



Getting Good Enough Tax Governance: Simplified Strategies for Reforming African Property Tax Systems

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Problem: Inappropriate Systems


Most systems were inherited from colonial powers, but pose major challenges of administration in lower-income countries

- **Property registration:** Most systems rely on building a formal ownership cadaster as a precursor to taxation. However, cadasters in lower-income countries are almost everywhere very incomplete – and building them is slow, contentious and unincentivized
 - **Valuation:** Most systems rely on establishing the assessed market value of properties through reliance on valuation experts, informed by market transaction data. However, such expert market valuation is limited by high costs, limited capacity, limited market data and limited transparency
 - **Cross-institutional cooperation:** Many systems were established in ways that require significant institutional cooperation across Ministries, agencies and levels of government. But such cross-institutional collaboration is complex reflecting administrative silos, bureaucratic self-interest and political conflicts.
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Problem: Navigating Reform

Successful reform inevitably needs to overcome vested interests, and basis inertia, opposed to reform:

- **Taxpayers:** Resistance to higher taxes in the absence of strong services
 - **Administrators:** Resistance to reform that threaten status and (informal) incomes
 - **Central Governments:** Resistance to decentralized authority
 - **Legislation:** Often highly restrictive, but difficult to amend
 - **Institutional Arrangements:** Fragmented responsibility creates silos and vested interests
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“Good Enough” Approaches to Reform

The dominant international response has been to focus on **capacity development and new technology**

But capacity is not enough where systems are inappropriate and political and administrative forces are aligned against reform

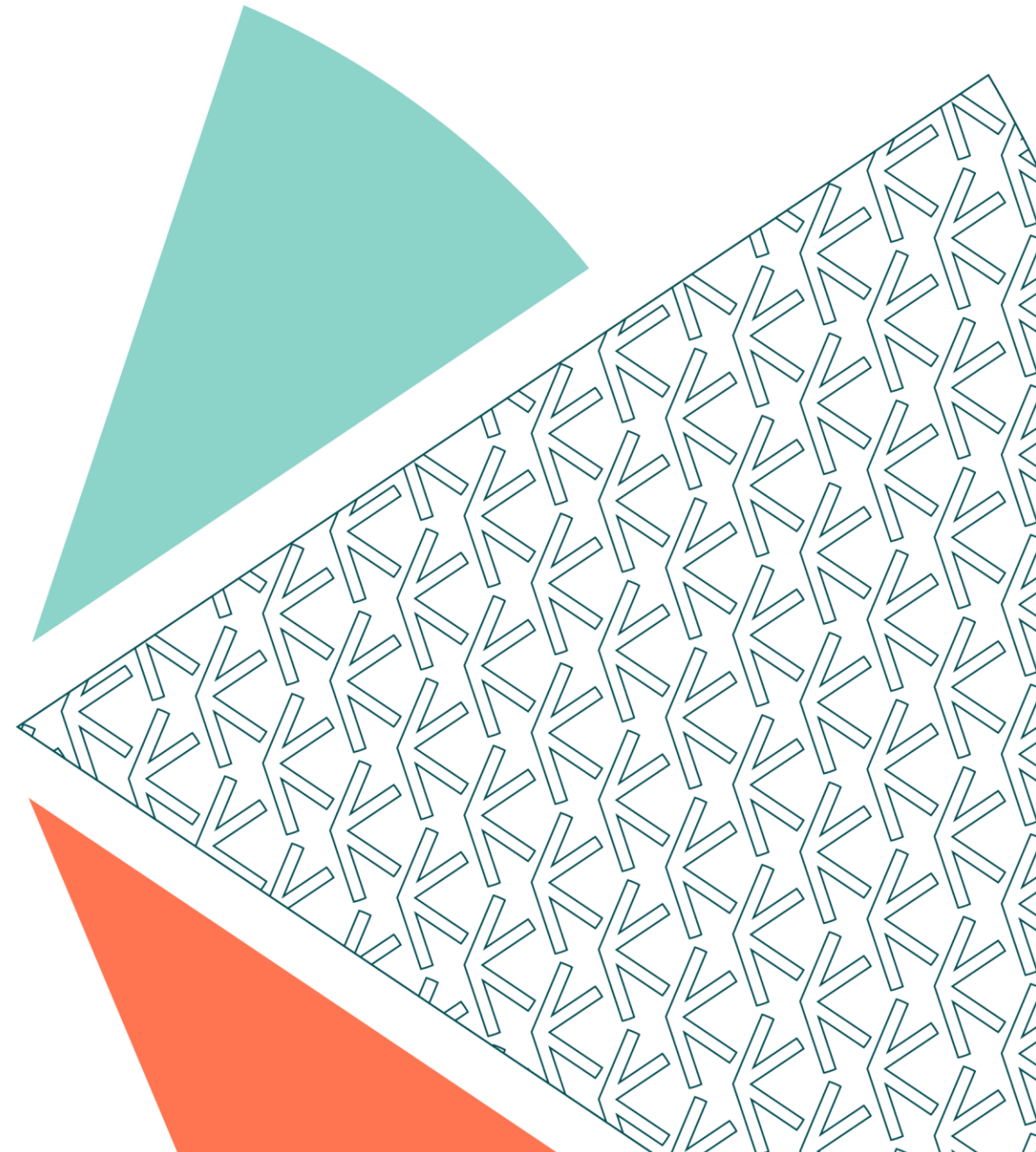
Supporting lower-income country governments to develop and implement “good enough” approaches to property tax reform that emphasize administrability, equity and accountability

- **Technical Fit:** Systems that “fit” the specific capacities and institutional contexts of lower-income countries
 - **Political Fit:** Strategies that work within political and institutional constraints – or include strategies for overcoming them
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Core Features of an "Good Enough" Systems

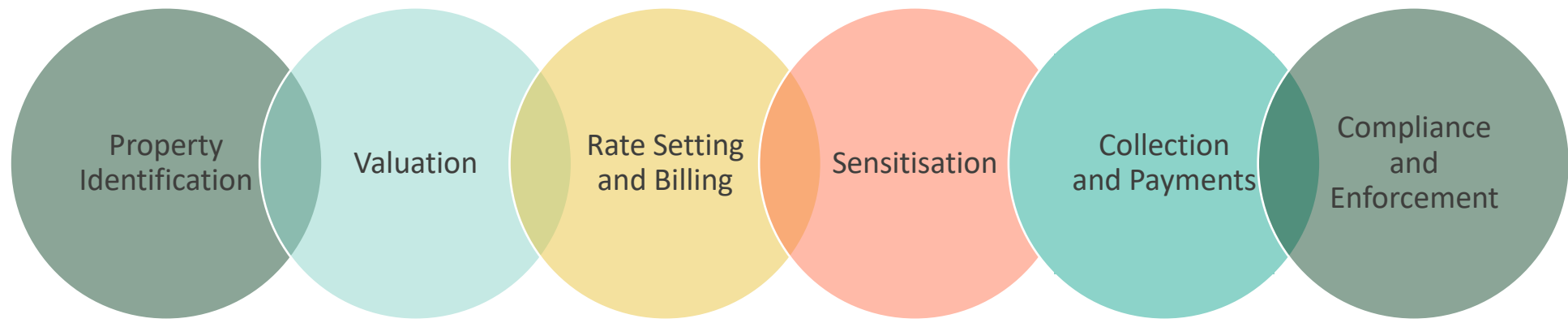
1. Reduce data and capacity requirements
2. Reduce inter-governmental risks
3. Increased transparency and objectivity
4. Strengthen links between revenue and service delivery
5. Build political acceptability





A Comprehensive Approach to Reform

Specific needs will vary across contexts. Value in **diagnostic approaches**, covering the entire property tax cycle, to identify **key binding constraints in specific contexts**





Thank You