

## **How does the Quality of Institutions Affect Tax Revenue Mobilization in Sub-Saharan Africa? An Approach based on Countries' Income Levels**

**Dana Luther\***

*Faculty of Economics and Management  
University of Maroua-Cameroon*

**Nlom Jean Hugues**

*Faculty of Economics and Applied Management  
University of Douala-Cameroon  
Email: nlomhugues@gmail.com*

**Dabo Joseph Doubla**

*Faculty of Economics and Management  
University of Maroua-Cameroon  
Email: joseph.dabo-doubla@univ-maroua.cm*

**Abstract:** This paper examines the impact of institutional quality on tax revenue mobilization in sub-Saharan Africa, distinguishing countries by income level and sub-region. The study covers 47 countries over the period 1996-2023 and uses the dynamic panel Generalized Method of Moments (GMM) to address endogeneity and heterogeneity issues. The results reveal that the quality of institutions positively influences tax revenues, with more marked effects in middle- and high-income countries, as well as in Central and Southern Africa, where political stability and the rule of law play a crucial role. These results imply the strengthening of institutional reforms, the fight against corruption, and the formalization of the informal sector to increase tax revenues.

**Keywords:** Institutions, Tax Revenues, Sub-Saharan Africa, GMM

**JEL Classification Number:** H20, H26, E62, O43

---

\* Ph.D. student in Economics. Email: daterralluta@yahoo.fr