GIGA Working Papers

German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

GIGA Research Programme:
Legitimacy and Efficiency of Political Systems

Measuring the Capability to Raise Revenue

Process and Output Dimensions and Their Application to the Zambia Revenue Authority

Christian von Soest

N° 35 **December 2006**

www.giga-hamburg.de/workingpapers

GIGA-WP-35/2006

GIGA Working Papers

Edited by GIGA German Institute of Global and Area Studies / Leibniz-Institut für Globale und Regionale Studien.

GIGA research unit responsible for this issue: Research Programme 'Legitimacy and Efficiency of Political Systems'.

Editor of the GIGA Working Paper Series: Bert Hoffmann <hoffmann@giga-hamburg.de>

Editorial assistants and production: Verena Kohler and Vera Rathje

GIGA German Institute of Global and Area Studies /
Leibniz-Institut für Globale und Regionale Studien
Neuer Jungfernstieg 21
20354 Hamburg
Germany

E-mail: info@giga-hamburg.de
Website: www.giga-hamburg.de

GIGA-WP-35/2006

Measuring the Capability to Raise Revenue
Process and Output Dimensions and Their Application to the Zambia Revenue Authority

Abstract

The worldwide diffusion of the good governance agenda and new public management has triggered a renewed focus on state capability and, more specifically, on the capability to raise revenue in developing countries. However, the analytical tools for a comprehensive understanding of the capability to raise revenue remain underdeveloped. This article aims at filling this gap and presents a model consisting of the three process dimensions 'information collection and processing', 'merit orientation' and 'administrative accountability'. 'Revenue performance' constitutes the fourth capability dimension which assesses tax administration's output. This model is applied to the case of the Zambia Revenue Authority. The dimensions prove to be valuable not only for assessing the how much but also the how of collecting taxes. They can be a useful tool for future comparative analyses of tax administrations' capabilities in developing countries.

Key words: capability to raise revenue, revenue authority, tax administration, Zambia

Christian von Soest,
is Political Scientist and Research Fellow at the GIGA Institute for African Affairs in Hamburg, Germany.
Contact: soest@giga-hamburg.de, website: http://staff.giga-hamburg.de/soest

Zusammenfassung

Wie lässt sich die Leistungsfähigkeit der Steuererhebung messen? Prozess- und Output-Dimensionen und ihre Anwendung auf die Zambia Revenue Authority

Die weltweite Verbreitung der Good-Governance- und New-Public-Management-Konzepte hat zu einer zunehmenden Konzentration auf staatliche Leistungsfähigkeit und, im Besonderen, auf die Leistungsfähigkeit der Steuererhebung in Entwicklungsländern geführt. Allerdings bleiben die analytischen Werkzeuge für ein umfassendes Verständnis von Leistungsfähigkeit unterentwickelt. Dieser Artikel stellt hierfür ein Modell vor, das die drei Prozess-Dimensionen „Sammeln und Verarbeiten von Informationen“, „Leistungsorientierung der Mitarbeiter“ und „Verantwortlichkeit der Verwaltung“ beinhaltet. „Einnahmeperformanz“ ist die vierte Dimension und erfasst den Output der Steuerverwaltung. Das mehrdimensionale Modell wird für die Analyse der Leistungsfähigkeit der Steuerbehörde Zambias (Zambia Revenue Authority) genutzt. Es erweist sich nicht nur für die Untersuchung des Wieviel, sondern auch des Wie des Erhebens von Steuern als wertvoll. Die vier Dimensionen können in Zukunft zur umfassenden und vergleichenden Analyse der Leistungsfähigkeit verschiedener Steuerverwaltungen in Entwicklungsländern genutzt werden.

Measuring the Capability to Raise Revenue
Process and Output Dimensions and Their Application to the Zambia Revenue Authority

Christian von Soest[1]

Article Outline

1. Introduction

The international diffusion of the good governance agenda and of new public management (NPM) principles (Hood 1991) has induced the drive to measure state capability and the capability to raise revenue as a crucial state function which is often deficient, particularly in developing countries.[2] However, measuring the capability to raise revenue[3] is not as straightforward as it might appear at first glance. Bird (2003: 4) states that tax administration 'is inherently country-specific and surprisingly hard to quantify in terms of both outputs and inputs. The "best" tax administration is not simply that which collects the most revenues'. As found by other scholars as well, there are no general, agreed upon measures which provide for the comparative assessment of a tax administration's capability (Levi 1988: 5; Gillis 1989: 492; Taliercio 2004b: 12).

---

1 The empirical results presented in this article emanate from the author's PhD on 'The African State and the Capability to Raise Revenue. A Comparative Study on the Tax Administration in Zambia and Botswana', submitted to the University of Leipzig. The author is indebted to Ulf Engel, Matthias Basedau and Gero Erdmann, who all provided invaluable support and advice to his research project.

2 An IMF study found that in some African countries more than 60% of the tax potential remains untapped (1997: 6-7). According to a World Bank report, in the Gambia losses associated with tax evasion even amounted to 70% of total public revenue (Dia 1993: 21). For further analysis on revenue foregone in developing countries see for example Rose-Ackerman (2004: 29-30).

3 In this article, the terms 'taxes' or 'revenue' encompass income taxes, value-added taxes and customs duties.

Recently, there have been various attempts to analytically capture the capability to raise revenue. It is undisputed in the literature that this has to include some measure of output, i.e. revenue collected by the tax administration. However, even this basic undertaking is fraught with problems as, due to hugely divergent economic structures and development levels of countries, a simple comparison of the amount of taxes collected is not feasible. Gallagher (2005) therefore formulated a whole set of quantitative indicators for 'benchmarking tax systems'. This strategy, however, still remains inadequate for comprehensively assessing the capability to raise revenue, as the process of collecting taxes fundamentally influences the output.

Therefore, scholars sought to include 'soft indicators' such as the quality of assistance rendered to taxpayers for fulfilling their obligations and perceptions of taxpayers in respect to tax administration (Klun 2004; Serra 2005). These approaches relate to the common finding that any capable tax administration must strive to induce taxpayers to comply (quasi-)voluntarily with their obligations (Tanzi/Pellechio 1995: 10; Bird 2004: 138; Therkildsen 2006: 4-5). Directly forcing every citizen to contribute to financing the state is an unrealistic – and unethical – endeavour. For Levi, paying taxes therefore 'is *voluntary* because taxpayers choose to pay. It is *quasi*-voluntary because the noncompliant are subject to coercion – if they are caught' (1988: 52, emphasis in original). A fair and equitable application of the tax code induces citizens to pay their taxes (e.g. Fjeldstad 2004).

This article sets out to move this discussion forward and to include process dimensions, which crucially affect quasi-voluntary compliance and, in turn, a tax administration's output, into a comprehensive model of the capability to raise revenue. It starts by introducing the four dimensions of capability and then applies the model to the analysis of the Zambia Revenue Authority (ZRA). This second step serves to test the empirical utility of the framework.

2. Modelling the Capability to Raise Revenue

It is useful to analytically differentiate between *process* and *output* as two interrelated elements of capability. The process deals with the 'how' of tax collection. The output on the other hand refers to the extent the tax administration is able to fulfil its core task, the collection of revenue ('how much').[4] As the collection of taxes is its ultimate goal, a revenue-

---

4 Other scholars draw a similar distinction between process and output (Eriksen 1999), albeit with semantic differences. Gillis (1989: 493) for instance speaks of 'revenue and nonrevenue objectives', whereas Tanzi/Pellechio (1995) distinguish between 'efficiency' and 'effectiveness'. In contrast, Boesen and Therkildsen (2005: 1-5; 2004: 10-17) advocate a more restricted understanding of ad-

collecting institution can only be termed to have a high capability to raise revenue if it generates a significant output.

Aiming at a comprehensive analysis of process and output, the four capability dimensions 'information collection and processing', 'merit orientation', 'administrative accountability' and 'revenue performance' will be used. The first three process dimensions inherently shape revenue performance, the output dimension of capability. These four dimensions all constitute the building blocks of the model of the capability to raise revenue.

Information Collection and Processing

Knowledge about the empirical reality stands at the basis of every adequate political and administrative decision. Information collection and processing therefore constitutes the precondition for capability (Callaghy 1990: 265; Osborne/Gaebler 1992: 147; Moore 1998: 105). At the same time, researchers have repeatedly found that basic data in developing countries are missing or of a low quality (Hilderbrand/Grindle 1997: 46; Olsen 2001: 152). In effect, many governments and public administrations are 'blind', i.e. cannot base their decisions on precise information.

The tax administration is particularly dependent on data. For Bird, it 'is first and foremost an organization dealing with information' (2003: 20). All of the three basic tasks of a tax administration, the identification of taxpayers, the assessment of tax liabilities and the collection of taxes require adequate data. In consequence, this capability dimension stands at the basis for enforcement, as the taxpayers' perception of the probability of detection of tax evasion strongly determines their degree of quasi-voluntary compliance (Silvani/Baer 1997: 22; Taliercio 2004a: 216). The present article uses taxpayer audits and the active registration of taxpayers as indicators for the collection of information by the tax administration.

In order not to 'loose' information, which might have been actively collected, any tax administration must adequately utilise it. The use of computers and special tax administration software are the indicators for this second aspect of 'information collection and processing' (Gill 2003: 19; Smith 2003: 19; Silvani/Baer 1997: 19).

Merit Orientation

Merit orientation reflects the rationality of service of tax officers. In their statistical analysis of bureaucracies in 35 developing countries, Rauch and Evans (1999) found that meritocratic recruitment and promotion of civil servants to a large extent define the capability of the pub-

---

ministrative capability which focuses on results, i.e. outputs rather than process *and* output. For them, 'performance is the process leading to outputs' (Boesen/Therkildsen 2004: 66).

lic administration.[5] Recruitment of staff proved to be by far the most important variable with predictable promotion of civil servants showing a weaker correlation. The effect of competitive salaries on bureaucratic capability remained unclear (Rauch/Evans 2000: 68).

Despite this latter finding, it is intuitively comprehensible that absent, irregular or extremely low pay massively affects civil servants' merit orientation. Sideline employment to survive, sanction immunity and, in the extreme, the 'privatisation' of the public administration are potential consequences (Olowu 1999: 13). Adequate remuneration also reduces the incentives for petty corruption in the public and tax administration (van Rijckeghem/Weder 1997; Bird 2004: 141).[6]

Predictable promotion processes based on merit induce professionalism and inhibit the politisation of the public administration: 'To ensure that they make objective decisions and apply rules impartially, public bureaucrats should be allowed to remain in their positions without fear of political retribution' (Goldsmith 1999: 539f.). Both features, merit-oriented recruitment and promotion, also enhance the probability for an 'organisational culture' which focuses on performance.[7] This in turn allows a public administration to attain high levels of capability even if it is situated in an unfavourable environment (Grindle 1997; Hilderbrand/Grindle 1997: 51). Through the four indicators recruitment, promotion, remuneration and organisational culture this process dimension establishes whether the tax administrations' human resource management predominately follows merit principles or not.

Administrative Accountability

Fair implementation of the tax code enhances taxpayers' willingness to comply with their obligations without being forced, i.e. quasi-voluntarily (Taliercio 2004a: 217). Three aspects of this administrative accountability are relevant for the capability to raise revenue: corruption levels within the tax administration, taxpayer rights and education of as well as assistance rendered to taxpayers by the tax administration.

First, a high incidence of corruption among tax officers is likely to reduce tax compliance (Fjeldstad/Rakner 2003: 28; Fjeldstad/Tungodden 2003: 1459; Fjeldstad et al. 2000: 5). In this case taxpayers perceive the tax administration to be unfair, i.e. to not treating every taxpayer

---

5 They examined the correlation of the three public administration features with economic growth. Applying the same research design to a sample of 20 African countries, Court et al. (1999) confirmed Rauch and Evans' findings.

6 However, it is not possible to draw a simple correlation between higher salaries and lower corruption. Fjeldstad and Rakner (2003: vii) state that 'without extensive and effective monitoring, wage increases may produce a highly paid but also highly corrupt tax administration' (see also Fjeldstad/Therkildsen 2004: 3; Hilderbrand/Grindle 1997: 51).

7 Evans and Rauch (1999), referring to Weber, term organisational culture 'esprit de corps'.

equally and of misusing their money. Furthermore, corruption within the tax administration directly reduces state revenue as civil servants in this case put money in their own pockets instead of state coffers. This aspect of administrative accountability is of particular importance as tax and, particularly, customs officers collecting revenue on behalf of the state and interacting with taxpayers, are highly exposed to corrupt inducements (McLinden 2005: 76-78; Walsh 2003: 61-62). The fight against corruption within the tax administration serves as the indicator for this aspect of administrative accountability.

Second, taxpayers in many developing countries have few rights in relation to the tax administration. Tax officers often collect revenue by means of coercion (Luoga 2002: 50; Moore 2004: 17, en. 20). Accordingly, there is a need for revenue authorities to take account of taxpayer rights. Taxpayers must have the opportunity to appeal if they feel unjustly treated by the tax administration. As it fundamentally increases the taxpayers' 'trust in the fairness of the revenue administration' (Gill 2003: 17), the quality of the appeals process serves as the main indicator for assessing taxpayer rights.

Finally, taxpayer education and services, i.e. information and assistance rendered to the tax-paying public, are instrumental for lowering 'compliance costs' (LeBaube/Vehorn 1992: 310, 333; Taliercio 2004a: 216).[8] Taxpayer education furthermore forms the basis for a general awareness of the necessity and the mechanism of paying taxes (Fjeldstad/Rakner 2003: 27). Accordingly, the quality of taxpayer education and services constitutes the third indicator for administrative accountability.

Revenue Performance

Revenue performance constitutes the ultimate goal of any tax administration. However, as outlined, there does not exist one widely accepted indicator for this output dimension of the capability to raise revenue.[9] Researchers, tax administrators and donor agencies often focus on the tax-to-GDP ratio for assessing revenue performance. However, it will be shown that a sole focus on this indicator is insufficient for adequately reflecting administrative performance. In addition, the amount of direct taxes collected, and the tax gap, meaning the difference between (estimated) tax potential and tax actually collected need to be incorporated into the analysis.

To start with, the tax-to-GDP ratio is a readily available indicator 'that gives a sense of the fiscal pressure' of a country (Gill 2003: 2). Yet, tax revenue raised not only is a function of the

[8] 'Compliance costs' in this respect can be understood as 'the ease with which taxpayers can pay taxes' (Tanzi/Shome 1994: 333).

[9] On measuring revenue performance see also Lieberman (2002), Gill (2003) and Delay et al. (1999: 61-67).

tax administration's capability but is also dependent on environmental factors that lie beyond the administration's influence. Socio-economic and political variables such as tax legislation fundamentally influence the tax-to-GDP ratio. 'This means that tax burden differences may not in themselves tell us much about possible untapped tax bases and about the politics of taxation' (Therkildsen 2005: 45; see also Gill 2003: 2; Stotsky/WoldeMariam 1997: 10; Fjeldstad/Rakner 2003: 18; Lieberman 2002: 98). The comparison of a country's tax-to-GDP ratio only indicates whether it is above or below average in relation to other countries and whether it has changed over time.

The collection of income taxes vis-à-vis other tax types serves as additional indicator for revenue performance. Direct taxes are administratively and politically 'difficult' because they are visible and 'felt' by a majority of the population and often touch on powerful political actors (Gloppen/Rakner 2002: 32; Burgess/Stern 1993: 818). Therefore, direct taxes on income, profits and property are harder for developing countries to successfully capture than indirect consumption taxes or customs duties (Thirsk 1997: 18, 30; Lieberman 2002: 99, 107; 2003: 53, 61; Burgess/Stern 1993: 770). As a result, the collection of direct taxes is a particularly valid indicator for revenue performance.

The 'tax gap', i.e. the difference between tax potential and tax actually collected, forms a major challenge for tax administrations in developing countries. Often, a large part of economic activity is pursued and the majority of the population work in the informal, i.e. unregistered sector of the economy. Due to its dispersed nature, taxing the informal sector is administratively difficult (Gërxhani 2004: 289).[10] The tax administration's inroads into this part of the economy will serve as the third indicator of revenue performance. In doing this, one must be aware of the fact that this gap is very hard to precisely quantify.

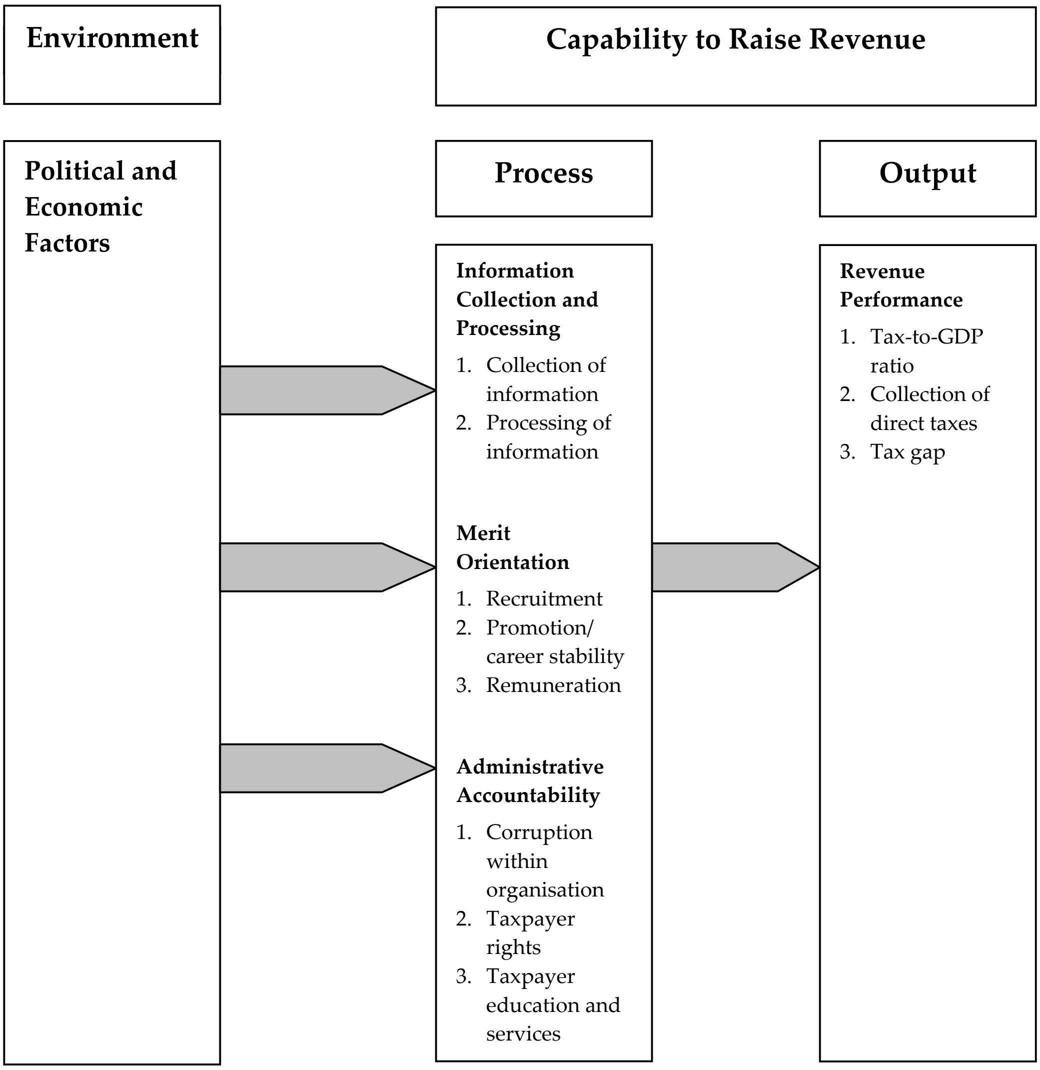
In sum, the four-dimensional 'Model of the Capability to Raise Revenue' (see Figure 1) consists of three process dimensions which all provide insights on *how* the tax administration raises revenue. They crucially determine tax administration's output, captured by the revenue performance dimension.[11] In the next step, the four-dimensional model will be applied for exemplary analysing the capability of the Zambia Revenue Authority (ZRA).

---

[10] It is important to note that not only impoverished people are active in this part of the economy but also genuine tax evaders who could afford to provide significant contributions to financing the state. On the general problem of taxing the informal sector see for example Gërxhani (2004) and Tendler (2002).

[11] The model also depicts the environment potentially influencing the capability to raise revenue. A detailed analysis of these factors is beyond the scope of this article and can be found in von Soest (2006). For an insightful conceptualisation of 'context' see also Boesen/Therkildsen (2004: 24-33).

Figure 1: Model of the Capability to Raise Revenue



Source: Own representation.

3. Analysing the Zambia Revenue Authority's Capability

The capability to raise revenue is particularly deficient in sub-Saharan Africa. The continent today is the most donor-dependent region in the world (World Bank Africa Database 2005; Olsen 2001: 147). Generally, scholars argue that high levels of financial aid significantly reduce governments' incentive to extract domestic revenue (Fjeldstad/Rakner 2003: 2; Therkildsen 2002: 41; Moore 1998: 110). Development aid can be understood as an administratively and politically 'easy tax', i.e. 'unearned income' (Olsen 2001: 168).[12] It can therefore be

12 On the concept of 'unearned income' see Moore (1998: 84-88). A statistical analysis of domestic revenue responses to inflows of foreign aid in 107 countries from 1970 to 2000 found that from

assumed that there is a circular relationship between strong donor dependency and weak capability to raise revenue. This makes donor-dependent countries particular relevant case studies for assessing the process and output of tax collection.

Zambia has heavily relied on external development aid and – similar to other African states – has also been characterised by a very unfavourable environment for the collection of taxes.[13] The four capability dimensions will be used for assessing the process and the output of the Zambia Revenue Authority (ZRA), which was founded to overcome the deficiencies of Zambia's old, state-integrated tax administration.[14]

In 1994 this revenue agency, following new public management prescriptions (Devas et al. 2001), was launched. The analysis will reveal how this reform project has influenced capability and, in turn, how much revenue is collected by the ZRA.[15] It is based on a broad range of primary and secondary sources and three months of fieldwork in Zambia. Six respondent groups from inside as well as outside the tax administration were interviewed.[16]

Active Collection and Computerised Processing of Information

Tax administration in developing countries often operates as a passive recipient of information rather than as active collector. In these cases, the provision of data on taxable income remains dependent upon the taxpayers' goodwill. Radian (1980) aptly refers to this behaviour as 'tellering' as opposed to 'collecting'.

In contrast, the ZRA has pursued an active, or in other words, aggressive approach of collecting information on taxpayer income. The tax authority closely supervises large compa-

---

each US Dollar of aid in the form of grants, 28 percent was offset by reduced domestic revenue effort (Gupta et al. 2003: 12-13).

13 Posner and Simon (2002: 331) portray Zambia as a 'modal case' in the African context.

14 The old tax administration only invariably controlled taxpayers, had a shortage of qualified staff and managers, did rarely protect taxpayers' rights, and was plagued by high corruption-levels. As a consequence of Zambia's severe economic crisis *and* these internal deficiencies, the tax-to-GDP ratio nearly halved from around 30% at independence to 15.3% in 1993 before the start of the ZRA (Republic of Zambia 1969: 10; Coopers and Lybrand 1992: par. 1; World Bank 2003: 15). For more detailed analysis see von Soest (2006).

15 Because the assessment through the four capability dimensions predominately serves to apply the model for empirical work, the analysis of the ZRA's capability necessarily is selective and brief. Advance apologies are offered for the rough brush used and injustices to empirical reality, that inevitably result.

16 Field work was conducted from 4 March to 27 May 2004. The respondent groups were tax officers from a) the management level and from b) middle / low hierarchy levels, business persons, civil society representatives, politicians and policy makers, social scientists and employees from international organisations. In order to protect them from negative consequences, the names of the respondents cited in this article were made anonymous. A list of all respondents and the transcripts of the interviews can be obtained from the author on request. Research permission granted by the Zambia Revenue Authority is greatly acknowledged.

nies, the most important sources of revenue. According to officials from the Division of Taxes, their unit on average audits Zambia's national electricity utility five times per year, for instance. Insufficient coordination has further increased the frequency of audits carried out by the different Divisions Direct Taxes, VAT and – to a lesser extent – Customs and Excise. These *ad hoc* and uncoordinated surveillance efforts featured among the most common business complaints in respect to the revenue authority (see also section on taxpayer rights). One business person jokingly remarked that 'they are always sitting in my office as I would employ them.'

As a capable tax administration has to systematically deal with a high amount of information, practitioners regard the use of information technology, i.e. computers, as a crucial feature of successful tax administration reform projects.[17] Information technology is also seen as a necessary tool for reducing customs officials' discretion, and in turn lowering corruption levels (De Wulf/McLinden 2005: 309). Accordingly, the computerisation of the Customs Division has been one of the first priorities of donors and the ZRA management. The computer programme ASYCUDA ('Automated System for Customs Data'), which standardises the customs clearance process, became operational in early 2000 with the complete implementation project being finished in April 2001 (Republic of Zambia 2001: 21; Hill 2004: 141).

Computerised systems are also in place for processing VAT. They allow the responsible officers to disaggregate revenue performance by income group, occupation and gender and to predict future risks for revenue (Gray et al. 2001: 32, 42). After some delays, the ZRA in 2004 finally introduced the computer programme 'Integrated Tax Administration System' (ITAS) which merged the old VAT software with the database of the Taxes Division. This integration is useful, as defaulting direct taxes tends to be highly correlated with evading indirect taxes and vice versa (Gray et al. 2001: 43).

In summary, the ZRA has turned Zambia's formerly passive tax administration into one that actively collects information and processes it through modern information technology. It appears that the revenue authority has made significant progress in establishing taxpayers' liabilities.

Leaps Forward in Merit Orientation

The semi-autonomous ZRA has from the outset pursued its own recruitment policy independently from the rest of Zambia's civil service. Recruits for the well-paid and, in turn,

---

17 See Berman and Tettey (2001) for a critical account of 'computer fixes' in African public administration.

sought-after positions are hired on the basis of interviews and aptitude tests.[18] Before the authority was launched, every civil servant had to reapply in order to be employed by the new institution. Respondents stated that this procedure was largely successful in selecting the most qualified and motivated tax officers from the former Departments of Taxes and Customs and Excise. Later, the ZRA introduced a minimum qualification policy, meaning that every employee, starting from the middle level, must hold a diploma or a higher degree from university. Many of the ZRA's high-ranking officers today hold a degree from the Britain-based Association of Chartered Certified Accountants (ACCA).

However, the authority's basic orientation was given by expatriate managers financed by the British Department for International Development (DFID) and not by local managers. None of the four most senior managers in 1995 was Zambian. Foreign leadership was thought to be less responsive to local social networks and to political interference (Kasanga 1996: 21; Delay et al. 1999: 23; Gray/Chapman 2001: 40). Furthermore, until September 2004, the Project Manager of DFID's support project was based *within* the revenue authority's headquarters.[19] It was only nine years after the creation of the tax agency, when the last manager from abroad left.

The ZRA's human resources policy, in accordance with new public management prescriptions, departs substantially from the classic public administration approach of life-long employment and promotion in line with seniority principles (Polidano 2001; Batley 1999). Zambian tax officers now experience a weak job security as they are only employed on the basis of five-year contracts (in the beginning, the period used to be three years). The management can decline to offer a new contract without giving any explanation. This system has been a much debated issue within the organisation and the perceptions vary widely among staff. They ranged from outright resentment to an appreciation of its performance enhancing effects. The managers view the contract system as a necessary incentive to create a business-driven work ethic among its staff. A human resource officer maintained: 'If you don't have a stick, people start getting lazy. […] It is at a harsh level but if a culture of performance is entrenched you don't need contracts anymore.'

Today, after more than ten years of operation, most of the authority's employees have worked for the private sector before and see themselves as well-qualified professionals. In

---

18 The ZRA salary for certain positions is approximately eight times higher than for similar positions in the public sector. For Tanzania, Fjeldstad (2002: 8) reports that the salary for some tax officers was up to ten times higher than the one from corresponding positions in the public sector.

19 The official name of DFID's technical assistance project was 'Revenue Institutions in Zambia Enhanced Support' (RIZES). Its project office was based on the 10th floor of the 'Revenue House' in Zambia's capital Lusaka.

general, this self-perception was mirrored by business persons who saw the revenue authority as an organisation, which fares much better than the rest of Zambia's public sector.

Mixed Results in Administrative Accountability

Zambia's tax collecting institutions have traditionally experienced a high incidence of corruption. In response, the ZRA has pursued a tough stance against bribery and kickbacks. An Internal Affairs Unit serves as the authority's corporate body for preventing and fighting corruption. It has fairly wide powers and is equipped comparatively well. In addition, the ZRA's annual reports have regularly listed the number of corruption cases, their completion rate and the time required for their processing (e.g. ZRA 2004: 19-20; 2005: 16).

In interviews with business representatives, corruption at the ZRA did not feature as a major concern. The picture, however, remains inconclusive. Following Hill (2004: 137), 'there continued to be reliable reports of corruption […] at high levels'. This suspicion is fuelled by regular newspaper reports on incidents of misconduct at the revenue authority (e.g. Zambia Daily Mail 6.4.2004; Times of Zambia 30.3.2004; Zambia Daily Mail 30.3.2004; 3.9.2003). In a 2002 report from the Zambia chapter of the NGO Transparency International, the ZRA featured among the public institutions with significant corruption levels (TIZ 2002: 34, 38). Particularly the problems at ZRA's Customs and Excise Division seem to seriously reduce the authority's administrative accountability.

The common perception is that corrupt activities of ZRA employees have increased in recent years.[20] This is consistent with research indicating that 'any beneficial anti-corruption effect that a revenue project might have is likely to be short-lived' (Gray/Chapman 2001: 8, emphasis removed; see also Fjeldstad/Rakner 2003: 17). Following the argument, a revenue authority struggles to keep internal corruption at low levels when such a project is not flanked by government-wide activities to eradicate corruption, i.e. attempts to create a more favourable environment. Indeed, Zambia has from 1998 to 2005 consistently received low scores on Transparency International's Corruption Perception Index (CPI). The country has always been ranked in the worse half, for most of the time among the worst third of countries rated in the CPI (Internet Center for Corruption Research 2005).

Taxpayer rights are an additional aspect of administrative accountability. In 1992, two years before the launch of the ZRA, a Tax Policy Task Force made a strong case to '[r]evitalize the tax appeals process to protect taxpayer rights' (TPTF 1992: 4). In response, a special Revenue Appeals Tribunal, which works autonomously under the Ministry of Justice's auspices, was installed (ZRA 2000: 23). The Tribunal has on average ruled on 50 to 60 cases per year and,

[20] As it is characterised by illegal and hidden activities, there exists an inherent problem of sources in respect to corruption. The developments reported here must therefore be treated with care.

although there has been a backlog of cases, respondents maintained that the body operates more professionally and faster than Zambia's normal court system.

However, the Revenue Appeals Tribunal is a mechanism of last resort with limited relevance to the day-to-day interaction between taxpayers and the ZRA. A much bigger issue for business have been the aggressive enforcement strategies applied by the ZRA. Business representatives complained that the revenue authority concentrates 'heavily' on the formal sector of the economy, which is registered and visible to the tax administration (see also Gray et al. 2001: 25). They widely perceived these frequent tax audits as harassment.

Yet, focussing on large businesses is rational for the ZRA. The effort needed to raise a high amount of revenue from large registered companies is lower than from the dispersed informal sector. Infringing taxpayer rights might therefore also be a consequence of the inherent incentive structure of revenue authorities, whose success is measured primarily against the tax collection output, i.e. revenue performance.[21] Similarly, scholars report complaints about harassment from other revenue authorities in sub-Saharan Africa (Smith 2003: 7, 18). Therkildsen for instance finds that Uganda's revenue authority 'has brought a good deal of fear into the relationship [with taxpayers]' (2004: 73).

The ZRA has fared better in respect to information and services rendered to taxpayers. One of the main means has been the revenue authority's Advice Centre, which was opened in 2000. Based at the headquarters in the capital Lusaka, it serves as the 'one-stop shop' (ZRA 2003: 9) for the interaction between taxpayers and the revenue authority. It attempts to 'treat taxpayers as customers', stated the Head of ZRA's responsible Executive Support Unit. The authority's homepage and leaflets as well as regular participation in public radio programmes have been further means of disseminating information (Fjeldstad 2005: 4).

On balance, the revenue authority's aggressive enforcement tactics infringe on taxpayer rights and the high incidence of corruption tarnishes the organisation's integrity image. Despite efforts to inform taxpayers, the administrative accountability of Zambia's tax administration has therefore displayed only mixed results and can be seen as the weakest of the three process dimensions. The question now to be answered is how the strengthened first two process dimensions and the varying administrative accountability have affected the ZRA's revenue performance.

Increased Revenue Performance, but Hardly Inroads in Informal Sector

The indicators show that the ZRA has improved important indicators of revenue performance compared to its predecessor institutions. The tax-to-GDP ratio went up from 15.3 to

---

21 The ZRA's Commissioner General forcefully stated that 'our core business is to deliver revenue'.

18.7% in the ZRA's first year of operation (World Bank 2003: 15). In the following years, however, the tax-to-GDP ratio has largely remained stagnant, with a slight decrease to 17.5% in 2004 (IMF 2006: 35). Since 2000, Zambia's economy has grown with 4.4% on average with no increase in the tax-to-GDP ratio (IMF 2005: 55). Only in the beginning, the major factors depressing the tax-to-GDP ratio lay beyond the ZRA's influence and must be attributed to its environment, e.g. the tax policy and economic development (Rakner/Gloppen 2003: 97, en. 6). This indicates that the ZRA has hardly been able to participate in the growing tax base.

The ZRA has left unresolved the administratively (and politically) demanding task of expanding direct taxation. Affirmed by a DFID-study, the revenue authority's impact on direct tax incidence has remained 'modest' (Gray et al. 2001: 12; see also Gloppen/Rakner 2002: 31). Income tax collection has never amounted to more than 8% of GDP – not even in the most recent years with comparatively strong economic growth (IMF 2004: 35; 2006: 35).

A further problem has been the lacking outreach to all parts of the economy and society. Revenue collection has largely been confined to formalised economic activity. With formal sector employment accounting for only about 500,000 in a country of more than eleven million people, the burden of income tax is 'skewed towards the few individuals in the traditional formal sector' (Republic of Zambia 2001: 18; see also Gray et al. 2001: 21). It has not featured among the organisation's priorities to tax the informal sector. As a result, Zambia's tax gap has remained large.

The ZRA's revenue performance has developed similarly as the one of other African revenue authorities (Fjeldstad/Rakner 2003: 17): A first phase of increased tax collection has been followed by stagnation or even decline of the tax-to-GDP ratio. This cannot only be attributed to the political rationale of leaving large voter segments untaxed, but also goes back to administrative interests as the taxation of the informal sector runs counter to the business-oriented logic of the ZRA. Additionally, the collection of income taxes has remained at a comparatively low level.

4. Conclusion

It has been the ZRA's biggest success that it now is a professional body run by qualified personnel. 'Strong' expatriate managers have instilled merit orientation with minimum qualification standards acting against political interference with the recruitment and progression of staff. As a result, politicians intervene less with human resource management than seems to be the case in other African countries' revenue authorities (for Uganda see Therkildsen 2004: 73). The second dimension accounting for the revenue authority's relative success has been the enhanced collection and processing of taxpayer data. Thus, two process dimensions show remarkably positive results for a tax administration operating in the setting of a low-income country.

However, the ZRA's strong enforcement tactics went hand-in-hand with infringements of taxpayer rights. Increases in revenue performance are less attributable to quasi-voluntary compliance than to close taxpayer surveillance. Furthermore, corruption levels are still high.[22] Based on multi-dimensional analysis, this article therefore draws a more cautious conclusion than Fjeldstad (2005), who seems to predominately attribute the revenue authority's success to the provision of improved taxpayer services and information. This result supports the increasing consensus that any capable tax administration must give careful consideration to taxpayer rights and taxpayer opinion in exercising its functions (Klun 2004: 573; Serra 2005: 123).

It implies that apart from Zambia's unfavourable economic environment and tax exemptions, particularly the deficient administrative accountability has diminished the scope for further increasing revenue performance. As a consequence, stabilising the tax-to-GDP ratio at around 18%, is a success the revenue authority has to be credited with. However, incorporating the collection of direct taxes and the outreach into the informal economic sector into the analysis, the picture looks less favourable.

Methodologically, the exemplary analysis of the ZRA demonstrates the need to go beyond narrow, output-focussed performance indicators in assessing the capability to raise revenue. The three process dimensions, information collection and processing, merit orientation and administrative accountability, not only provide insights on *how* the tax administration raises revenue but also crucially determine tax administration's revenue performance. It shows that – as in other African countries – increased revenue output in Zambia is predominately caused by coercion, not by consent.

The model of the capability to raise revenue allows tracing this complex interdependence between the process and the output of collecting taxes. It can form the basis for the future comprehensive analysis of different tax administrations' capabilities to raise revenue. This would also serve to come to realistic appraisals of – often heavily donor-supported – tax administration reform projects in developing countries.

---

22 This finding is consistent with research on other revenue authorities in sub-Saharan Africa. On corruption in the Uganda Revenue Authority see Therkildsen (2004: 73-74), on Uganda and Tanzania see Fjeldstad et al. (2003: summary on 1).

Bibliography

Batley, Richard (1999): The New Public Management in Developing Countries: Implications for Policy and Organizational Reform, in: Journal of International Development 11 (5), pp. 761-765.

Berman, Bruce J./Tettey, Wisdom J. (2001): African States, Bureaucratic Culture and Computer Fixes, in: Public Administration and Development 21 (1), pp. 1-13.

Bird, Richard M. (2003): Administrative Dimensions of Tax Reform. ITP Working Paper. 0302. Toronto: International Tax Program (ITP), Joseph L. Rotman School of Management, University of Toronto.

Bird, Richard M. (2004): Administrative Dimensions of Tax Reform, in: Asia-Pacific Tax Bulletin, pp. 134-150.

Boesen, Nils/Therkildsen, Ole (2004): Between Naivety and Cynicism. A Pragmatic Approach to Donor Support for Public-Sector Capacity Development. Evaluation Department Working Paper. 4. Copenhagen: Danish Ministry of Foreign Affairs/Danish International Development Agency (DANIDA).

Boesen, Nils / Therkildsen, Ole (2005): A Results-Oriented Approach to Capacity Change. Evaluation Department Working Paper. Copenhagen: Danish Ministry of Foreign Affairs/ Danish International Development Agency (DANIDA).

Burgess, Robin / Stern, Nicholas (1993): Taxation and Development, in: Journal of Economic Literature 31 (2), pp. 762-830.

Callaghy, Thomas M. (1990): Lost between State and Market: The Politics of Economic Adjustment in Ghana, Zambia, and Nigeria, in: Nelson, Joan M. (ed.): Economic Crisis and Policy Choice: The Politics of Economic Adjustment in the Third World, Princeton: Princeton University Press, pp. 257-319.

Coopers and Lybrand (1992): Establishment of the Zambia Revenue Board. Draft Final Report - Vol. 1: Executive Summary. Report for the Ministry of Finance, Government of the Republic of Zambia. Lusaka: Coopers and Lybrand Zambia.

Court, Julius/Kristen, Petra/Weder, Beatrice (1999): Bureaucratic Structure and Performance: First Africa Survey Results. Working Paper. Tokyo: United Nations University.

De Wulf, Luc/McLinden, Gerald (2005): The Role of Information Technology in Customs Modernization, in: De Wulf, Luc / Sokol, José B. (eds.): Customs Modernization Handbook, Washington, DC: World Bank, pp. 285-310.

Delay, Simon / Devas, Nick / Hubbard, Michael (1999): Reforming Revenue Administration - Lessons from Experience. A Study for the Department for International Development (DFID). London/Birmingham: Department for International Development (DFID)/Development Administration Group, School of Public Policy, University of Birmingham.

Devas, Nick/Delay, Simon/Hubbard, Michael (2001): Revenue Authorities: Are They the Right Vehicle for Improved Tax Administration?, in: Public Administration and Development 21 (3), pp. 211-222.

Dia, Mamadou (1993): A Governance Approach to Civil Service Reform in Sub-Saharan Africa. Technical Department Series, World Bank Technical Paper. 225. Washington, DC: World Bank.

Eriksen, Stein Sundstøl (1999): Councils, Collectors and Communities: Revenue Collection and Administrative Reach in a Tanzanian and a Zimbabwean Council, in: Commonwealth and Comparative Politics 37 (1), pp. 95-120.

Evans, Peter B./Rauch, James E. (1999): Bureaucracy and Growth: A Cross-National Analysis of the Effects of 'Weberian' State Structures on Economic Growth, in: American Sociological Review 64 (5), pp. 748-765.

Fjeldstad, Odd-Helge (2002): Fighting Fiscal Corruption: The Case of the Tanzania Revenue Authority. CMI Working Paper. 3. Bergen: Christian Michelsen Institute (CMI).

Fjeldstad, Odd-Helge (2004): What's Trust Got to Do with it? Non-Payment of Service Charges in Local Authorities in South Africa, in: Journal of Modern African Studies 42 (4), pp. 539-562.

Fjeldstad, Odd-Helge (2005): Revenue Administration and Corruption: What Works? CMI Brief. 2. Bergen: Chr. Michelsen Institute (CMI).

Fjeldstad, Odd-Helge/Kolstad, Ivar/Lange, Siri (2003): Autonomy, Incentives and Patronage. A Study of Corruption in the Tanzania and Uganda Revenue Authorities. CMI Report. 9. Bergen, Norway: Christian Michelsen Institute (CMI).

Fjeldstad, Odd-Helge/Rakner, Lise (2003): Taxation and Tax Reforms in Developing Countries: Illustrations from Sub-Saharan Africa. CMI Report. 6. Bergen: Chr. Michelsen Institute (CMI).

Fjeldstad, Odd-Helge/Therkildsen, Ole (2004): Taxation, Aid and Democracy. Research Programme 2000-2003. Final Report. Bergen: Chr. Michelsen Institute (CMI).

Fjeldstad, Odd-Helge/Therkildsen, Ole/Rakner, Lise/Semboja, Joseph (2000): Taxation, Aid and Democracy. An Agenda for Research in African Countries. CMI Working Paper. 4. Bergen, Norway: Chr. Michelsen Institute (CMI).

Fjeldstad, Odd-Helge/Tungodden, Bertil (2003): Fiscal Corruption: A Vice or a Virtue?, in: World Development 31 (8), pp. 1459-1467.

Gallagher, Mark (2005): Benchmarking Tax Systems, in: Public Administration and Development 25 (2), pp. 125-144.

Gërxhani, Klarita (2004): The Informal Sector in Developed and Less Developed Countries: A Literature Survey, in: Public Choice 120 (3-4), pp. 267-300.

Gill, Jit B. S. (2003). The Nuts and Bolts of Revenue Administration Reform World Bank, [cited 10.01.2004]. Available from www1.worldbank.org/publicsector/pe/tax/NutsBolts.pdf.

Gillis, Malcolm (1989): Tax Reform: Lessons from Postwar Experience in Developing Countries, in: Gillis, Malcolm (ed.): Tax Reform in Developing Countries, Durham, NC/London: Duke University Press, pp. 492-520.

Gloppen, Siri/Rakner, Lise (2002): Accountability through Tax Reform? Reflections from Sub-Saharan Africa, in: IDS Bulletin 33 (3), pp. 30-40.

Goldsmith, Arthur A. (1999): Africa's Overgrown State Reconsidered. Bureaucracy and Economic Growth, in: World Politics 51 (4), pp. 520-546.

Gray, John/Chapman, Emma (2001): Evaluation of Revenue Projects. Synthesis Report Vol. 1. Evaluation Report. EV 636. London: Department for International Development (DFID).

Gray, John / Shera, Fiona / Condy, Ann (2001): Evaluation of the Zambia Revenue Authority Consolidation Project. DFID Evaluation of Revenue Projects Vol. II. Evaluation Report. EV 636. London: Department for International Development (DFID).

Grindle, Merilee S. (1997): Divergent Cultures? When Public Organizations Perform Well in Developing Countries, in: World Development 25 (4), pp. 481-495.

Gupta, Sanjeev/Clements, Benedict/Pivovarsky, Alexander/Tiongson, Erwin R. (2003): Foreign Aid and Revenue Response: Does the Composition of Aid Matter? IMF Working Paper. 20. Washington, DC: International Monetary Fund (IMF).

Hilderbrand, Mary E./Grindle, Merilee S. (1997): Building Sustainable Capacity in the Public Sector. What Can be Done?, in: Grindle, Merilee S. (ed.): Getting Good Government. Capacity Building in the Public Sectors of Developing Countries, Cambridge, MA: Harvard Institute for International Development/Harvard University Press, pp. 31-61.

Hill, Catharine B. (2004): Tax Reform in Zambia, in: Hill, Catharine B./McPherson, Malcolm F. (eds.): Promoting and Sustaining Economic Reform in Zambia, Cambridge, MA/London: Harvard University Press, pp. 107-144.

Hood, Christopher (1991): A Public Management for all Seasons?, in: Public Administration 69 (1), pp. 3-19.

IMF (2004): Zambia: Selected Issues and Statistical Appendix. IMF Country Report. 04/160. Washington, DC: International Monetary Fund (IMF).

IMF (2005): Regional Economic Outlook Sub-Saharan Africa May 2005. Washington, DC: International Monetary Fund (IMF).

IMF (2006): Zambia: 2005 Article IV Consultation, Third Review Under the Three-Year Arrangement Under the Poverty Reduction and Growth Facility, Request for Waiver and Modification of Performance Criterion, and Financing Assurances Review-Staff Report; Public Information Notice and Press Release on the Executive Board Discussion; and Statement by the Executive Director for Zambia. IMF Country Report. 06/39. Washington, DC: International Monetary Fund (IMF).

Internet Center for Corruption Research (2005). Transparency International (TI) Corruption Perceptions Index, 1998-2005 University of Passau / Transparency International, [cited 06.12.2005]. Available from www.icgg.org/corruption.cpi_2005.html.

Kasanga, John M. (1996): Study of 'Enclave' Approach to Tax and Customs Administration in Zambia. Lusaka: World Bank Zambia.

Klun, Maja (2004): Performance Measurement for Tax Administrations: The Case of Slovenia, in: International Review of Administrative Sciences 70 (3), pp. 567-574.

LeBaube, Robert A./Vehorn, Charles L. (1992): Assisting Taxpayers in Meeting Their Obligations Under the Law, in: Bird, Richard M./Casanegra de Jantscher, Milka (eds.): Improving Tax Administration in Developing Countries, Washington, DC: International Monetary Fund (IMF), pp. 310-335.

Levi, Margaret (1988): Of Rule and Revenue. Berkeley, CA/London: University of California Press.

Lieberman, Evan S. (2002): Taxation Data as Indicators of State-Society Relations: Possibilities and Pitfalls in Cross-National Research, in: Studies in Comparative International Development 36 (4), pp. 89-115.

Lieberman, Evan S. (2003): Race and Regionalism in the Politics of Taxation in Brazil and South Africa. New York, NY: Cambridge University Press.

Luoga, Florens (2002): Taxpayers' Rights in the Context of Democratic Governance: Tanzania, in: IDS Bulletin 33 (3), pp. 50-57.

McLinden, Gerald (2005): Integrity in Customs, in: De Wulf, Luc/Sokol, José B. (eds.): Customs Modernization Handbook, Washington, DC: World Bank, pp. 67-90.

Moore, Mick (1998): Death without Taxes. Democracy, State Capacity, and Aid Dependence in the Fourth World, in: Robinson, Mark/White, Gordon (eds.): The Democratic Developmental State. Politics and Institutional Design, Oxford: Oxford University Press, pp. 84-121.

Moore, Mick (2004): Taxation and the Political Agenda, North and South, in: Forum for Development Studies 31 (1), pp. 7-32.

Olowu, Bamidele (1999): Redesigning African Civil Service Reforms, in: Journal of Modern African Studies 37 (1), pp. 1-23.

Olsen, Gorm Rye (2001): The World Bank and the IMF: Tax, Democracy and Shrinking Aid in Sub-Saharan Afarica [sic!], in: Forum for Development Studies 28 (1), pp. 147-172.

Osborne, David / Gaebler, Ted (1992): Reinventing Government. How the Entrepreneurial Spirit is Transforming the Public Sector. fifth edition ed. Reading, MA: Addison-Wesley.

Polidano, Charles (2001): Administrative Reform in Core Civil Services: Application and Applicability of the New Public Management, in: McCourt, Willy/Minogue, Martin (eds.): The Internationalization of Public Management. Reinventing the Third World State, Cheltenham/Northampton, MA: Edward Elgar, pp. 44-69.

Posner, Daniel N./Simon, David J. (2002): Economic Conditions and Incumbent Support in Africa's New Democracies: Evidence from Zambia, in: Comparative Political Studies 35 (3), pp. 313-336.

Radian, Alex (1980): Resource Mobilization in Poor Countries. Implementing Tax Policies. New Brunswick, NJ: Transaction Books.

Rakner, Lise/Gloppen, Siri (2003): Tax Reform and Democratic Accountability in Sub-Saharan Africa, in: van de Walle, Nicolas, et al. (eds.): Beyond Structural Adjustment: The Institutional Context of African Development, Houndmills: Palgrave Macmillan, pp. 77-100.

Rauch, James E./Evans, Peter B. (2000): Bureaucratic Structure and Bureaucratic Performance in Less Developed Countries, in: Journal of Public Economics 75, pp. 49-71.

Republic of Zambia (1969): Budget Address January, 1969. Delivered on 30.01.1969. Lusaka: Ministry of Finance, Government of the Republic of Zambia.

Republic of Zambia (2001): Budget Address. Delivered on 26.01.2001. Lusaka: Ministry of Finance and Economic Development, Government of the Republic of Zambia.

Rose-Ackerman, Susan (2004). The Challenge of Poor Governance and Corruption Copenhagen Consensus, Environmental Assessment Institute, [cited 30.11.2005]. Available from www.imv.dk/Files/Filer/CC/Papers/Governance_and_Corruption_300404_(6.4MB_version).pdf.

Serra, Pablo (2005): Performance Measures in Tax Administration: Chile as a Case Study, in: Public Administration and Development 25 (2), pp. 115-124.

Silvani, Carlos/Baer, Katherine (1997): Designing a Tax Administration Reform Strategy: Experiences and Guidelines. IMF Working Paper. 30. Washington, DC: International Monetary Fund (IMF).

Smith, Laïla (2003): The Power of Politics: The Performance of the South African Revenue Service and Some of its Implications. Policy: Issues and Actors - Research Report. 2. Johannesburg: Centre for Policy Research (CPR).

Stotsky, Janet G./WoldeMariam, Asegedech (1997): Tax Effort in Sub-Saharan Africa. IMF Working Paper. 107. Washington, DC: International Monetary Fund (IMF).

Taliercio, Robert R., Jr. (2004a): Administrative Reform as Credible Commitment: The Impact of Autonomy on Revenue Authority Performance in Latin America, in: World Development 32 (2), pp. 213-232.

Taliercio, Robert R., Jr. (2004b): Designing Performance: The Semi-Autonomous Revenue Authority Model in Latin America and Africa. Policy Research Working Paper. 3423. Washington, DC: World Bank.

Tanzi, Vito/Pellechio, Anthony (1995): The Reform of Tax Administration. IMF Working Paper. 22. Washington, DC: International Monetary Fund (IMF).

Tanzi, Vito/Shome, Parthasarathi (1994): A Primer on Tax Evasion, in: Bulletin for International Fiscal Documentation, pp. 328-337.

Tendler, Judith (2002): Small Firms, the Informal Sector and the Devil's Deal, in: IDS Bulletin 33 (3), pp. 98-104.

Therkildsen, Ole (2002): Keeping the State Accountable: Is Aid no Better than Oil?, in: IDS Bulletin 33 (3), pp. 41-49.

Therkildsen, Ole (2004): Autonomous Tax Administration in Sub-Saharan Africa: the Case of the Uganda Revenue Authority, in: Forum for Development Studies 31 (1), pp. 59-88.

Therkildsen, Ole (2005): Understanding Public Management through Neopatrimonialism: A Paradigm for all African Seasons?, in: Engel, Ulf/Olsen, Gorm Rye (eds.): The African Exception, London: Ashgate, pp. 33-51.

Therkildsen, Ole (2006): The Rise and Fall of Mass Taxation in Uganda, 1900-2005. DIIS Working Paper. 25. Kopenhagen: Danish Institute for International Studies (DIIS).

Thirsk, Wayne (1997): Overview: The Substance and Process of Tax Reform in Eight Developing Countries, in: Thirsk, Wayne (ed.): Tax Reform in Developing Countries, Washington, DC: World Bank, pp. 1-32.

Times of Zambia (30.3.2004): Explain Non-Payment of Interest on MPs Car Loans - Auditor General, in: Times of Zambia, 30.3.2004.

TIZ (2002): 2002 State of Corruption Report. Lusaka: Transparency International Zambia (TIZ).

TPTF (1992): Final Report Presented to the Minister of Finance, Hon. E.G. Kasonde. Recommendations on Tax Reform for the 1993 Budget. Lusaka: Task Policy Task Force (TPTF), Ministry of Finance, Budget Section.

van Rijckeghem, Caroline/Weder, Beatrice (1997): Corruption and the Rate of Temptation: Do Low Wages in the Civil Service Cause Corruption? IMF Working Paper. 73. Washington, DC: International Monetary Fund (IMF).

von Soest, Christian (2006): The African State and the Capability to Raise Revenue. A Comparative Study of the Tax Administration in Zambia and Botswana. Doctoral dissertation. Leipzig: University of Leipzig, Faculty of History, Arts and Oriental Sciences, Institute of African Studies.

Walsh, James T. (2003): Strategy for Reform, in: Keen, Michael (ed.): Changing Customs. Challenges and Strategies for the Reform of Customs Administration, Washington, DC: International Monetary Fund (IMF), pp. 52-66.

World Bank (2003): Zambia - Public Expenditure Management and Financial Accountability Review. Report No. 26162-ZA. Washington, DC: World Bank.

World Bank (2005): World Bank Africa Database 2005 on CD-ROM. Washington, DC: World Bank.

Zambia Daily Mail (3.9.2003): 'State Loses 10% Tax', in: Zambia Daily Mail, 3.9.2003.

Zambia Daily Mail (6.4.2004): ZRA Boss is Car Ring Mastermind?, in: Zambia Daily Mail, 6.4.2004.

Zambia Daily Mail (30.3.2004): Police Holds 3 ZRA Officials Over Car Theft Syndicate, in: Zambia Daily Mail, 30.3.2004.

ZRA (2000): Annual Report 1999. Lusaka: Zambia Revenue Authority (ZRA).

ZRA (2003): Annual Report 2002. Lusaka: Zambia Revenue Authority (ZRA).

ZRA (2004): Annual Report 2003. Lusaka: Zambia Revenue Authority (ZRA).

ZRA (2005): Annual Report 2004. Lusaka: Zambia Revenue Authority (ZRA).

German Institute of Global and Area Studies
Leibniz-Institut für Globale und Regionale Studien

Recent issues:

No 34 Sebastian Huhn, Anika Oettler and Peter Peetz: Construyendo Inseguridades. Aproximaciones a la violencia en Centroamérica desde el análisis del discurso [*Constructed insecurities. Discourse analysis and the understanding of violence in Central America*]; November 2006

No 33 Sebastian Huhn, Anika Oettler and Peter Peetz: Exploding Crime? Topic Management in Central American Newspapers; November 2006

No 32 Christian von Soest: How Does Neopatrimonialism Affect the African State? The Case of Tax Collection in Zambia; November 2006

No 31 Susan Steiner: Decentralisation in Uganda: Exploring the Constraints for Poverty Reduction; November 2006

No 30 Detlef Nolte: Potencias regionales en la política internacional: conceptos y enfoques de análisis [*Regional Powers in International Relations: Analytical Concepts and Research Approaches*]; October 2006

No 29 Detlef Nolte: Macht und Machthierarchien in den internationalen Beziehungen: Ein Analysekonzept für die Forschung über regionale Führungsmächte [*Power and Power Hierarchies in International Relations: Towards an Analytical Concept for the Study of Regional Powers*]; October 2006

No 28 Bert Hoffmann and Laurence Whitehead: Cuban Exceptionalism Revisited; September 2006

No 27 Andreas Mehler: Political Discourse in Football Coverage – The Cases of Côte d'Ivoire and Ghana; August 2006

No 26 Martin Beck: Probleme des Rentierstaats-Ansatzes in vergleichender Perspektive [*Problems of the Rentier State Approach in Comparative Perspective*]; August 2006

No 25 Dirk Kohnert: Cultures of Innovation of the African Poor. Common Roots, Shared Traits, Joint Prospects? On the Articulation of Multiple Modernities in African Societies and Black Diasporas in Latin America; July 2006

No 24 Jan Peter Wogart: Multiple Interfaces of Big Pharma and the Change of Global Health Governance in the Face of HIV/AIDS; June 2006

No 23 Daniel Flemes: Brazil's Nuclear Policy. From Technological Dependence to Civil Nuclear Power; June 2006

No 22 Leany Barreiro Lemos and Mariana Llanos: The Politics of Senatorial Confirmations: A Comparative Study of Argentina and Brazil; May 2006

No 21 Matthias Basedau and Wolfram Lacher: A Paradox of Plenty? Rent Distribution and Political Stability in Oil States; April 2006

All GIGA Working Papers are available free of charge at www.giga-hamburg.de/workingpapers.
For any requests please contact: workingpapers@giga-hamburg.de.
Editor of the Working Paper Series: Bert Hoffmann.

GIGA German Institute of Global and Area Studies / Leibniz-Institut für Globale und Regionale Studien
Neuer Jungfernstieg 21 • 20354 Hamburg • Germany
E-Mail: info@giga-hamburg.de • Website: www.giga-hamburg.de