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Comparing local revenues collection in two Benin municipalities

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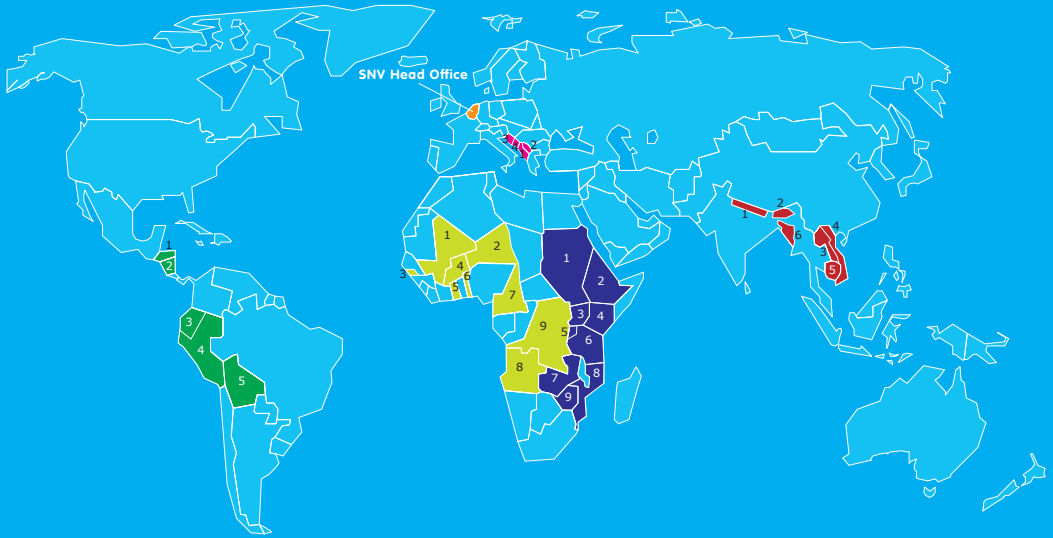
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Abstract

The 2003 decentralisation process in Benin places the newly elected councillors in the position of designing and implementing local development plans. In the absence of sufficient resources from central government, the councillors are pushed to mobilise as much local resources as possible to finance municipal development. Revenues from market dues are important because they represent between 15 and 30% of the municipalities' resources.

The research is about the municipalities of Dogbo and Aplahoué in the South-West of Benin. How is it possible that Dogbo could only improve its market income from 9 million Fcfa¹ in 2002 to 14 million in 2004 while Aplahoué increased its from 15 to 77 million Fcfa in the same period? Apparently, local authorities can and do make different choices when it comes to taxing and these choices matter. Otherwise, how can one understand that in two comparable markets the amounts collected are so different?

An analysis based on survey data of a sample of taxpayers and tax collectors, complemented by a study of qualitative data collected on the two local authorities, revealed two major conclusions:

- the determination of the leadership in identifying revenues sources, control and rigor in collecting taxes, concern for equity, a good organisation in tax collection, added to a good level of motivation among tax collectors helps guarantee an effective tax mobilisation;
- sociological and ethnic considerations make certain groups claim tax exemption. When the authorities have no clear answer, this reduces the effectiveness of tax collection and thus the amount collected.

1 10 million Fcfa = 15.245 Euro (2005)

1 Introduction

As a consequence of the ongoing international and national debate on development these last few years, decentralisation became a reality in Benin, where the first municipal elections took place in December 2002. The newly decentralised bodies are supposed to play a leading role in promoting local development.

However, it is obvious that taking such responsibilities presupposes that the municipalities have at their disposal the means they need to carry out the tasks that are devolved to them. A number of authors have underlined the fact that in Africa, local government bodies lack resources to discharge the transferred responsibilities. (Finken, 2002) and (Bird & Vaillancourt, 1997).

In these conditions, the municipalities have no other choice than mobilise their own resources as much as they can the local taxes such as market dues, taxes on sand and gravel pit exploitation, etc. that the finance law allow them to collect (MISD, 2002 and 2005). Among all these sources, market taxes constitute for number of municipalities an important revenue. Indeed, these taxes represent between 15 and 30% of the resources of some municipalities. This is one of the reasons why the present paper is focusing on them.

The present research, which considers two South Benin municipalities, wants to find evidence for the factors favouring or hindering the market taxes collection.

2 Approach

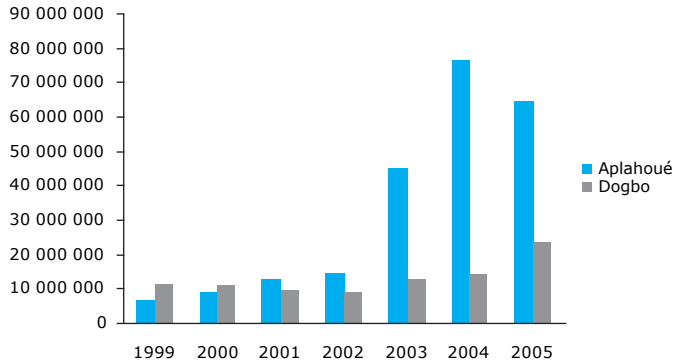
2.1 Research question

Considering basically that the markets of Azové (main market of the municipality of Aplahoué) and Dogbo (main market of the municipality of Dogbo), which are of similar sizes, located both in Aja plateau, crossed by the same main road and both with a border with Togo, the present research seeks to understand what factors best explain

the striking difference in market tax collection between the two markets, especially from 2003 (see chart² below).

Taxes collected on Dogbo and Aplahoué markets

Amounts per year



What in the tax collection system in place in the two markets determines the amount collected for each market? In other words, what are the determinants of the market tax collection systems?

2.2 Hypotheses

Learning from Klitgaard (1988, pp15-55), one could suppose that a tax collection system rests on three major elements: the organisation of the tax collection, tax collectors and taxpayers.

On this basis, we would formulate the following hypotheses:

- the amount of tax collected is higher when the tax collection system integrates a better motivation of tax collectors and more levels of control.

2 The real data of Aplahoué have been corrected by the coefficient .658 corresponding to the ratio of the populations of the two municipalities. This is to take into account the difference in population between the two municipalities.

- a higher level of commitment and determination from the local government results in higher amounts of tax collected. In other words, a higher level of commitment and firmness in tax collection on the part of the local government influences positively the taxpayers' willingness to pay, which in return raises the amount of tax collected.
- The mix of origins among potential taxpayers in markets influences the amount of tax collected.

2.3 Methodology

The methodology used to tackle the research question combines quantitative and qualitative approaches. In a first step, a quantitative survey was conducted on a sample of tax collectors and taxpayers. The data were collected during a four-day (two market days per market) survey by a team of four research assistants and two supervisors. The trends in the data collected were cross checked and the information completed during a group discussion organised in each of the municipalities with the market managers and the tax collectors.

The sampling used for the quantitative phase of the research is as follows:

Table 1: Sampling for the quantitative study

	Taxpayers	Tax collectors
Dogbo	148	30
Azové	156	34
Total	304	64

In the group of tax collectors, all of those who were on duty during the survey period were interviewed. For the group of taxpayers, as there is no survey base available, we took a study conducted on the Dogbo market in 2001 (Bureau d'Etudes Afrique Consult, 2001:25) which estimates the number of taxpayers at about 1800 persons and then projected then a sampling rate between 15% and 20%. The actual respondents were estimated to 97% after the survey. The number of valid questionnaires was automatically managed by the data processing software used, which is SPSS.

2.4 Literature review

The general concern of this study is to find answers to the question of local resources mobilisation. This question constitutes one of the research fields that has recently mobilised attention all over the world, particularly in developing countries.

Thus, Finken (2002), Livingstone (2001) and Bird & Vaillancourt (1997) underlined that one of the major challenges in developing countries that engaged in the decentralisation process is to make available resources needed by decentralised bodies to satisfy the needs and the expectations of the populations. Klitgaard (1988) goes to the heart of tax collection systems to raise the awkward question of corruption and suggests taking it into account while studying tax collection performance. Later, Chand, Moene & Mookherjee (2003) and Fjelstad (2003) entered into a kind of controversy about the moral aspects of corruption in tax collection systems. Svensson (2005) and Blundo & Olivier de Sardan (2003) give a pretty good understanding of the concept of corruption through a set of questions one should answer to understand the phenomenon. Examples are given of corruption in day to day activities, including tax collection, in three West African countries (Benin, Niger and Senegal.) Ghallagher (2005), for his part, introduced a set of criteria aimed at comparing the performance of tax collection systems from one country to another.

All these aspects of the local revenues question studied by each of these authors ultimately focuses on one aim: the provision of effective basic services to the populations. This is also the objective of the present study.

3 Framework of the study: The markets of Azové and Dogbo

The municipalities of Dogbo and Aplahoué, where the research was conducted, are located in the South of the province of Couffo on the Aja Plateau (LARES, 2003). Their physical and human characteristics are shown in table 2.

Table 2: physical and human characteristics of the framework of the study

	Total Population (inhabitants)	Urban Population (inhabitants)	Number of districts	Main market
Municipality of Dogbo	76.947	31.107	7	Dogbo Centre
Municipality of Aplahoué	116.988	21.433	7	Azové

Source: INSAE, RGPH3

The state of affairs of the basic services coverage in each of the two communes is best described through the poverty indicators presented in table 3.

Table 3: Poverty indicators in the municipalities of Dogbo and Aplahoué

	Populations who lack access to drinking water (%)	Illiteracy rate of 6 and plus years (%)	Mortality rate of less than 5 years (for 1000 births)	Human Poverty Index (IPH)	Incidence of poverty PO (en %)
Dogbo	16,9	60,0	211,0	42,5	43,7
Aplahoué	49,2	74,0	147,7	56,0	56,2

Source : INSAE, RGPH3

The local economy of the two municipalities depends heavily on agriculture, which is still rudimentary, as it is in the whole country.

The sources of revenues for these municipalities are essentially market taxes, taxes raised on gravel and sand pit exploitation, etc. On a total revenue of CFA francs 130,236,254 in 2005, the revenues coming from Dogbo market represents 18% whereas in Aplahoué taxes from the Azové market where evaluated to CFA francs 64,658,232 representing almost 38% of the total revenues.

The different types of taxes raised in the two markets are claimed through market due tickets. They are summarised in table 4.

Table 4: Different types of taxes claimed on the markets

Name of the tax	Content	Amount	Observation
Entry due	Claimed from all those who would like to enter and settle in the market to sell their goods	Depends on the value of the merchandise transported. Varies between CFA francs 50 and 100	Tax in place before decentralisation
Place due	Claimed as a rent for the place occupied in order to conduct commercial activities.	According to the value of the goods sold, between CFA francs 25 and 100	Tax in place before decentralisation
Merchandises exit due	Proportional tax claimed from the wholesale dealers.	According to the value of the goods bought: CFA francs 200 per 50Kg tomatoes basket or CFA francs 300 per 100 Kg grains bag	Appeared with decentralisation

Source: Interview with the market managers of the two markets.

These taxes are mutually exclusive: no vendor could be charged both the entry dues and the place dues. The taxpayer who is charged with the merchandises exit dues is supposed to have come to buy goods only, on a wholesale basis.

Furthermore, each market is organised in sections according to the goods sold. Thus one can notice, even when it is not always very clear, the section of animals, clothes, grains, etc.

4 The organisation of tax collection in the two markets

4.1 The introduction of the merchandise exit due on agricultural products

With decentralisation came the question of how to increase local taxes. In that respect, Aplahoué seemed to be one of the first municipalities to have understood that it could take advantage of its position as one of the best agricultural producers in the province of Couffo. Aplahoué was, thus one of the first municipalities in Benin that introduced the merchandise exit dues, which are today one of the most important components of market taxes. The idea behind this tax, as explained the Mayor of Aplahoué, is that those who make profit from the products of the municipality should contribute

somehow to its development. The merchandises exit dues were introduced in Aplahoué for the first time in 2003, on the initiative of the Mayor, during the first budget session of the Municipal Council.

Although Dogbo followed this example in the same year, the incidence of tax collection was not as remarkable as in the case of Aplahoué. Indeed, the monitoring and the strictness of the placement of the merchandises exit due tickets in Aplahoué resulted in the implementation of strategies aiming at countering the attempts of taxpayers not to pay. Thus as taxpayers try in many ways to avoid paying, tax collectors also started placing tickets, not only on market days, but also on ordinary days so as to get a chance to catch those who thought they could escape. The same goes with the placement of tickets by night, etc. In the case of Dogbo, the taxation took place until recently only on market days.

Introducing the merchandise exit due did not have a negative effect on the number of people coming to the markets. Thus, while the revenues from the markets were multiplied by three in Aplahoué, Dogbo's market revenues grew only by 9%.

The good results obtained in tax collection in Aplahoué helped the municipality to buy a brand new 4WD vehicle, but also improve public lighting in the centre city of Azové, Aplahoué and some other districts and to build district offices in all the seven districts of the municipality.

These good results reinforced the legitimacy of the Mayor of Aplahoué, where a large part of the population saw he could meet their expectations. These results also inspired some of the neighbourhood municipalities like Klouékanmè, another big agricultural producer, to adopt this tax.

4.2 The hierarchy of tax collection systems

The research revealed that there were internal hierarchies within the two tax collection systems, even if a general pyramidal structure seems to be in place in all markets. In the case of Azové, investigations showed the following in the organisation of the tax collection system.

- the market manager at the top of the pyramid is the chief of the department of economic affairs;

- the tax collectors' leader who decides upon the deployment of tax collectors on the market on market days has control over all the other members of the tax collection team;
- ten tax collectors' supervisors, responsible for a sector of the market have control and support to the tax collectors in the case of problems with taxpayers. They are contracted by the municipality;
- fifteen to twenty tax collectors who are in charge of claiming taxes from the taxpayers. They constitute the most important part of the tax collection team and are hired on a daily basis. But they are also hired during ordinary days to help counter taxpayers attempts to escape from entry dues and merchandise exit dues by dealing and transporting at night.

This new organisation of the tax collection system was introduced in 2003 by the new local government.

In the case of Dogbo, the following appears:

- the market manager at the top of the pyramid is the chief of the department of local development;
- four tax collectors' supervisors are responsible for a number of sectors of the market in terms of control and support. They are contracted by the municipality;
- there are thirty-five tax collectors who are in charge of tickets placement on taxpayers and are employed only on market days, on a daily basis.

These hierarchies show a certain density in the control and supervision levels in the case of Aplahoué, in comparison to Dogbo. Furthermore, there is one level of control in the case of Azové market that doesn't exist in Dogbo's market. This could explain that control and supervision are stricter in Azové than in Dogbo. Underneath these organisational aspects, lies another element touching on the tax collectors. This aspect will be discussed below.

4.3 Ticket placement and control

In the two markets, the placement of the tickets is done in the same way, meaning at the edge of the markets very early in the morning (around 7.00 a.m). At this time of the day, only entry dues can be collected. At midday, place dues are collected on taxpayers who escape or haven't paid entry dues. At the end of the day (around 5.00 p.m) the last control is done to spot those who may still have escaped the payment of their taxes. The merchandise exit dues are collected all day long on the taxi parking situated at the edge of the market, as vehicles filled with good coming from the market and bought by wholesale dealers leave.

Here, it is important to point out again the role played by the Mayor of Aplahoué in the control of tax collection. Indeed, he is implicated personally in the control by showing up from time to time at the market to encourage tax collectors and explain to taxpayers how important it is for them to pay taxes, but also to repress those who resist paying their taxes. In these conditions, one could attribute the performance of the system in place in Azové to the actions of the Mayor, as the amount of taxes decreased in 2005 while he didn't show up because of protest he encountered in 2004. Indeed, in 2004, some taxpayers organised protests against what they called heavy fiscal pressure. Paradoxically, in the case of Dogbo, the taxpayers complained that the mayor gives the impression that he is not interested in the vendors concerns, as he never shows up in the market.

In total, on the organisational side of the tax collection system, the features that could explain the differences in the amount collected in Aplahoué and in Azové are the strictness and the monitoring of tax collection, especially the merchandise exit dues from 2003. These include a system that integrates more levels of control and a key role played by the Mayor of Aplahoué.

5 The tax collectors in the tax collection system

5.1 Corruption practices by tax collectors

Corruption practices identified on the basis of the questionnaire used are either initiated by the tax collectors themselves or by the taxpayers. The practices identified are as follows:

- the payment of nonofficial payment in goods or in currencies (in compensation for the non-payment of the tax) to a tax collector or to one of his supervisors or the paying of money without the delivery of tickets;
- collecting an amount of tax higher than the value of the delivered ticket;
- moderated taxation to certain taxpayers.

In the majority of the cases, the taxpayers recognized that they were the initiators (71% in the case of Azové and 67% in that of Dogbo) of such a practice with the aim first of minimizing the official costs (50% for Azové and 58% for Dogbo). Although the majority of the tax collectors denied the existence of such practices, the indiscretions of some taxpayers confirm them. "... Of course, they steal, if not how can they pay savings of CFA francs 5,000 every four days near us, with what they earn? ..." a taxpayer of Azové declared. In addition, a tax collector, among the oldest confirmed: "with our wages, it is inevitable we steal if we want to survive. What we deplore however is that some of us are worried more about stealing than working."

5.2 Remunerations and motivation of tax collectors

To better understand the behaviour of the tax collectors in their job and the influence this may have on the amount collected, we looked at the remunerations and the motivation of these agents. What we discovered is that, indeed the salaries are very low on all markets but they are even lower in Dogbo.

Table 5: Wages and salaries of tax collectors (in CFA francs)

	Monthly salaries		Christmas premiums	
	Minimum	Maximum	Minimum	Maximum
Azové	17,000	31,000	3,000	30,000
Dogbo	3,500	8,500	2,000	2,500

Source: Data collected with market manager and tax collectors

The wages of the tax collectors in Azové went from 10% of the amounts collected in 2003 to 15% in 2005 while in Dogbo, they remained at 10%. A comparison with the Interprofessional Minimum Guaranteed Wage (SMIG) of Benin, which is about CFA francs 27,000 shows that the wages in Dogbo do not represent more than 34% of this minimum salary. Even when we calculate the fact that in Dogbo the tax collectors have three days and the other days can be occupied with other jobs, the wage remains way under the Benin Minimum Wage. In addition to these wages premiums are added at the end of the year of which the differences from one commune to another remains marked and are more substantial in Azové than in Dogbo, as shown in table 5.

These rather large differences in remuneration induce the tax collectors of Dogbo to fraud and to be more corrupted in their work than their colleagues in Azové, where the incentives to performance appear to be better.

The other element of motivation which seems very important from one market to another is the degree of support the local authority gives to the tax collectors. The group discussions revealed that in Azové, the collecting agents seem to profit from a firmer support from the local authority. Indeed, when they seize the goods of those who have not paid taxes, no outside intervention can prevent the application of the sanction, which is generally the payment of double the normal tax, in addition to transport charges to the office of the tax collectors. In the case of Dogbo, it seems that litigations with the taxpayers almost always result in an 'arrangement' with the local authority, which makes the tax collectors "lose face" in front of taxpayers. Under these conditions, the tax collectors of Dogbo wonder why they should show zeal in the application of the law.

The motivation of the collecting agents through better incentives in terms of remuneration and firmer local authority support for sanctions seems stronger in Azové than in Dogbo and could also explain to a certain extent the differences in the amounts of collected taxes from one market to the other. This confirms what we showed above in the session about the organisation of the tax collection system.

5.3 The deployment of tax collectors in the markets

We were interested in this aspect as one of which can be determinant in the effectiveness of the work of the collecting agents on the field. But the report is that none of the identified elements really influence the performance in the tax collection. These elements were:

- seniority of the tax collector,
- the quality of the relationship with the supervisor,
- the political and religious relations of the agent,
- religion and family ties,
- gifts or nonofficial payment to supervisors.

The criterion that matters seems to be technical skill according to declarations of the tax collectors of Azové (nearly 60% regard this criterion as important or very important). In the case of Dogbo, the situation is not so clear. Indeed, the distribution of the agents within the market is made rotatively, with the possibility of remaining in a particular sector in the event of exceptional performance. In the case of Azové, it is the tax collectors leader who decides on the deployment of the agents in the market. But what is noticeable is that the agents develop preferences for given sectors, with the result that any change in deployment meets with strong resistance from the agents in Azové.

6 The taxpayers in the tax collection system

6.1 The taxpayers profile

Investigations show that the space occupancy status of taxpayers is similar from a market to the other. But there are slight differences in terms of ethnicity or origin. However, one should notice that in large measure, those vendors and taxpayers are locals, residing in or on the edge of the central district.

Table 6: Space occupancy status of the market place by taxpayers

	Azové		Dogbo	
	Frequency	Percentage (%)	Frequency	Percentage (%)
migratory	8	5,4	7	4,8
Semi-sedentary	5	3,4	6	4,1
Sedentary	136	91,3	132	91
Non declared	7		3	
Total	156	100	148	100

In both markets the dominant ethnic community is Aja (78% for Azové and 83% for Dogbo). However, the data in table 6 show that Ajas are more dominant in Azové than in Dogbo and thus, that Azové enjoys a bigger ethnic diversity than Dogbo. Vendors are mostly sedentary (91%) for both of the markets).

Table 7: Ethnic origins of the taxpayers

	Azové		Dogbo	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Aja	117	78,5	123	83,1
Dendi	5	3,4	2	1,4
Yoruba	4	2,7	8	5,4
Fon	16	10,7	11	7,4
Haoussa	5	3,4	4	2,7
Ibo	2	1,3	0	0
Non declared	6		0	
Total	156	100	148	100

Most of the taxpayers (nearly 80% in Azové and 75% in Dogbo) have frequented the market for more than 6 years. Goods sold on the markets are of different types and range from animals to foods and manufactured products. Their returns vary between a minimum of CFA francs 500 for very small vendors to CFA francs 150,000 for wholesalers. Vendors are to a noticeable extent natives of the district where the market is located. In the case of Dogbo, they represent 40% of the respondents whereas in Azové, they are 30%.

One could think that the fact that the proportion of Ajas, the dominant ethnic community is not very different from one market to another would result in similar attitude towards tax payment. But this is not the case. It appears that in the case of Dogbo vendors coming from the Tota district (where Dogbo Central Market is located) refuse systematically to pay their taxes. The reason they put forth to justify such an attitude is that they are on the land of their grandparents and that they don't see why they should pay. This rare phenomenon is not observed in Azové, where everybody seems to agree to pay.

Table 8: Geographical origin of taxpayers

	Azové		Dogbo	
	Frequency	Percentage (%)	Frequency	Percentage (%)
Centre	44	29,9	62	42,1
Edge of the municipality	16	10,9	12	8,1
Other municipalities of Couffo province	50	34,0	44	29,9
Other municipalities of Benin	20	13,6	19	12,9
Outside of Benin	17	11,6	10	6,8
Non declared	8		1	
Total	156	100	148	100,00

In fact, what is noticed is that the population of Dogbo Tota is relatively homogeneous, culturally and ethnically speaking. Ethnicity seems to interfere here in the tax collection as people from Tota consider themselves different from the other Aja, which they call the "Houé" – meaning the "foreigners". Thus in Tota, everybody knows everybody or has some parental relationship with the tax collectors

who all come from the centre³ (Tota). During the past, they probably got used to tax collectors who were used to people not paying their taxes. Disputes would be solved in front of the family council, to the disadvantage of the tax collectors. Over time, non-payment seemed to become the rule: people from Dogbo Tota don't pay taxes. Azové, on the other hand, has a more "cosmopolitan" population and thus suffers probably much less from this situation. The Ajas found in Azové come in fact from all over the Couffo province. But many other ethnic groups are also found there.

It appears obvious that the resistance to pay the taxes by more than four out of ten in Dogbo could explain the differences with Azové as regards the effectiveness of the tax collection, as it is known that there is no such attitude in Azové.

6.2 The willingness of taxpayers to pay

In Dogbo market (91%) as well as in that of Azové (96%) an important proportion of taxpayers stated that they paid their taxes regularly, while in each of the two markets, more than one taxpayer out of five stated that had already avoided paying the taxes. This is in obvious contradiction with the elements of the preceding paragraph, at least with regard to the case of Dogbo. This disconcerting fact did not find an explanation in the quantitative information which we collected. However, a possible explanation would reside in the qualitative information we collected – namely, in the fact that tax collection is obviously not applied rigorously in Dogbo.

In Dogbo, although the taxpayers are ready to pay, tax collection is not done with equal authority. When the constraint is exerted, the taxpayers pay; but as soon as they feel a relaxation on the side of the authorities in charge of tax collection they are opposed to the payment. Moreover, with decentralisation, these taxpayers have acquired power as voters, and thus the local councillors currently in place in Dogbo would perhaps fear pressurising them because of possible "reprisals" at the next elections.

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- 3 Salaries are so low that the experience consisting in associating all the other districts of the municipality into the tax collection activities turned short Associating collectors from other districts of the municipality is not possible as the wages and premiums paid to the collectors are hardly sufficient to cover the transportation to the Dogbo market.

But this is of course a trap for the elected officials: these same taxpayers will ask them, at the end of their mandate, what they did by way of improving access to basic services, while forgetting that meanwhile, they refused to pay their taxes.

Poor business is the first reason evoked by the majority of the people interviewed to justify the fact that they do not pay their market taxes. Nevertheless, the majority of taxpayers in the two markets stated that they were willing to pay the taxes at the market (70% for Azové and 64% for Dogbo), which they judged in their great majority rather fair. Nearly 93% in the two markets declared themselves satisfied with a system of taxation on market days and of the collection of taxes by the tax collectors (appointed by the Mayor). However, in the two markets, more than half of the people interviewed stated not to know what taxes collected are used for. That would mean that, in point of fact, the taxpayers accept the principle of tax payment but consider that nobody informs them of the use to which the collected taxes have been used. Where enforcement is lax, they easily tend not to pay taxes, as it is the case with Dogbo.

Table 9: What taxpayers think taxes are used for

	Azové		Dogbo	
	Frequency	Percentage (%)	Frequency	Percentage (%)
To build/arrange the market	28	19	39	26,5
To arrange/develop the municipality	12	8,2	5	3,4
To cover the administrative expenditures of the municipality	8	5,4	4	2,7
To furnish the public purse	9	6,1	6	4,1
To cover the personnel expenditures of the municipality	8	5,4	6	4,1
Nothing	5	3,4	8	5,4
Don't know	77	52,4	79	53,7
Non declared	9		1	
Total	156	100	148	100

Figures from table 8 indicate the lack of information of the taxpayers on the destination of the collected taxes. But since the proportion of people having stated not to know the destination of the taxes is similar in both markets, this factor could not explain the difference from one market to the other.

For nearly seven taxpayers out of ten, the taxes should be used to maintain (to make clean, make repairs, etc.) the markets or to build more selling space (new constructions of hangars and small boxes, etc.). But since the advent of the mayors, few things were carried out in this direction one could understand that certain taxpayers remain reticent to paying their taxes. In any event, more than 80% of taxpayers in the two markets indicated they believed maintenance or improvement of the markets would be the motivating reason for them to pay their taxes.

Others factors that would make it more likely they would pay tax were:

- regular information to the taxpayer (83% in Azové and 88% in Dogbo);
- transparency in the management of the collected funds (77% in Azové and 87% in Dogbo);
- courtesy of the collecting agents (70% in Azové and 72% in Dogbo).

However, considerations such as ethnic membership and disagreements with the local authorities are not perceived as determinant in their willingness to pay taxes and thus not determinant in the amounts of the taxes collected in each of the two markets. None of the above mentioned elements would basically explain the differences in the amount of taxes collected in the two markets.

From the taxpayers' side, the origin of the taxpayer is the only one element which seems to explain the differences in the amounts of taxes collected in each market.

7 Conclusion

The investigation revealed some elements likely to explain the differences in the mobilization of the resources from the central markets of Azové and Dogbo.

Indeed, the internal organization of the tax collection system played in favour of the market of Azové, where the pro-active leadership of the mayor and a better system of control and follow-up since 2003 led to an increase in the potential for resource mobilization. There was indeed greater firmness and a more rigorous follow-up of the collection in Azové where the amounts of collected taxes are definitely higher than in Dogbo.

In addition, the motivation of the collecting agents also seems to play in favour of Azové, whose agents are better remunerated and better supported in their work by the local authority than their counterparts in Dogbo. This tends to reduce the inclination towards corruption in Azové compared to Dogbo – and it is also due to the leadership of the mayor of Aplahoué who probably understood that better motivation among the tax collectors was necessary to the achievement of his mission.

The profile of the taxpayers and their willingness to pay also played in favour of Azové, which benefits from the cosmopolitan character of its population, while resource mobilisation in Dogbo is constrained by sociological and ethnic factors linked to the greater homogeneity of its population.

However, there is a question mark about the sustainability of the results obtained by the municipality of Aplahoué, which seem primarily related to the person of the Mayor. What will happen if the Mayor leaves? What is he doing to ensure that after him, his successors continue on the same path? These are some new areas of research which could usefully supplement the present research.

This research rekindles the debate initiated by Fjeldstad and Tungodden (2003) and discussed by Chand, Moene and Mookherjee (2003), by drawing the attention to the factors making possible

corruption in Dogbo and how this is harmful for the effectiveness of the tax collection.

The present investigation links back to the concern of Gallagher (2005) on the evaluation and the comparison of tax collection systems. Indeed, it shows indeed that at the local level, the parameters of comparison between systems of tax collection can vary widely.

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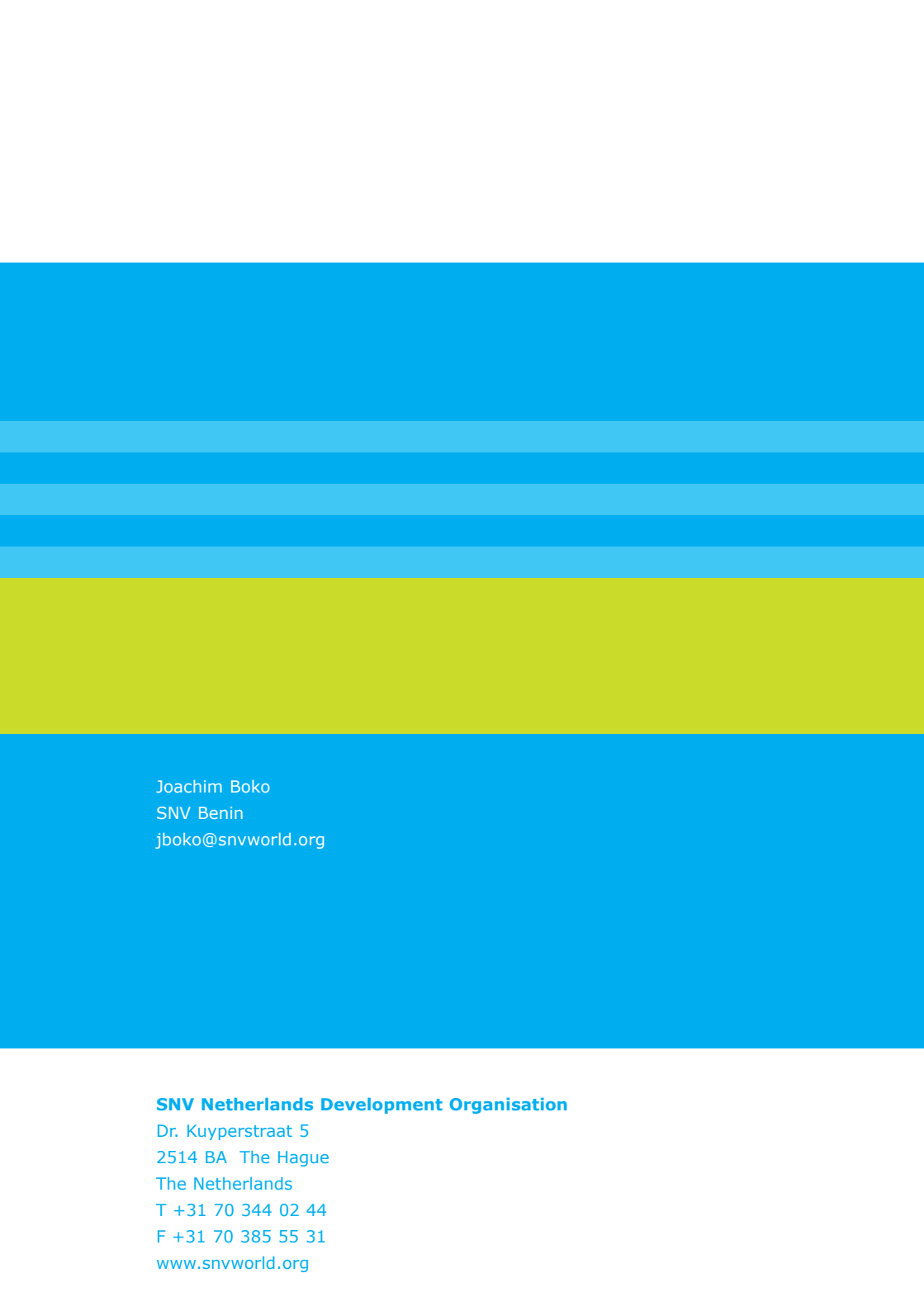
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