy'</i>	<i>0= 'Difficult' or 'Very difficult'</i>
Quality of health services	<i>'Have you encountered any of these problems with your local public clinic or hospital during the past 12 months: Services are too expensive / Unable to pay; Lack of medicines or other supplies; Lack of attention or respect from staff; Absent doctors; Long waiting time; Dirty facilities; Demands for illegal payments.'</i>	<i>Index 0 – 7 where 0=never/rarely encountered any of listed problems and 7=often or sometimes encountered all of the listed problems</i>	
Quality of education services	<i>'Have you encountered any of these problems with your local public schools during the past 12 months: services are too expensive/unable to pay, lack of textbooks or other supplies, poor teaching, absent teachers, overcrowded classrooms, poor conditions of facilities, demands for illegal payments.'</i>	<i>Index 0 – 7 where 0=never/rarely encountered any of listed problems and 7=often or sometimes encountered all of the listed problems</i>	
National Identity	<i>'Let us suppose that you had to choose between being a [Ghanaian/Kenyan/etc.] and being a _____ [respondent's identity group]. Which of these two groups do you feel most strongly attached to?'</i>	<i>1= 'I Feel More [Ghanaian/Kenyan/etc.] than (r's groups)' or 'I feel only [Ghanaian/Kenyan/etc.]'</i>	<i>0= 'I Feel Only (r's group)' or 'I Feel More (r's group) than [Ghanaian/Kenyan/etc.]'</i>
Equal Identity	<i>'Let us suppose that you had to choose between being a [Ghanaian/Kenyan/etc.] and being a _____ [respondent's identity group]. Which of these two groups do you feel most strongly attached to?'</i>	<i>1= 'I Feel equally [Ghanaian/Kenyan/etc.] as (r's groups)'</i>	<i>0= 'I Feel more/only National/Ethnic identity'</i>
Ethnic Treatment	<i>'How often are _____s [respondent's identity group] treated unfairly by the government?'</i>	<i>1= 'Often' or 'Always'</i>	<i>0= 'Never' and 'Sometimes'</i>
Enforcement Of Officials	<i>'How likely do you think it would be that the authorities could enforce the law if a top official did not pay tax on some of the income they earned?'</i>	<i>1= 'Likely' or 'Very likely'</i>	<i>0= 'Not at all likely' or 'Not very likely'</i>
Enforcement of All	<i>'How likely do you think it would be that the authorities could enforce the law if you did not pay tax on some of the income you earned?'</i>	<i>1= 'Likely' or 'Very likely'</i>	<i>0= 'Not at all likely' or 'Not very likely'</i>

Corruption	<i>'How many of the following people do you think are involved in corruption, or haven't you heard enough about them to say: Tax Officials (e.g. VATS/IRS officials)'</i>	<i>1= 'Most of them' or 'All of them'</i>	<i>0= 'None of them' or 'All of them'</i>
Satisfaction with democracy	<i>'Overall, how satisfied are you with the way democracy works in [Ghana/Kenya/etc.]?'</i>	<i>1= 'Fairly satisfied' or 'Very satisfied'</i>	<i>0= 'Not at all satisfied' or 'Not very satisfied'</i>
Urban/rural	<i>Whether or not it was an urban or rural sampling unit – answered by interviewer</i>	<i>1=Urban</i>	<i>0=Rural</i>
Gender	<i>Gender of respondent</i>	<i>1=Female</i>	<i>0=Male</i>
Formal	<i>State occupation in formal sector</i>	<i>1=Skilled/unskilled worker in formal sector/Armed services/Government worker/professional/Politician</i>	<i>0=all other occupations</i>
Education	<i>What is the highest level of education you have completed?</i>	<i>Dummies for No Formal Education, Primary Education, Secondary Education, Third Level education</i>	
Ethnicity in power	<i>What is your tribe?</i>	<i>1=Ethnicity of head of state according to Fearon et al 2007</i>	<i>0=All other ethnic groups</i>

References

- Acemoglu, D., Johnson S., & Robinson, J.A.. (2001). The Colonial Origins of Comparative Development: An Empirical Investigation. *The American Economic Review* 91 (5): 1369–1401.
- Allingham, M.G. & Sandmo, A. (1972). Income Tax Evasion: A Theoretical Analysis. *Journal of Public Economics*, 1:323-38.
- Bates, R. H. (1984). *Markets and States in Tropical Africa*. Berkley: University of California Press
- Bayart, J-F. (1993). *The State in Africa: Politics of the Belly*. London & New York: Longman
- Bird, R & Oldman, O. eds. (1990). *Taxation in Developing Countries*. Baltimore, MD: Johns Hopkins University Press.
- Boix, C. (2001). *Democracy, Development and the Private Sector*. American Journal of Political Science. 54(1): 1-17.
- Casanegra de Jantscher, M. (1990). Administering the VAT in ed. M. Gillis et al
- Chabal, P. & Deloz, J-P. (1999). *Africa Works: Disorder as Political Instrument*. Oxford, Bloomington & Indianapolis: James Curry & Indiana University Press
- Cheibub, J. (1998). Political Regimes and The Extractive Capacity Of Governments: Taxation in Democracies and Dictatorships. *World Politics* 50.3:349-376.
- Cummings, R.G, Martinez-Vazquez, J., McKee M. & Torgler B. (2005). Effects of Tax Moral on Tax Compliance: Experimental and Survey Evidence. *CREMA Working Paper* No. 2005.29
- Englebert, P. (2000). *State Legitimacy and Development in Africa*. Boulder, CO: Lynne Rienner.
- Evans, P.B. & Rauch, J. E., (2000). Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries. *Journal of Public Economics* 75: 49-71
- Fauvelle-Aymar, C. (1999). *The Political and Tax Capacity of Government in Developing Countries*. *Kyklos* 52.3:391-413
- Fearon, J., Kasara, K. & Laitin, D. (2007). Ethnic Minority Rule and Civil War Onset. *American Political Science Review*, 101.1: 187-193
- Fjeldstad, O.-H. (2004). What's Trust For To Do With It? Non-Payment of Service Charges in Local Authorities in South Africa. *Journal of Modern African Studies* 43.4: 539-62
- Haggard, S. (1990). *Pathways from the Periphery: The Politics of Growth in the Newly Industrialized Countries*. Ithica, N.Y.: Cornell University Press
- Hall, R. E., & Jones, C. I. (1999). Why Do Some Countries Produce so Much More Output per Worker than Others? *Quarterly Journal of Economics* 114 (1): 83–116

- Hlophe, D. & S. Friedman (2003). ...And their hearts and minds shall follow...? Tax Collection, Authority and Legitimacy in Democratic South Africa. *IDS Bulletin* 33.3:67-76
- Gillis, M., Shoup C. & Sicat, G. (1990). *VAT in Developing Countries*. Washington D.C.:World Bank
- Gillis, M. (1989). *Tax Reform in Developing Countries*. London, Durham: Duke University Press
- Gloppen, S & Rakner, L. (2003) *Accountability through tax reform? Reflections from Sub-Saharan Africa*. *IDS Bulletin* 33.3:30-40
- Kaufmann, D., Kraay, A. & Mastruzzi, M. (2004). Governance Matters III: Governance Indicators for 1996–2002. World Bank Policy Research Working Paper 3106.
- Kasara, K. (2007). Tax Me If You Can: Ethnic Geography, Democracy, and the Taxation of Agriculture in Africa. *American Political Science Review* 101.1:159- 172
- Kjaer, A.M. (2009) Sources of Local Government Extractive Capacity: The role of trust and pre-colonial legacy in the case of Uganda. *Public Administration and Development*, 29, 228-238
- Lederman, Loayza D. N. & Reis Soares R. (2001) Accountability and Corruption: Political Insitutions Matter. World Bank Policy Research Working Paper 2708
- Levi, M. (1988). *Of Rule and Revenue*. Berkley: University of California Press
- Lieberman, E.S. (2003). *Race and Regionalism in the Politics of Taxation in Brazil and South Africa*. Cambridge: Cambridge University Press.
- Mauro, P. (1996). 'Corruption and Growth'. *Quarterly Journal of Economics* 110.3:681-712
- McKelvey, R. & Zavoina, W. (1975). A statistical model for the analysis of ordinal level dependent variables. *Journal of Mathematical Sociology* 4:103-1 20.
- Moore, M. (2004) Revenue, State Formation and the Quality of Governance in Developing Countries. *International Political Science Review* 25.3,:297–319
- Persson, A. (2008) The Institutional Sources of Statehood: Assimilation, Multiculturalism and Taxation in Sub-Saharan Africa. *Göteborg Studies in Politics* 111

- Rodrik, D., Subramanian, A. & Trebbi, F. (2004). Institutions Rule: The Primacy of Institutions over Geography and Integration in Economic Development. *Journal of Economic Growth* 9:131–165.
- Ross, M. L. (2004). Does Taxation Lead to Representation? *British Journal of Political Science*, 34:229-249
- Rothstein, B. and J. Teorell. (2008). What is Quality of Government? A Theory of Impartial Government Institutions. *Governance* 21.2:165-90.
- Rothstein B. (2003) ‘Social Capital, Economic Growth and Quality of Government The Causal Mechanism’ *New Political Economy* 8 .1: 49-73
- Sandmo, A (2005) The Theory of Tax Evasion: A Rhetrospective View. *National Tax Journal* 58.4:643-63
- Scholz, J.T. & Lubell, M. (1998). Adaptive Political Attitudes: Duty, Trust & Fear as Monitors of Tax Policy. *American Journal of Political Science*, 42.3:903-920.
- Schumpeter, J.A. (1990). The Crisis of the Tax State in R. Swedberg ed. *The Economics and Sociology of Capitalism* Princeton NJ; Princeton University Press
- Stewart, F. Brown G. & Cobham, A. (2009). The Implications of Horizontal and Vertical Inequalities for Tax and Expenditure Policies. *CRISE Working Paper* 65
- Stotsky, J.G. & Wolde-Mariam, A. (1997). Tax Effort in Sub-Saharan Africa. *IMF Working Paper* 107
- Tanzi, V. & H. Zee (2000). Tax Policy for Emerging Markets: Developing Countries *National Tax Journal* 53.2:299-322
- Thies, C. (2004). State Building, Interstate and Intrastate Rivalry: A Study of Post-Colonial Developing Country Extractive Efforts, 1975–2000. *International Studies Quarterly* 48:53–72.
- Thirsk, W. ed (1997). *Tax Reform in Developing Countries*. Washington D.C.:World Bank
- Timmons, J.F. (2005). The Fiscal Contract: States, Taxes and Public Services. *World Politics* 57:530-67
- Van de Walle, N. (2003). *African Economies and the Politics of Permanent Crisis 1979- 1999*. Cambridge: Cambridge University Press

AFROBAROMETER WORKING PAPERS

- No.125 LeBas, Adrienne. "Ethnicity and the Willingness to Sanction Violent Politicians: Evidence from Kenya" 2010.
- No.124 Mattes, Robert, Francis Kibirige and Robert Sentamu. " Understanding Citizens Attitudes to Democracy in Uganda " 2010.
- No.123 Logan, Carolyn and Robert Mattes "Democratizing the Measurement of Democratic Quality: Public Attitude Data and the Evaluation " 2010.
- No.122 Bratton, Michael. "Anchoring the "D-Word" in Africa". 2010
- No.121 Isaksson, Ann-Sofie. "Political participation in Africa: Participatory inequalities and the role of resources". 2010
- No.120 Harding, Robin. "Urban-Rural Differences in Support for Incumbents Across Africa ". 2010.
- No. 119 Bratton, Michael. "Citizen Perceptions of Local Government Responsiveness in Sub-Saharan Africa". 2010.
- No. 118 Keefer, Philip. "The Ethnicity Distraction? Political Credibility and Partisan Preferences in Africa." 2010
- No.117 Gadzala, Aleksandra and Marek Hanusch "African Perspectives on China-Africa: Gauging Popular Perceptions and their Economic and Political Determinants." 2010.
- No.116 Chang, Eric and Nicholas Kerr. "Do Voters Have Different Attitudes toward Corruption? The Sources and Implications of Popular Perceptions and Tolerance of Political Corruption." 2009.
- No.115 Young, Daniel. "Support You Can Count On? Ethnicity, Partisanship, and Retrospective Voting in Africa." 2009.
- No. 114 Kramon, Eric. "Vote-Buying and Political Behavior: Estimating and Explaining Vote-Buying's Effect on Turnout in Kenya." 2009.
- No. 113 McCauley, John F., E. Gyimah-Boadi. "Religious Faith and Democracy: Evidence from the Afrobarometer Surveys" 2009.
- No. 112 Robinson, Amanda Lea. "National versus Ethnic Identity in Africa: State, Group, and Individual Level Correlates of National Identification" 2009.
- No.111 Kirwin, Mathew and Wonbin Cho. "Weak States and Political Violence in sub-Saharan Africa." 2009.
- No.110 Cho, Wonbin and Carolyn Logan. "Looking Toward the Future: Alternations in Power and Popular Perspectives on Democratic Durability in Africa." 2009.
- No.109 Mattes, Robert and Dangalira Mughogho . "The Limited Impacts of Formal Education on Democratic Citizenship in Africa." 2009.
- No.108 Logan, Carolyn and Eric Little. "The Quality of Democracy and Governance in Africa: New Results from Afrobarometer Round 4." 2009.
- No.107 Dunning, Thad and Lauren Harrison. "Cross-Cutting Cleavages and Ethnic Voting: An Experimental Study of Cousinage in Mali." 2009.
- No.106 Young, Daniel J. "Clientelism at Work in African Elections? A Study of Voting Behavior in Kenya and Zambia." 2009.
- No.105 Bratton, Michael and Peter Lolojih. "Rationality, Cosmopolitanism, and Adjustment Fatigue: Public Attitudes to Economic Reform in Zambia." 2009.
- No.104 Bratton, Michael. "Do Free Elections Foster Capable Governments? The Democracy-Governance Connection in Africa." 2008.
- No.103 Kimenyi, Mwangi S. and Roxana Gutierrez Romero. "Tribalism as a Minimax-Regret Strategy: Evidence from Voting in the 2007 Kenyan Elections." 2008.

