# BRIBERY AND CORRUPTION v TAX REVENUE MOBILIZATION

## Charles Ayamdoo: A Complementary View from Ghana

Corruption is the abuse and misuse of public office for private gain. No sector of the Ghanaian economy is immune from corruption. A study undertaken by Transparency International has shown that among the top 10 government institutions involved in corruption, the revenue authority ranks high. ( 3rd - 4th)

The measures taken by Ghana to deal with corruption from the onset of independence to the present time:

1. Presidential commitment to the fight against corruption; Kwame Nkrumah was committed and riled the nation to the fight against corruption
2. Use of commissions of enquiry to investigate corruption cases
3. Lifestyle vetting was legislated and possession of unexplained wealth was criminalised in law
4. Use of public tribunals/people’s tribunals to try cases of corruption. These tribunals were constituted of not only legal experts but also lay individuals.
5. Investigative powers were vested in a special investigative bureau and taken away from the Ghanaian Police Service
6. With the new constitution in 1993, the Revenue Authority was reorganized.
7. The enactment of the Whistleblowers’ Act in 2016, protecting the identity of the Whistleblower, ensuring that their actions are not in bad faith, giving monetary incentives to encourage whistleblowers to come forward
8. Mass mobilization of the public in the fight against corruption

### The Challenges

Over politicisation of the corruption: It is used as a tool by politicians to get into offic but not effectively implemented as part of the agenda of the government.

The decriminalization of unexplained wealth.

Lack of proper coordination in anti-corruption measures.

Anti-corruption measures that have worked:

There has been improvement in the corruption perception index of Ghana. (38 and 48 in 2014 to 41 in 2018) The reasons behind this include:

Mass mobilization of the citizens

The formulation and implementation of a 10 year anti-corruption agenda in 2009 emphasizing on key areas:

1. Rotation of revenue officers
2. User friendly tax administration (The requirement of obtaining a Tax Identification Number before registration of land and companies, opening a bank account, obtaining a passport)
3. Whistleblower mechanisms and awards through the

Ghana has also taken measures to deal with illicit financial flows, including:

1. Strengthening of money laundering laws
2. Enactment of beneficial ownership laws

Conclusion: There is need for increased international cooperation in order to combat corruption and illicit financial flow.

## Alexis Nkurunziza: A complementary view from Rwanda

The laws on corruption in Kenya and Rwanda are similar in many instances but enforcement is different. The measures taken by the Government of Rwanda to curb corruption include:

The President’s commitment to the fight against corruption including, the public signing of a performance contract between local leaders and the President. Enhances accountability.

The Public Account Committee tracks the use of public funds

The existence of a special unit within the Rwandan Investigative Bureau that deals with corruption and economic crimes.

The biggest challenge: The lack of an independent anti-corruption body. There is need for more civil engagement in Rwanda in this area.

Conclusion: The reasons for the success of their anti-corruption measures:

1. Rwanda has institutionalized accountability and transparency as principles of public finance.
2. The President of Rwanda is directly accountable to the people

## Samuel Kimeu: A complementary view from Kenya

### The impact of corruption on taxation in Kenya

Corruption shrinks the tax base and encourages the growth of a shadow economy.

Corruption derails the morale of taxpayers to pay taxes.

It leads to an increase of taxes as the revenue lost in corruption needs to be recovered, this is reflected in the increase of VAT as seen in the instance of fuel in 2019.

Measures have been taken against corruption. Measures that have been successful include:

A Constitutional framework that is clear about the principles of public finance including accountability and transparency.

The automation of the process of filing returns through introduction of iTax and the introduction of Electronic Tax Registers (ETR).

An aggressive tax campaign that encourages taxpayers to pay tax has led to a substantial increase in the number of taxpayers.

Giving the Kenya Revenue Authority prosecution powers has led to the prosecution of persons not compliant.

### The Challenges

The political elite happen to be the most successful business people, they therefore favour tax policies that are beneficial for the wealthy and not the ordinary citizens.

The implementation of lifestyle audits has not been carried out effectively.

The complexities of being in two economic blocs, COMESA and EACC challenges cooperation in ensuring compliance.

Failure of oversight functions.

The biggest challenge: Kenya has the constitutional and legislative framework required to stem corruption, however but has failed to effectively implement it.