

**Taxation, Responsiveness and Accountability in Sub-Saharan Africa: The Dynamics of Tax Bargaining**, by Wilson Prichard. Cambridge: Cambridge University Press, 2015. x + 292 pp. £64.99 (hardback). ISBN 978 1 10711 086 1. \$80.00 (e-book). ISBN 978 1 31645 565 4.

Wilson Prichard addresses one of the hardest to answer and yet most pertinent questions for the current generation of political scientists studying Africa: have social contracts emerged and are these generating accountability over tax reform? Taxation is the basis to state capacity the world over and yet studies of the financial stability of African states have often instead focused on the intervening influences of international aid or resource curses. The presence of the latter, for example, renders 'ambiguous whether a positive relationship between tax reliance and democracy reflects the existence of governance-enhancing tax bargaining' (p. 11). Tax bears independent importance for state-building and the social contract, so there is a need to look deeper at its dynamics and historical progression. Prichard provides evidence through an impressive combination of econometrics and in-depth study of Ghana, Kenya and Ethiopia.

Econometric analysis of tax bargaining, though based on 'highly problematic' data (p. 10), establishes a basic correlation between levels of taxation (as a percentage of a country's GDP) and levels of democracy (pp. 13-4). While this is encouraging of the idea of democratic social contracts, 'the cross-country econometric results are insufficient because they are unable to offer nuanced insight into the potentially diverse causal processes that may link taxation, responsiveness and accountability' (p. 213). Prichard's book can thus be placed at the forefront of a growing critical appraisal – led by Morten Jerven – of overreliance on problematic datasets at the expense of accurately understanding what brings about state-building and economic development. Sole reliance on econometric analysis is particularly dangerous for study of tax bargaining because it overlooks 'pre-emptive bargaining', which forms a key part of citizen-state negotiation and yet occurs outside of what is detectable by macroeconomic indicators (p. 59).

To capture tax bargaining at the country level, Prichard posits three causal processes: '*direct tax bargaining, tax resistance and changes in government and strengthened political capacities of taxpayers*' (p. 58). The former provides evidence of direct bargaining, while the latter two represent indirect forms, taken as 'longer-term and less linear manifestations of direct tax bargaining' (p. 58). Using these three categories, Prichard examines evidence on Ghana, Kenya and Ethiopia by means of combined statistical analysis, historical inquiry and evaluation of 120 interviews conducted with key stakeholders. Ghana's experiences between 1981 and 2008 provide clearest evidence of how contention over taxation 'was an important catalyst for the gradual expansion of accountability, and eventually, for the strengthening of democratic institutions' (p. 116). At the centre of direct tax bargaining was the VAT rate introduced in 1995 to replace the sales tax, which resulted in 'arguably the most dramatic public protests of the era' (p. 91). After opposition appeared insurmountable, the government reintroduced VAT at a reduced rate and earmarked its revenue for the Ghana Education Trust (pp. 92-3). Together with tax bargaining in the informal sector, the political to-and-fro represents for Prichard clear evidence of when in Ghana 'the government exchanged greater responsiveness for tax compliance' (p. 116).

The cases of Kenya and Ethiopia fit theory less straightforwardly, but nevertheless reveal key examples of government-taxpayer responsiveness. Prichard examines Kenya between 1963 and 2008 and develops interesting insights on the country's transition towards a tax system mostly receptive of ruling elite interests. In 1974 the Graduated Personal Tax was abolished because of its association with colonial rule (p. 121); in the same year a sales tax was introduced which received little opposition because of 'the overwhelming political authority of President Kenyatta and the continuing assumption that the tax would be borne primarily by Europeans and Asians' (p. 122). The trend in Kenya of different actors being treated differently by the state helped disguise favouritism in tax collection under Daniel arap Moi, and meant tax reform in the multi-party era and under Mwai Kibaki had to rely on explicit earmarking of tax revenues to try and bring back public trust (pp. 126, 130, 134). Interestingly, Prichard finds that '[t]he most striking feature of the politics of taxation in Kenya has been the relative absence of significant public conflict over taxation, and even less evidence of direct tax bargaining between taxpayers and governments' (p. 138). At the lower end of the spectrum lies the case of Ethiopia between 1974 and 2008, where 'not only has direct tax bargaining been rare, but taxation also has played little role in encouraging the growth of civil society' (p. 190). Of particular importance in explaining this

trend is the ‘weakness of elite engagement in Ethiopia – particularly by the business community’, which compares badly against its relevance in Ghana and Kenya (p. 206).

Prichard’s analysis of tax responsiveness and accountability in sub-Saharan Africa is the most thorough and accomplished to date. Problems remain, nevertheless, in the extent to which notions of social contract rely on a Eurocentric ideal type (p. 222), with Prichard openly fronting seventeenth-century England as epitomising ‘the ideal of relatively explicit tax bargaining, as it involved a comparatively explicit exchange of tax compliance for the expansion of accountability’ (p. 51). The book’s acceptance of the role played by pre-emptive bargaining should, however, invite scholars to build on this work by developing anthropological attention to forms of negotiation and bargaining on the continent which can better establish alternative ideal types of social contract.

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