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News release

Ghanaians willing to pay taxes but find it difficult to know how tax revenues are used, Afrobarometer study shows

Ghanaians endorse taxation and are even willing to pay higher taxes to support the country's development, a new Afrobarometer study shows.

However, a majority of citizens say it is difficult to find out what taxes and fees they are supposed to pay and how the government uses tax revenues.

The analysis finds that citizens are more supportive of taxation if they believe the government is doing a good job of delivering basic services. But many citizens also express mistrust of tax authorities and see widespread corruption among tax officials.

In its 2021 budget statement, the government introduced new taxes, including a 1% COVID-19 levy added to the VAT and a 1% addition to the National Health Insurance Levy (NHIL).

Key findings

- Eight out of 10 citizens (79%) say that tax authorities always have the right to collect taxes. Fewer than two out of 10 (15%) disagree (Figure 1).
- A large majority (72%) are willing to pay more in taxes to help finance the country's development from domestic resources rather than through external loans (Figure 2).
- Citizens who think the government is doing a good job of improving basic health services, addressing educational needs, providing water and sanitation services, maintaining roads and bridges, and providing a reliable supply of electricity are 6-8 percentage points more likely to endorse its right to collect taxes (Figure 3).
- But large majorities say it's difficult to find out what taxes they're supposed to pay (61%) and how the government uses tax revenues (70%) (Figure 4).
- Only four in 10 citizens (39%) say they trust the tax authorities "somewhat" or "a lot." More than eight in 10 (84%) think at least "some" tax officials are corrupt, including one-third (34%) who think that "most" or "all" are involved in graft.

Afrobarometer surveys

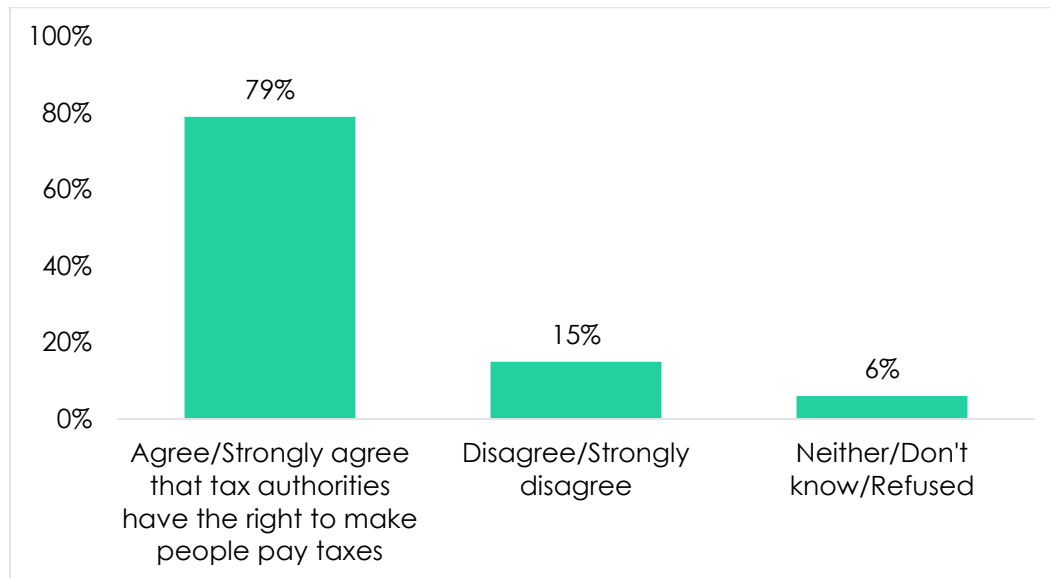
Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on Africans' experiences and evaluations democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018. Round 8 surveys in 2019/2021 are currently underway. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

The Afrobarometer team in Ghana, led by the Ghana Center for Democratic Development (CDD-Ghana), interviewed 2,400 adult Ghanaians between 16 September and 3 October 2019. A sample of this size yields country-level results with a margin of error of +/-2

percentage points at a 95% confidence level. Previous surveys were conducted in Ghana in 1999, 2002, 2005, 2008, 2012, 2014, and 2017.

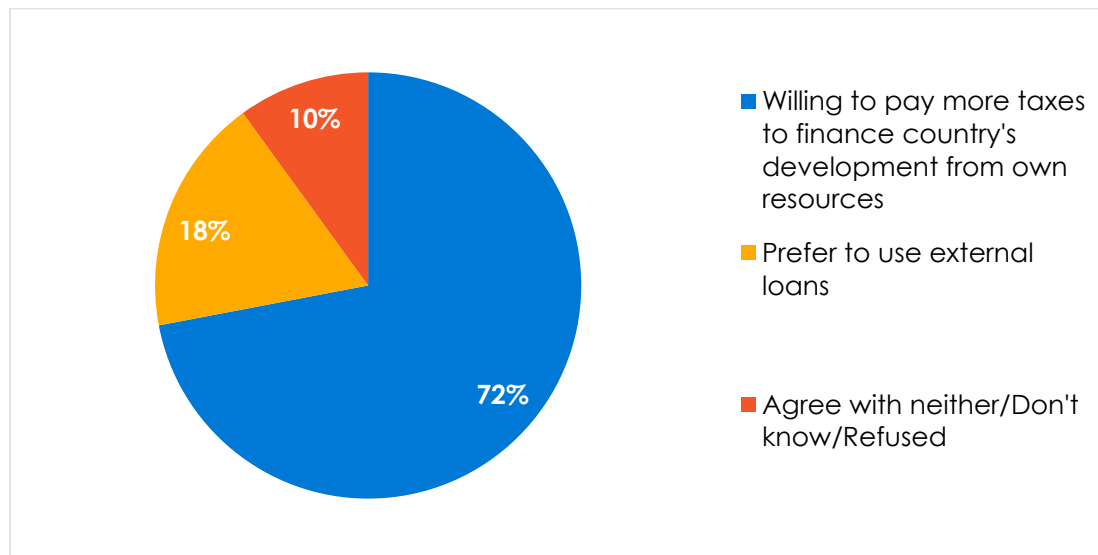
Charts

Figure 1: Views on legitimacy of taxation | Ghana | 2019



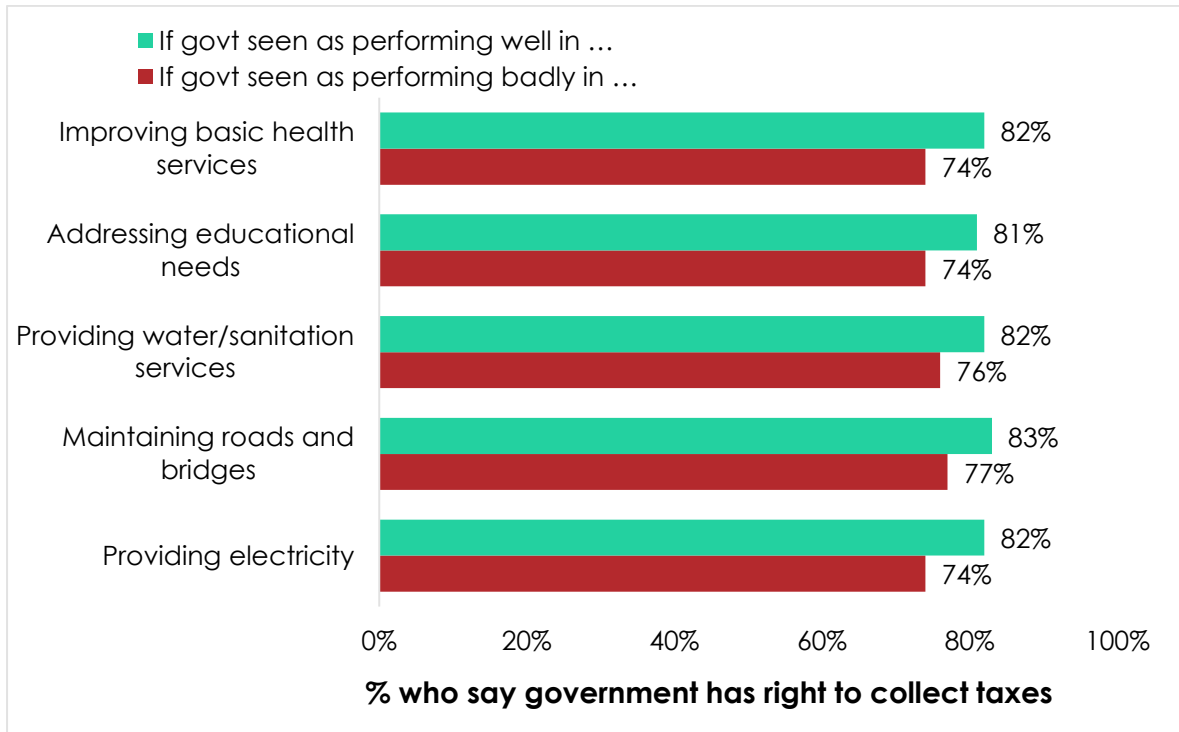
Respondents were asked: For each of the following statements, please tell me whether you disagree or agree: The tax authorities always have the right to make people pay taxes?

Figure 2: Willingness to pay more taxes to finance development | Ghana | 2019



Respondents were asked: Which of the following statements is closest to your view?
 Statement 1: It is important that as an independent nation, we finance development from our own resources, even if it means paying more taxes.
 Statement 2: We should use external loans for the development of the country, even if it increases our indebtedness to foreign countries and institutions.
 (% who "agree" or "agree very strongly" with each statement)

Figure 3: Government has right to collect taxes, by assessment of government provision of basic services | Ghana | 2019

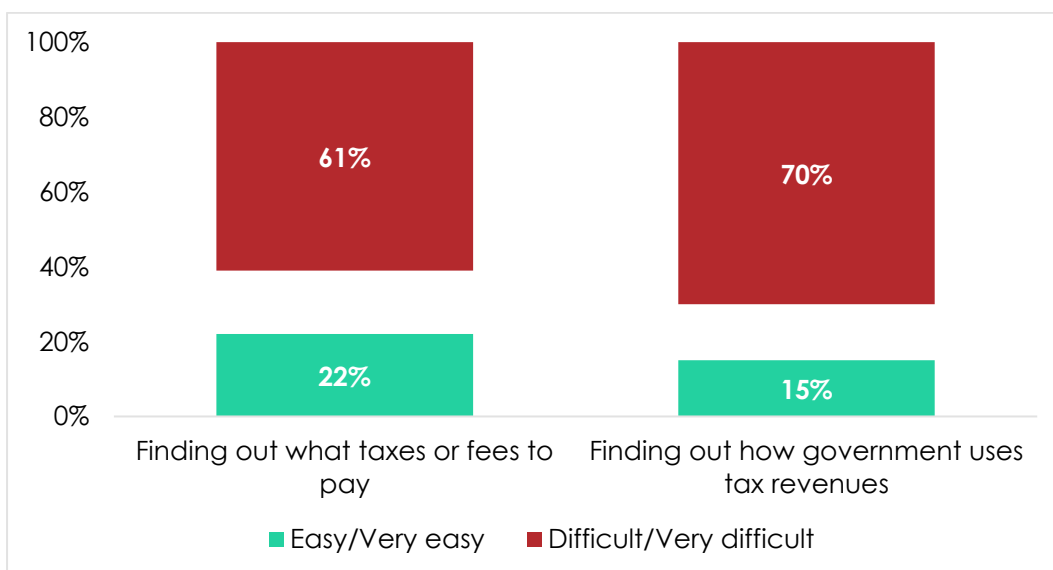


Respondents were asked:

How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say? (% who say "fairly well" or "very well" vs. % who say "fairly badly" or "very badly")

For each of the following statements, please tell me whether you disagree or agree: The tax authorities always have the right to make people pay taxes? (% who "agree" or "strongly agree")

Figure 4: Access to information on taxes | Ghana | 2019



Respondents were asked: Based on your experience, how easy or difficult is it to do each of the following: To find out what taxes and fees you are supposed to pay to the government? To find out how government uses the revenues from people's taxes and fees?

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