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News release

Ethiopians endorse higher taxes in exchange for more government services, Afrobarometer survey shows

A majority of Ethiopians would prefer to pay higher taxes if it would ensure more government services, the most recent Afrobarometer survey shows.

Most citizens consider it fair to tax rich people at a higher rate than ordinary people in order to fund government programs to help the poor. But they also want the government to make sure that small traders and other people working in the informal sector pay taxes on their businesses

About half think that ordinary people pay too much in taxes and say they find it difficult to get information about what taxes and fees they are supposed to pay.

Key findings

- A solid majority (63%) of Ethiopians would agree to pay higher taxes if it would mean more government services, while 35% would prefer lower taxes even if it meant fewer government services. Citizens who pay income taxes are slightly more likely than non-taxpayers to support the idea of higher taxes in exchange for more services (65% vs. 62%) (Figure 1).
- Half (50%) of Ethiopians say it is difficult to find out what taxes and fees they are supposed to pay (Figure 2). Taxpayers and non-taxpayers hold similar views on this question.
- A vast majority (71%) of citizens say it is difficult to find out how the government uses tax revenues (Figure 3).
- More than half (52%) of Ethiopians believe that ordinary people are taxed too much. About one-third (35%) say the same thing about tax rates for rich people (Figure 4).
 - About one in three respondents don't have any complaints about tax rates, saying either that they are about right or that they don't know.
- Almost three-fourths (73%) think it is fair to tax rich people at a higher rate than ordinary people in order to fund government programs to benefit the poor (Figure 5).
- A large majority (76%) of Ethiopians say the government should make sure that small traders and other people working in the informal sector pay taxes on their businesses (Figure 6).

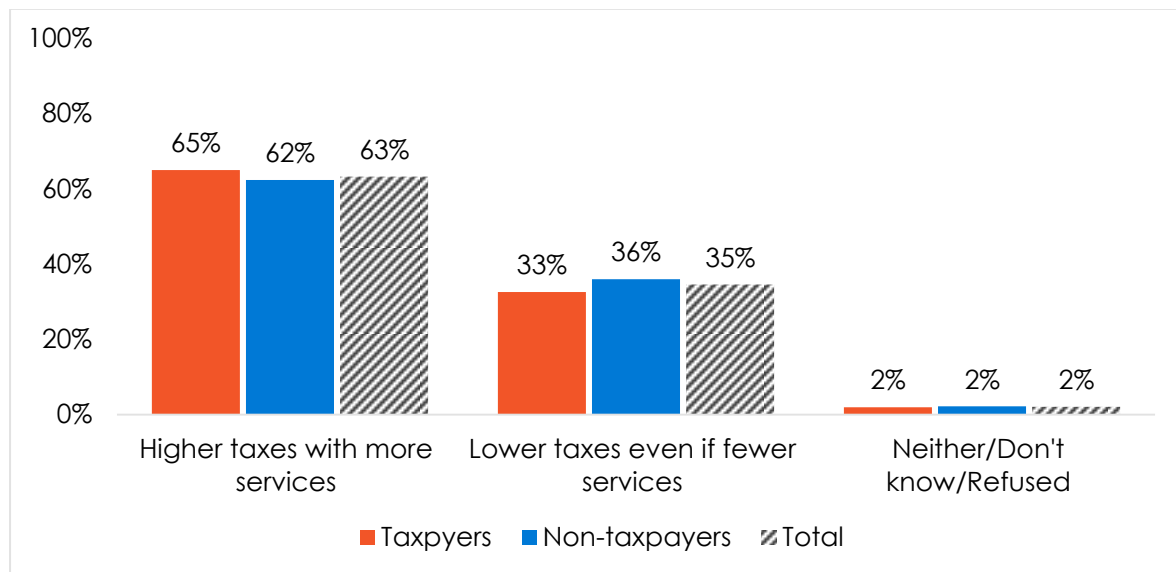
Afrobarometer surveys

Afrobarometer is a pan-African, nonpartisan survey research network that provides reliable data on African experiences and evaluations of democracy, governance, and quality of life. Seven rounds of surveys were completed in up to 38 countries between 1999 and 2018. Round 8 surveys in 2019/2021 are planned in at least 35 countries. Afrobarometer conducts face-to-face interviews in the language of the respondent's choice with nationally representative samples.

These findings are drawn from a survey of 2,400 adult citizens conducted in December 2019-January 2020 by ABCON – Research & Consulting with financial support from Freedom House. A sample of this size yields country-level results with a margin of error of +/-3 percentage points at a 95% confidence level. A previous survey was conducted in Ethiopia in 2013.

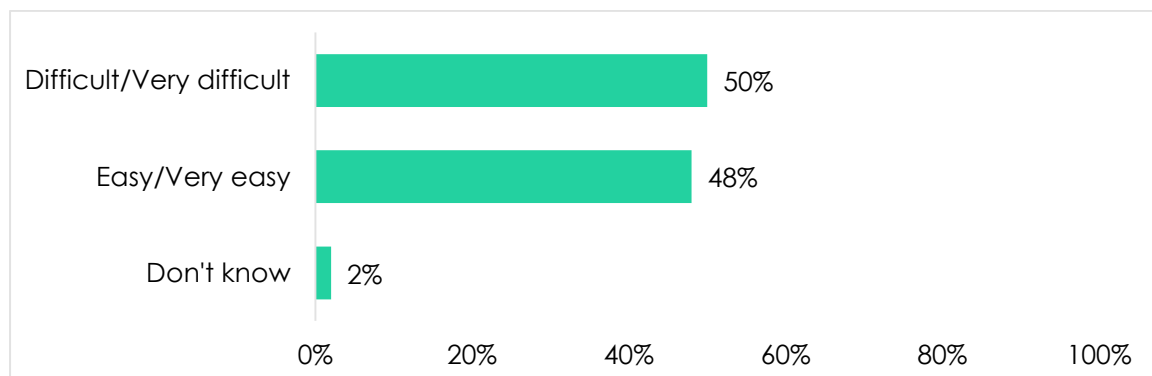
Charts

Figure 1: Higher taxes with more government services or lower taxes with fewer government services? | Ethiopia | 2020



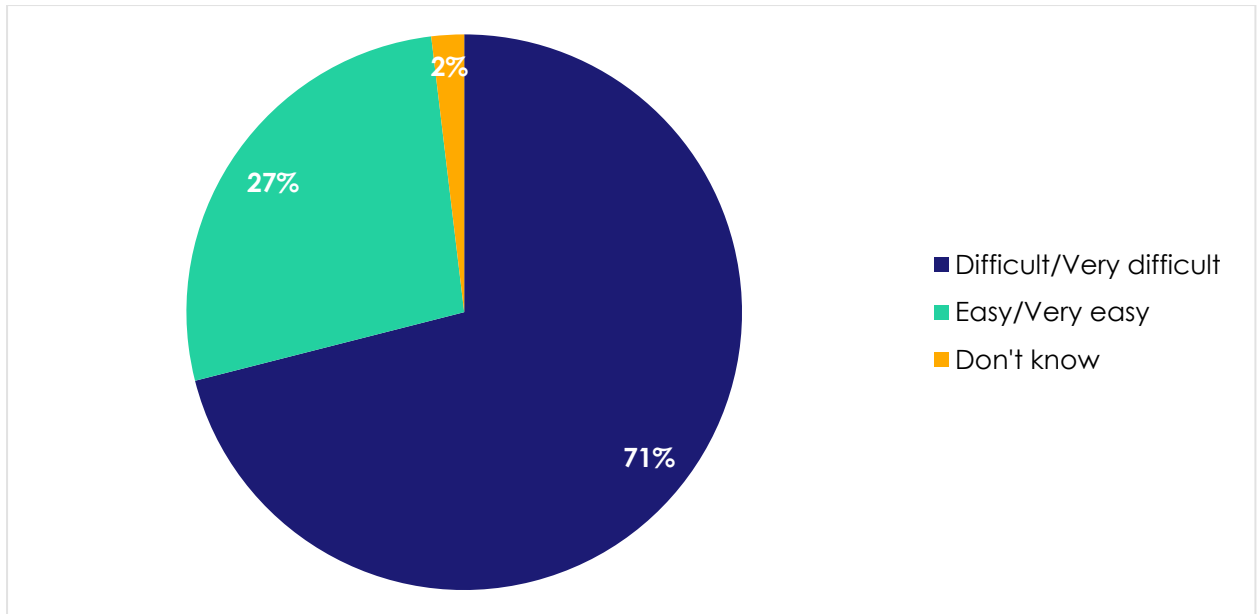
Respondents were asked: Which of the following statements is closest to your views
 Statement 1: It is better to pay higher taxes if it means that there will be more services provided by government.
 Statement 2: It is better to pay lower taxes even if it means there will be fewer services provided by government.
 (% who “agree” or “agree very strongly” with each statement)

Figure 2: How easy or difficult is it to find out about taxes or fees to pay? | Ethiopia | 2020



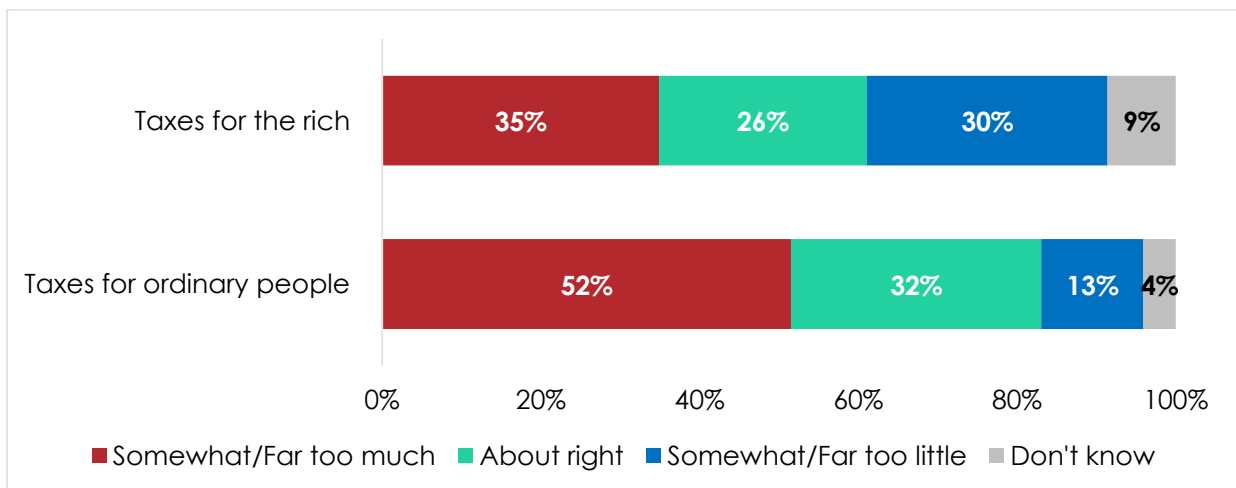
Respondents were asked: Based on your experience, how easy or difficult is it to do find out what taxes and fees you are supposed to pay to the government?

Figure 3: How easy or difficult is it to find out how government uses tax revenues?
 | Ethiopia | 2020



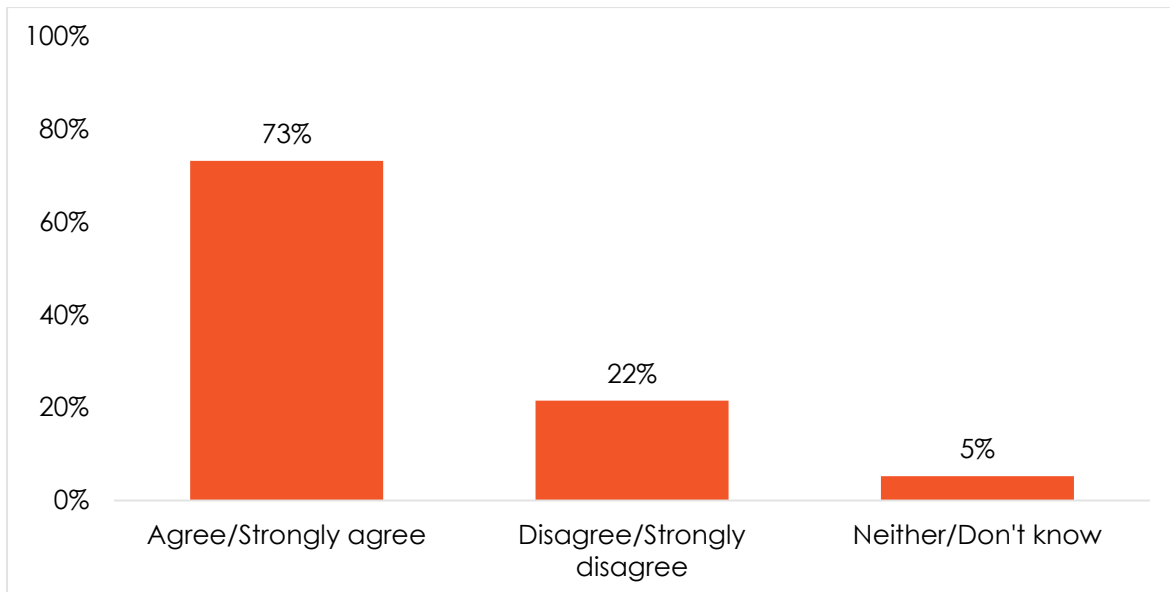
Respondents were asked: Based on your experience, how easy or difficult is it to do each of the following: Find out how government uses the revenues from people's taxes and fees?

Figure 4: Are taxes too high or low? Rich vs. ordinary people | Ethiopia | 2020



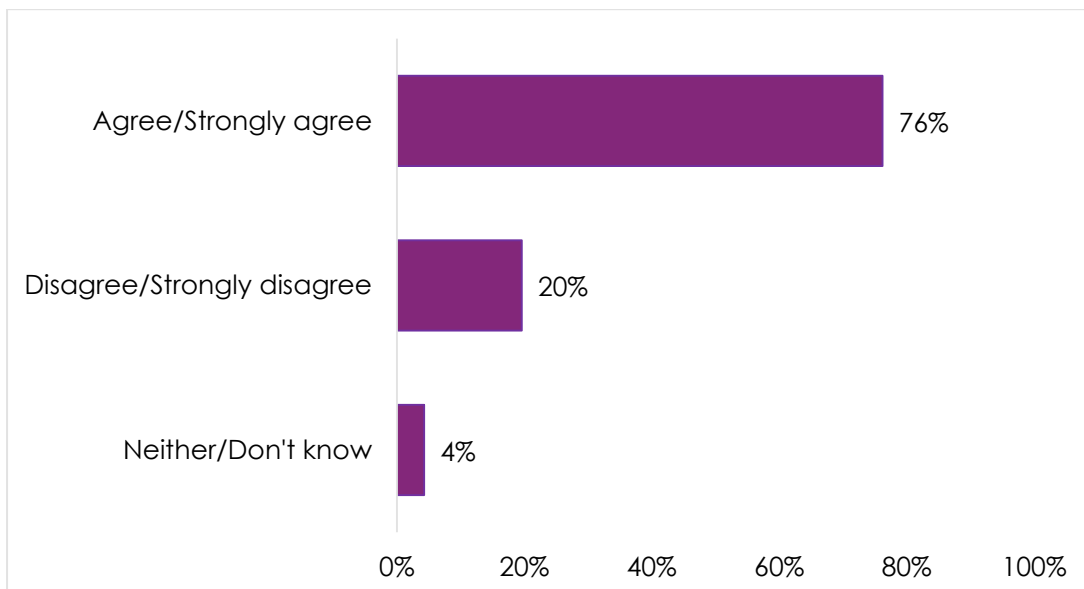
Respondents were asked: Do you think that the amount of taxes ordinary people/the rich people in Ethiopia are required to pay to the government is too little, too much, or about the right amount?

Figure 5: Fairness of higher tax rates for the rich to help the poor | Ethiopia | 2020



Respondents were asked: Do you agree or disagree with the following statement: It is fair to tax rich people at a higher rate than ordinary people in order to help pay for government programs to benefit the poor?

Figure 6: Should government ensure that the informal sector pays taxes? | Ethiopia | 2020



Respondents were asked: Do you agree or disagree with the following statement: Government should make sure small traders and other people working in the informal sector pay taxes on their businesses?

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