Illicit Financial Flows and Growth of Developing Countries

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Abstract

This paper investigates the impact of illicit financial flows on the growth of developing economies. Data was collected from world bank and global finance integrity. Variables used to capture illicit financial flows are illicit hot money and trade misinvoicing, the variables used to capture growth of developing economies weregross domestic, domestic trade, official development assistance anddirect investment. We run a series of multiple regressions of illicit financial flows variables on explanatory variables defining the growth of developing economies. Our results showed that illicit financial flows have a negative effect on gross domestic product domestic trade, official development assistance and direct investment.

Keywords

Illicit Financial Flows, Growth, Developing Countries

1. Introduction

In recent years, illicit financial flows through tax evasion have been on the forefront of the world's debate. Over time, it has attracted supporters for the fight against the practice, which is widely considered as the illegal avoidance of taxes by individuals, corporations and trusts. In order to understand the concept better, this study describes tax evasion as the illegal evasion of taxes by individuals, corporations and trust and that, this activity goes to reduce states' revenues which were meant for the provision of goods and services for the general public. Therefore, tax happens when individuals, businesses evasion or corporations fail to comply with their tax obligation. Tax evasion, can, therefore, be defined as a crime that adversely affects a nation's economy and the tax morale of citizens by reducing the nation's capacity to provide government services or manage its debt and by placing a disproportionate burden on those who pay their share. The importance of tax concept cannot and should not be undermined, especially with its vital role in public

financing. This is because taxes are part of government revenue, which contribute to the wellbeing of the economy.

In recent times, reports on worldwide tax fraud and illicit global financial flows have been appearing more and more frequently and in spite of the attention which such revelations attract, the international community is still far from an effective system of control. Braithwaite 2009 cited that, tax evasion is a crime that adversely affects a nation's economy and the tax morale of the citizens by reducing the nation's capacity to provide government services or manage its debts and by placing a disproportionate burden on those who pay their share. It can be inferred; therefore that tax evasion has political, as well as, economic consequences on businesses as well as the economy.

In addition, financial institutions all over the world have an important function in the fight against suspicious transactions, tax evasion and money-laundering practices, but most often; institutions in bordering countries fail in their duty to do so and by this failure these banks participate in tax evasion and avoidance mechanism of individuals and multinational corporations.

2. Empirical Literature

As already stated, tax evasion happens when individuals, businesses or corporations fail to comply with their tax obligation. Tax evasion, however, is a vast topic, a phenomenon that is complex. But researches, such as Allingham and Sandmo have helped us to understand this phenomenon and how to develop further research. We have noticed that since Michael Allingham and Agnar Sandmo launched their modern analysis on tax evasion in 1972 there has been an explosion in this field of research.

James Alm (2012) assesses the learnings about tax evasion that have been acquired since Michael Allingham and Agnar Sandmo launched the modern analysis of tax evasion in 1972.His main conclusion is that though much has been learned, there are still many gaps in our understanding of how to measure, explain, and control tax evasion. There are still many unanswered questions that need further research such as: How much evasion really occurs nationally and locally? Do higher tax rates encourage/discourage compliance? How effective are penalty rates? What about audit rates and targeted, announced audit programs? What is the actual magnitude of any individual response?

On their own part, E. Kirchler, B. Maciejovsky, F. Schneider, (2001) looked at tax evasion from an economic point of view. They argued that legal considerations apart, tax avoidance, tax evasion and tax flight have similar effects, such as a reduction of revenue yields, which are based on the same desire to reduce the tax burden. The legal differences and moral concerns mean that individuals may perceive them as different and as unequally fair. The results indicate that everyday representations differ with respect to tax avoidance, tax evasion, and tax flight. While tax evasion was perceived negatively, tax flight was perceived neutrally, and tax avoidance was perceived positively. Their results concluded that lay concepts about taxes more precisely about tax avoidance, tax evasion, and tax flight seem to be determined, not only by economic aspects, but also by moral considerations (Etzioni, 1988). It could be shown that despite the fact that tax avoidance, tax evasion, and tax flight lead to similar effects on revenue yields, taxpayers discriminate between them and evaluate them differently. Moreover, it could be shown that these evaluations depend, for instance, on personal affectedness, experience, profession, and knowledge.

3. Research Objectives

In this research work, the researcher had as main objectives:

To determine if illicit financial flows had an impact on the growth of developing economies.

The specific objectives were four in number.

- 1. The first objective was to examine the impact of illicit financial flow on the gross domestic product of developing countries.
- 2. The second was to examine the impact of illicit financial flow on the foreign direct investment of developing countries.
- 3. The third was to examine the impact of illicit financial flow on the official development assistance on developing countries
- 4. The fourth was to examine the impact of illicit financial flows on the domestic trade of developing countries.

4. Research Hypothesis

The main hypothesis of the study was that illicit financial flows had an impact on the growth of developing economies.

- There are four specific hypotheses to be verified.
 - 1. Illicit financial flow of developing countries is correlated to their gross domestic.
 - 2. Illicit financial flow of developing countries is correlated to foreign direct investment.
 - 3. Illicit financial flow of developing countries is correlated with official development assistance.
 - 4. Illicit financial flow of developing countries is correlated with their domestic trade.

5. Discussion and Interpretation of the Findings

The tables show the percentages for alternatives of each item, Mean, Weight Mean, T- value, and significance level for each item.

Results of the EFA (exploratory factor analysis), Reliability, Descriptive Statistics, and Correlations.

Table 1. Descriptive Statistics of the independent variables.

| | Ν | Mean | Std. Deviation |
|--------------------|------|--------|----------------|
| HMN | 1701 | 3.120 | 1.3648 |
| GER | 1701 | 14.525 | 7.4721 |
| TAXA. | 1701 | 3.0987 | 1.09208 |
| Valid N (listwise) | 1701 | | |

The table above, shows the descriptive statistics of a sample of the illicit financial flows that was used in the study including a measure of their mean and standard deviation

Table 2. Total Variance of independent variables Explained.

| <i>c</i> | Initial Eig | Initial Eigenvalues | | | Extraction Sums of Squared Loadings | | |
|-----------|-------------|---------------------|--------------|-------|-------------------------------------|--------------|--|
| Component | Total | % of Variance | Cumulative % | Total | % of Variance | Cumulative % | |
| 1 | 1.453 | 48.447 | 48.447 | 1.453 | 48.447 | 48.447 | |
| 2 | 1.115 | 37.169 | 85.616 | 1.115 | 37.169 | 85.616 | |
| 3 | .432 | 14.384 | 100.000 | | | | |

Extraction Method: Principal Component Analysis. *KMO & Bartlett's Test*

KMO & Bartlett's Test of Sphericity is a measure of sampling adequacy that is recommended to check the ratio of the variable for the analysis being conducted. In most academic and business studies, KMO & Bartlett's test play an important role for accepting the sample adequacy. While the KMO ranges from 0 to 1, an index of over 0.5 is widely accepted.

Significance level at 0.000 which is less than 0.05, and in turn this denotes that the data is adequate.

Table 3. KMO and Bartlett's Test.



Figure 1. Level of outflow From Developing Economies.

5.1. Regional Analysis of the Trend

From the table above, the highest cause of outflow is through trade misinvoicing and Asia region registered the highest amount by far in illicit outflows from 2003 to 2012. It was followed by developing Europe, Sub-Saharan Africa. This picture would be different if we look at the growth rates of illicit financial flow per region. Where the MENA region (Middle East and North Africa Region) registered the highest growth rate by far in illicit outflows from 2003 to 2012, at 24.2 percent per annum. It was followed by Sub-Saharan Africa at 13.2 percent, Developing Europe at 9.8 percent, Asia at 9.5 percent, and the Western Hemisphere at 3.5 percent and the high growth rate for MENA is likely related to the rise in oil prices that occurred over this time period



Figure 2. Comparing Outflows through Misinvoicing and Illicit Hot Money.

Table 4. Correlations of the Dependent and Independent variables.

| | IFF | GDP | TDE | FDI | ODA | |
|-----|--------|--------|--------|-----|-----|--|
| IFF | 1 | | | | | |
| GDP | .985** | 1 | | | | |
| TDE | .970** | .952** | 1 | | | |
| FDI | .996** | .979** | .966** | 1 | | |
| ODA | 196 | 259 | 202 | 269 | 1 | |

The table above clarifies the correlation coefficients for each field, the average of the part, correlation coefficients denoted significance at (0.01, 0.05), which means a content reliability for what is being measured

**. Correlation is significant at the 0.01 level (2-tailed).

5.2. Determination of Cronbach's Alpha

Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation among the items.

Table 5. Reliability Statistics of the studies.

| Cronbach's Alpha | Cronbach's Alpha Based on Standardized Items | N of Items |
|------------------|---|------------|
| .247 | .829 | 5 |

The table above gives the Cronbach's alpha values for the variables in the research model. The standardized factor loadings were 0.829 greater than 0.591 thresholds.

This means that construct validity of the measures were satisfied. Cronbach's alpha values of the factors were high. This showed that all illicit financial flows and growth factors had acceptable reliabilities.

Table 6. ANOVA with Cochran's Test.

| | | Sum of Squares | df | Mean Square | Cochran's Q | Sig |
|---------|------------------|-------------------|----|----------------|----------------|------|
| Between | n People | 55165.086 | 4 | 13791.272 | | |
| Within | Between Items | 434254.730 | 4 | 108563.683 | 14.466 | .006 |
| People | Residual | 166140.570 | 16 | 10383.786 | | |
| | Total | 600395.300 | 20 | 30019.765 | | |
| Total | | 655560.386 | 24 | 27315.016 | | |

6. Testing the Significance of the Models

Model one: Economic growth (Y_{EG}) and illicit financial flows

Table 7. Model One Summary.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|----------------------|-------------------------------|
| 1 | .995ª | .991 | .987 | 30.1892 |

a. Predictors: (Constant), GER, HMN

This table provides the R, R^2 , adjusted R^2 , and the standard error of the estimate, which can be used to determine how well a regression model fits the data:

In this case of illicit financial flows, a value of 0.995

indicates a good level of prediction. The "R Square" column represents the R^2 value (also called the coefficient of determination), which is the proportion of variance in the dependent variable that can be explained by the independent variables. This therefore means that our value of 0.991 of the independent variables explains 99.5% of the variability of our dependent variable which is the gross domestic variable.

Table 8. ANOVA^aFor Model One.

| Mo | odel | Sum of Squares | df | Mean Square | F | Sig. |
|----|------------|-------------------|----|-------------|----------|-------------------|
| | Regression | 4491370.105 | 2 | 2245685.052 | 2141.360 | .000 ^b |
| 1 | Residual | 92916.511 | 89 | 1048.719 | | |
| | Total | 4584286.616 | 91 | | | |

a. Dependent Variable: GDP

b. Predictors: (Constant), GER, HMN

Statistical significance

The F-ratio in the ANOVA table above tests whether the overall regression model is a good fit for the data. The table shows that the independent variables statistically significantly predict the dependent variable,

F(2.5) = 259.115, p=0.000< .0005.

This thus shows that the regression model is a good fit of the data. Thus the means are significantly different and we decide that the effects are real.

| Table 9. | Coefficients ^a For | the First | Regression | Model. |
|----------|---|-----------|-------------|-----------|
| 1 | 000,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,, | | 1000.000000 | 111000000 |

| Model | | Unstandardized Coefficients | | Standardized Coefficients | 4 | <u>c:</u> _ |
|-------|------------|--------------------------------|---------------|------------------------------|--------|-------------|
| | | В | Std. Error | Beta | τ | 51g. |
| | (Constant) | -25.665 | 10.438 | | -2.459 | .016 |
| 1 | HMN | 30.746 | 2.443 | .191 | 12.587 | .000 |
| | GER | 27.162 | .428 | .961 | 63.428 | .000 |

a. Dependent Variable: GDP

| P is significant a | t 0.05 | Significance |
|--------------------|-----------|--------------|
| constant | 0.016<0.5 | significant |
| hmn | 0.000<0.5 | significant |
| ger | 0.000<0.5 | significant |

The model one can thus be written as

 $Y_{EG (1t)} = \beta_0 + \beta_{11} X_{HMN (1t)} + \beta_{12} X_{GER (2t)} + \mu_{1t}$

$$Y_{EG (1t)} = (-55.343) + 35.764 X_{HMN (1t)} + 27.783 X_{GER (2t)}$$

Concluding on the hypothesis

| Table 10. | Chi Square | Statistics | Test |
|-----------|------------|-------------------|------|
|-----------|------------|-------------------|------|

| | HMN | GER | |
|-------------|----------------------|----------------------|--|
| Chi-Square | 352.632 ^a | 646.314 ^b | |
| Df | 3 | 4 | |
| Asymp. Sig. | .000 | .000 | |

From the table above, we can see that the calculated chi square value (x^2) value for 6 degree of freedom is 352.632 for HMN and 646.314 for GER and the significance value of

(0.000) is less than the threshold of 0.05 and this suggests that the null hypothesis can be rejected(there is no significant impact of illicit hot money and trade misinvoicing on the growth of the GDP of developing economies) in favour of the alternative hypothesis this is, there is a significant impact of illicit hot money and trade misinvoicing on the growth of the GDP of developing economies

The above analysis confirms and supports the December 2013 report from Global Financial Integrity (GFI) that developing countries lost US\$947 billion in illicit financial flows in 2011, with a total loss of US\$5.9 trillion in the decade from 2002 to 2011. The rate of increase per year of illicit financial flows far surpasses GDP growth and far outstrips aid received. Overall this loss in vital funds significantly impacts on development opportunities in the developing countries.

Illicit financial flow also reduce tax revenue for the provision of public services such as health, education and social services; reduce foreign exchange resources thereby inhibiting growth and the ability of nations to invest in infrastructure and businesses. Illicit financial outflows drain hard currency reserves, heighten inflation, reduce tax collection, cancel investment, undermine trade, worsen poverty, and widen income gaps. The illicit financial flow cycle prevents states and citizens from effectively supporting their own development the power is often concentrated in the hand a few powerful and wealthy individuals.

The situation is worst for African countries that have to shoulder a heavy debt burden and a number of researchers such as Ndikumana and Boyce (2008), have shown that sustained illicit outflows have turned the continent into a net creditor to the rest of the world.

Model two: Trade (Y_{TD}) and illicit financial flows

Table 11. Model Summary of Trade (Y_{TD}) and illicit financial flows.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|----------------------|----------------------------|
| 2 | .999ª | .997 | .997 | .65477 |

a. Predictors: (Constant), GER, HMN

In this case of illicit financial flows, a value of 0.999 indicates a very good level of prediction. This therefore means that our value of 0.997 of the independent variables explains 99.5% of the variability of our dependent variable which is in this case, trade.

| Table 12. ANOVA Table for the Second Mo | del |
|--|-----|
|--|-----|

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|-------------------|------|----------------|------------|------|
| | Regression | 258583.716 | 2 | 129291.858 | 301577.648 | .000 |
| 2 | Residual | 728.135 | 1698 | .429 | | |
| | Total | 259311.851 | 1700 | | | |

Statistical significance

p=0.000< 0.0005.

This thus shows that the regression model is a good fit of the data. Thus the means are significantly different and we decide that the effects are real Concluding on the hypothesis

Table 13. Test Statistics for the Second Model.

| | HMN | GER | |
|-------------|---------------------|---------------------|--|
| Chi-Square | 15.739 ^a | 34.522 ^b | |
| Df | 3 | 4 | |
| Asymp. Sig. | .001 | .000 | |

From the table above, we can see that the calculated chi square value (x^2) value for 6 degree of freedom is 15.739 for HMN and 34.522 for GER and the significance value of (0.000) is less than the threshold of 0.05 and this suggests that the null hypothesis can be rejected (there is no significant impact of illicit hot money and trade misinvoicing on the trade of developing economies) in favour of the alternative hypothesis this is, there is a significant impact of illicit hot money and trade of developing economies) in favour of the alternative hypothesis this is, there is a significant impact of illicit hot money and trade misinvoicing on the trade of developing economies.

Trade misinvoicing has long been recognized as a major cause of illicit financial flows. By overpricing imports and underpricing exports on customs documents, residents can illegally transfer money abroad. To estimate trade misinvoicing, we can determine the exports of that developing country to that world and it is then compared to what the world reports as having imported from that country, after adjusting for insurance and freight. Additionally, a country's imports from the world are compared to what the world reports as having exported to that country.

Model Three: Foreign Direct Investment (Y_{fdi}) And Illicit Financial Flows

Table 14. Model Summary for Model Three.

| Model | R | R Square | Adjusted R Square ^b | Std. Error of the Estimate |
|-------|-------------------|----------|-----------------------------------|----------------------------|
| 3 | .998 ^a | .996 | .996 | .4929 |

a. Predictors: (Constant), GER, HMN

In this case of illicit financial flows, a value of 0.998 indicates a very good level of prediction. This therefore means that our value of 0.996 of the independent variables explains 99.8% of the variability of our dependent variable which is in this case, trade.

Table 15. ANOVA Table for Model Three.

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|-------------------|----|----------------|----------|-------|
| 3 | Regression | 5321.392 | 2 | 2660.696 | 10951.36 | .000b |
| | Residual | 21.526 | 89 | 0.243 | | |
| | Total | 5342.918 | 91 | | | |

a. Dependent Variable: FDI

b. Predictors: (Constant), GER, HMN



Figure 3. Comparing the Effect of Outflow on Foreign Direct Investment.

Statistical significance

p=0.000< 0.0005.

This thus shows that the regression model is a good fit of the data. Thus the means are significantly different and we decide that the effects are real

Concluding on the hypothesis

Table 16. Test Statistics for Model Three.

| | HMN | GER | |
|-------------|---------------------|---------------------|--|
| Chi-Square | 11.561 ^a | 22.912 ^b | |
| Df | 3 | 4 | |
| Asymp. Sig. | .009 | .000 | |

From the table above, we can see that the calculated chi square value (x^2) value for 6 degree of freedom is 11.561 for HMN and 22.912 for GER and the significance value of (0.000) is less than the threshold of 0.05 and this suggests that the null hypothesis can be rejected (there is no significant impact of illicit hot money and trade misinvoicing on the FDI of developing economies) in favour of the alternative hypothesis this is, there is a significant impact of illicit financial flows on the FDI of developing economies

Every year huge sums of money are transferred out of developing countries illegally through illicit hot money outflow and trade misinvoicing. These illicit financial flows strip resources from developing countries that could be used to finance much-needed public services, from security and justice to basic social services such as health and education, weakening their financial systems and economic potential. While such practices occur in all countries and are damaging everywhere the social and economic impact on developing countries is more severe given their smaller resource base and markets. And there is a general consensus that illicit financial flows likely exceed aid flows and investment in volume. The most immediate impact of illicit financial flows (IFFs) is a reduction in domestic expenditure and investment, both public and private. This means fewer hospitals and schools, fewer police officers on the street, fewer roads and bridges

It also means fewer jobs. Furthermore, many of the activities which generate the illicit funds are criminal; and while financial crimes like money laundering, corruption and tax evasion are damaging to all countries, the effects on developing countries are particularly corrosive. For example, corruption diverts public money from public use to private consumption.

Model Four: Official Development Assistance (Y_{ODA}) And Illicit Financial Flows

Table 17. Model Summary for Model Four.

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|----------------------|----------------------------|
| 4 | .584ª | .341 | .061 | 1.1538 |

a. Predictors: (Constant), GER, HMN

In this case of illicit financial flows, a value of 0.584 indicates a low level of prediction. This therefore means that

our value of 0.341 of the independent variables explains only 58.4% of the variability of our dependent variable which is in this case, official development assistance.

| | | | - | | | |
|-------|------------|---------|----|--------|-------|-------------------|
| Model | | Sum of | df | Mean | F | Sig. |
| | | Squares | | Square | | |
| 4 | Regression | 3.241 | 2 | 1.62 | 1.217 | .375 ^b |
| | Residual | 6.257 | 5 | 1.331 | | |
| | Total | 9.498 | 7 | | | |

Table 18. ANOVA for Model Four.

a. Dependent Variable: ODA

b. Predictors: (Constant), GER, HMN

Statistical significance

p=0.375>0.0005.

This thus shows that the regression model is not a good fit of the data. Thus the means are significantly the same and we decide that the effects cannot predict the outcome

Concluding on the hypothesis

Table 19. Chi Square and Test Statistics for Model Four.

| | HMN | GER |
|-------------|--------------------|--------------------|
| Chi-Square | 3.000 ^a | 2.000 ^b |
| Df | 3 | 4 |
| Asymp. Sig. | .392 | .736 |

From the table above, we can see that the calculated chi square value (x^2) value for 6 degree of freedom is 3 for HMN and 4 for GER and the significance value of (0.736) is more than the threshold of 0.05 and this suggests that the null hypothesis can be accepted (there is no significant impact of illicit hot money and trade misinvoicing on the official development assistance of developing economies) while rejecting of the alternative hypothesis this is, there is a significant impact of illicit financial flows on the ODA of developing countries

We would realise that illicit financial outflows from the developing world grew by 9.4 percent but the ODA to these countries grew by just 0.3 percent and net FDI into them grew by 12.1 percent per annum.

The disparity in volume between illicit outflows and ODA is particularly vast. While the volume of FDI surpassed the volume of illicit outflows from 2006 to 2008, it has since fallen below it. A comparison of ODA and illicit outflows is striking. The developing world's cumulative illicit outflows came in at 808 percent of ODA during the time period of this study. In Sub-Saharan Africa, it was 152 percent, followed by MENA at 607 percent, Asia at 1,376 percent, Developing Europe at 1,764 percent, and the Western Hemisphere at 1,788 percent.

In 2012, ODA for the developing countries was measured at US\$89.6 billion, according to the World Bank and as this report has found, illicit outflows from the developing world amounted to US\$991.2 billion in that same year. That means that for every development dollar coming into the developing world in 2012, over US\$10 flowed out illicitly.



Figure 4. Comparing the Effect of Import Misinvoicing and Export Misinvoicing.

7. Conclusion and Policy Implication

7.1. Conclusion

In this research we analyzed the impact of illicit financial flows, tax evasion on the growth in the developing countries and countries in transition. For this purpose, we used a recently computed data on estimates of tax evasion and illicit financial flow that was performed by the members of the Global Financial Integrity Project.

We found out that the effect of tax evasion is significant and that tax evasion negatively affect the economic growth of individuals, groups and economies.

Illicit financial flows and Tax evasion is a very serious social menace that is causing a major setback on the growth of developing economies. From all indications it is now clear that if government engages in overhauling the tax administrative machineries, the problems of tax evasion and avoidance will be reduced to the barest minimum.

It is also important for governments to put in place stiff penalty for corrupt tax officials and make frantic efforts aimed at putting in place adequate enforcement for defaulters. Such penalties and enforcement will help generate more revenue to the coffers of the government. It is hoped that if the measures prescribed in this study are implemented, it will go some way in reducing the problem of illicit financial flows and tax evasion to a reasonable dimensions.

From the analysis, we can conclude that illicit financial flows have negative effects on gross domestic product, domestic trade, official development assistance and direct investment. We can also say that even though in absolute terms the total capital flight for the period of 2002-2006 from Asia accounts for half of all capital outflows, looking at the dynamic of Capital Flight to GDP ratio, we realized that MENA region has higher level of Capital Flight which was also constantly growing during the period under study. It is also important to note, that in the last year of analysis, Capital Flight to GDP ratio also greatly increased for Europe and Western Hemisphere. It is also seen that Asia exhibits the most evident link between capital flight and GDP per capita growth

7.2. Policy Implication

For developing economies to meet their revenue targets it would be appropriate to take a look at the factors responsible for the incidence of tax evasion since a check on these factors will reduce the effects of Tax evasion. Base on this background, the following recommendations are made:

1. Government should embark upon other means of publicity such as radio messages, television advertisements, post bills as well as the use of town criers to inform taxpayers of changes in tax legislation and need for compliance.

2. The tax authorities should properly review and evaluate the assessment and collection procedures so as to encourage compliance by the taxpayers.

3. Suitable personnel should be recruited and Revenue personnel generally trained and retrained to cope with the demands of the job.

4. The handling of tax clearance certificates should be well decentralized such that neither the assessor nor the collector can issue tax clearance certificates.

5. The Audit Unit of the tax authority should be strengthened to always Audit tax remittance by collectors at all levels. This measure will go a long way to curb corrupt practices among tax officials.

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