

An Empirical Study on the Most Effective Medium for Goods and Services Tax (GST) in Sierra Leone

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Abstract: In Sierra Leone, prior to the introduction of GST in 2010, the National Revenue Authority (NRA) had launched a publicity campaign in order to appraise and educate the traders and the general public on the implementation of Goods and Services Tax (GST). The research was conducted with the goal of identifying the most effective medium for GST education campaign. The research tools included structured questionnaires with closed and open ended questions. The data was analyzed with Excel and SPSS 14.0 packages. The findings showed the average of 32.2% of stakeholders chose radio as the most effective means of information dissemination on GST to traders and the general public.

Key Words: Media; Publicity; Effectiveness; Goods and services tax; Sierra Leone

1 Introduction

The Government relied heavily on various types of taxes and tariff exemptions to promote socio-economic development. The tax structure includes various types of taxes levied during a specific period of time. The present Sierra Leone tax structure consists of direct and indirect taxes ^[1]. The National Revenue Authority, which has four revenue agencies namely, the Goods and services Tax (GST) Income Tax Department (ITD), Customs & Excise Department (CED), the Gold and Diamond Department (GDD) and the Non-Tax Revenue Department (NTRD), which are charged with the responsibility of collecting both direct and indirect taxes and non tax revenues in Sierra Leone. The responsibilities of collection and administration of direct taxes and indirect taxes are vested in the Income Tax, and Customs and Excise Departments respectively. Local taxes are administered and collected by local government ^[2].

As an important step in the modernization of its tax system, Sierra Leone introduced GST in 2010. GST is designed to simplify the tax system. The GST is not levied on such items as rice, piped water, fuel, books, educational and medical services and selected pharmaceutical supplies etc ^[3].

2 Data and Methodology

Data was collected through Primary and secondary data. The research tools included structured questionnaires with closed and open ended questions administered by hand delivering by enumerators. The questionnaire was pretested before distribution. The data was analyzed using Excel and SPSS 14.0 are packages.

3 Result and Discussions

3.1 Aggregate of respondents most effective medium of information dissemination of GST to traders and general public

Table 1 Most Effectiveness Media for Information Dissemination about GST

Sources of information		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	news papers	16	7.31	7.31	7.3
	Television	57	26.03	26.03	33.3
	radio	112	51.14	51.14	84.5
	post bill	10	4.57	4.57	89.0
	hand bill	23	10.50	10.50	99.5
	others	1	0.46	0.46	100.0
	Total	219	100.0	100.0	

Source: Survey data

Looking at the key issue on the effectiveness of the publicity campaign on GST implementation in S/L, Figure 1 revealed that radio is the most effective medium of information dissemination 51.14%;

Source: Survey data, 2011

3.3 Discussions

From the discussion on the findings among the stakeholders, it was revealed that radio was the most effective means of information dissemination on GST to traders and general public. The other medium that followed it was television. The predominance of radio as the most effective source of information dissemination of GST was established among all the groups of respondents, this had shown that traders and general public understand and have access to radio, through which radio programmes and advertisement were spread all over the country. Radio has its own merits as most of the respondents decided it was the most effective medium more than the other media like television, news papers etc: it has mass usage, high geographic and demographic selectivity and low cost and handling. Because of its cheap cost, local languages could be used to make both literate and illiterate to understand the basic term of GST (input and out taxes). It is more effective, and radio jingle will be repeated at every moment.

The fact that others like outreach visit by the GST officers, news papers brochures etc that have been mention by respondents in the questionnaires as others, could also have helped the traders and general public in acquiring knowledge of GST. It can be inferred from above that the two Media (radio and television) are the major tools that are aiding the traders/businesses and the general populace to understand the GST. Also, outreach visit has helped in the information dissemination through visits by GST officers, brochures etc.

4 Conclusion

Evaluation of the publicity effectiveness which is importance in the process of publicity that will determine whether the people understand the message the institution wants to pass to the general public, firms are making the evaluation of publicity effectiveness a much more important task. Among the stakeholders, it was revealed that radio was the most effective means of information dissemination on GST to traders and the general public. The findings show on the aggregate and comparative results, 51.14%, and average of 32.2% of the stakeholders respectively, who chose radio as the most effective means of information dissemination on GST to traders and the general public.

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