

# Stakeholder Perceptions of Tax Reform and Its Contribution to Economic Growth in Morocco: A Qualitative Analysis

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## Abstract

This article explores how tax reform is perceived by key stakeholders in Morocco and under what conditions it is seen as a contributor to economic growth. Based on thirty semi-structured interviews, the study adopts a thematic approach supported by NVivo software. The results highlight a demand for reforms that are clear, inclusive, and aligned with institutional trust and policy consistency. Divergences in expectations reflect the multiple roles attributed to taxation, beyond its fiscal function. The study contributes to research on fiscal governance by emphasizing the importance of stakeholder perceptions in shaping reform outcomes.

**Keywords:** tax reform, economic growth, Morocco, fiscal policy, stakeholder perceptions.

## Introduction

In contemporary policy debates, tax reform is increasingly recognized as a multidimensional instrument for advancing inclusive development, institutional resilience, and economic dynamism. Recent research has emphasized that beyond its role in revenue collection, taxation serves to structure state–society relations and shape perceptions of fairness, accountability, and public purpose. Eissa and Zeitlin (2019) underscore that modern fiscal systems must not only be efficient, but also equitable and comprehensible to the taxpayers they seek to engage.

In Morocco, various fiscal reform efforts have been undertaken in recent years with the stated objective of improving administrative performance and fostering a more coherent tax framework. While these initiatives have led to improvements in digital infrastructure and procedural updates, several longstanding challenges persist. According to the Cour des comptes (Court of Auditors of the Kingdom of Morocco, 2021) , the national tax system continues to face difficulties related to a limited tax base, uneven integration of the informal economy, and widespread perceptions of procedural opacity.

The National Tax Conference held in 2019 by the Ministry of Economy and Finance emphasized the need to redefine the foundations of the Moroccan fiscal system. Among the priorities identified were the simplification of legal frameworks, the rebalancing of fiscal effort, and the establishment of a more transparent and participatory reform process. This agenda reflects an understanding of fiscal transformation that extends beyond technical adjustment to include social dialogue and institutional commitment.

More recent assessments, such as the World Bank (2022), have highlighted that the success of tax reform also depends on the credibility of public institutions and the perceived legitimacy of fiscal rules. These dimensions are particularly relevant in environments where citizen engagement with the tax system is influenced by the visibility of public services and the clarity of state objectives.

This article seeks to contribute to the evolving literature on fiscal governance by exploring how tax reform is perceived by those directly involved in or affected by it in the Moroccan context. The central research question guiding this study is the following: *To what extent can a coherent and well-supported tax reform contribute to economic growth in Morocco, as perceived by key stakeholders?* This approach builds on the work of Moore, Prichard, and Fjeldstad (2018), who argue that the

sustainability of tax reform is closely linked to its capacity to reflect local expectations and institutional realities.

Through a qualitative analysis of thirty semi-structured interviews conducted with a diverse set of actors including public officials, business representatives, academic experts, and civil society participants this study aims to generate insights into how reform is framed, understood, and evaluated on the ground. As noted by Ali, Fjeldstad, and Sjørnsen (2015), stakeholder perceptions and the level of trust in fiscal institutions play a decisive role in shaping attitudes toward compliance and reform acceptability.

The article is organized as follows. The first section presents a review of the theoretical and empirical literature on tax reform and economic growth. The second describes the research design and data collection process. The third outlines the key findings from the interviews. The fourth discusses the implications of these results. The conclusion offers reflections and suggests directions for further research and policy development.

## **1. Literature Review**

The relationship between tax reform and economic growth has been extensively examined in the economic literature, particularly in the context of developing countries where structural constraints often hinder fiscal performance. To situate the present study within this body of research, the literature review is structured around four main axes.

The first axe outlines the principal theoretical frameworks that have shaped the analysis of taxation and its impact on growth, drawing on both classical and contemporary approaches. The second part focuses on tax reform experiences in developing economies, emphasizing the objectives pursued, the structural challenges encountered, and the factors contributing to successful outcomes.

The third section addresses the specific case of Morocco, providing a critical assessment of past reform initiatives and identifying ongoing weaknesses in the fiscal system. Finally, the review highlights a growing emphasis in the literature on participatory and inclusive approaches to tax reform, thereby underscoring the relevance of exploring stakeholder perspectives an area that remains underexplored and to which this study seeks to contribute through a qualitative methodology.

### **1.1 Theoretical Perspectives on Taxation and Economic Growth**

The relationship between taxation and economic growth has long been a subject of debate in economic literature. Classical and neoclassical economists generally emphasize the distortionary effects of taxation on investment, labor supply, and savings, suggesting that high or poorly designed taxes can hinder long-term growth (Barro, 1991). In contrast, Keynesian and developmental approaches argue that tax revenues are essential for financing public goods and infrastructure, which in turn stimulate aggregate demand and support economic expansion (Musgrave, 1989).

More recent contributions highlight that the effects of taxation on growth are highly context-dependent, influenced not only by tax rates and structures, but also by the quality of institutions, administrative efficiency, and the extent to which the tax system is perceived as fair and transparent (Tanzi & Zee, 2000). As such, the debate has shifted from a focus on tax levels to the broader institutional and governance frameworks within which tax systems operate.

### **1.2 Tax Reform in Developing Economies**

In developing countries, tax reform is often pursued not only to mobilize domestic resources but also to modernize fiscal institutions and support national development strategies. However, these efforts frequently face challenges such as a narrow tax base, high levels of informality, weak administrative capacity, and limited taxpayer compliance (Bird & Zolt, 2005).

The literature suggests that successful reforms in such contexts tend to prioritize simplification of tax regimes, broadening of the tax base, and greater transparency in enforcement mechanisms (OECD, 2021). Moreover, the legitimacy of tax systems shaped by perceptions of equity, reciprocity, and governance has emerged as a critical factor in fostering voluntary compliance (Moore, Prichard & Fjeldstad, 2018).

While technical design is important, scholars increasingly argue that the political economy of reform—the alignment of interests, the role of institutions, and the responsiveness to citizen expectations—often determines whether reforms are effectively implemented and sustained over time (Besley & Persson, 2014).

### **1.3 Tax Policy and Reform in the Moroccan Context**

Since the 1980s, Morocco has undertaken several waves of tax reform aimed at enhancing efficiency, promoting fairness and aligning the national system with international standards. While notable progress has been achieved, the Moroccan tax system continues to face a range of structural challenges. These include a heavy concentration of the tax burden on a relatively small group of formal taxpayers, the persistence of a large informal sector, disparities across sectors and regions, and various administrative inefficiencies (Bank Al-Maghrib, 2020).

Recent national initiatives, including the 2019 General Tax Conference, have underlined the importance of building a renewed fiscal framework based on equity, transparency and shared responsibility (Ministère de l'Économie et des Finances, 2019). Nevertheless, the reform process is still widely perceived as driven from the top down and lacking adequate stakeholder participation, which may affect levels of public trust and limit the overall effectiveness of policy implementation (Bouaddi, 2022).

While numerous economic analyses have addressed Morocco's fiscal performance, limited attention has been given to how tax reforms are experienced and interpreted by those most directly concerned, including public officials, taxpayers and business actors. This gap in the literature restricts the ability to assess the social and institutional conditions under which reform initiatives can succeed and be sustained.

### **1.4 Toward a More Inclusive and Contextual Approach to Tax Reform**

Recent academic literature has increasingly highlighted the need for more inclusive models of tax reform that move beyond purely technical adjustments to address broader questions of governance. These approaches underscore the value of public engagement, institutional trust and responsiveness to specific local contexts (Bird, Martinez-Vazquez and Torgler, 2008).

Technological innovations have also been identified as potentially transformative, with digital tools offering new avenues to streamline tax collection, reduce compliance burdens and enhance transparency (Eissa and Zeitlin, 2019). Nevertheless, several studies caution that without parallel efforts to strengthen institutional capacity and build public confidence, the full benefits of these technologies may not be realized.

Although these contributions represent a significant shift in thinking, there remains a need for empirical research that captures how fiscal reforms are perceived and experienced in practice, particularly within national settings. This is especially relevant in the case of Morocco, where public discourse around taxation often reflects broader concerns related to equity, institutional legitimacy and the role of the state in economic development.

### **1.5 Positioning of the Study within the Existing Literature**

While the relationship between taxation and economic growth has been extensively examined, much of the existing literature tends to adopt a macroeconomic or econometric perspective, focusing on quantitative indicators and cross-country comparisons. Although these approaches provide valuable insights, they often overlook the contextual and actor-specific dynamics that influence how tax reforms are designed, implemented and perceived in practice.

In addition, although recent studies have begun to recognize the importance of governance, transparency and public trust in shaping fiscal outcomes, empirical analyses of how these dimensions are experienced by stakeholders remain limited particularly in lower middle-income countries such as Morocco. The views of those who design, implement or are directly affected by tax policies including public officials, tax professionals, business leaders and citizens are still underrepresented in mainstream evaluations of fiscal reform.

This study seeks to address this gap by adopting a qualitative approach grounded in the lived experiences and perceptions of key stakeholders. In doing so, it contributes to a more nuanced understanding of the political economy of tax reform and offers context-specific insights into the conditions under which fiscal policies may more effectively promote inclusive and sustained economic growth.

## **2. Methodology**

### **2.1 Research Design**

Given the exploratory nature of this study, a qualitative research design was adopted to capture the complexity of stakeholder perceptions, expectations and concerns regarding tax reform in Morocco. Unlike macroeconomic approaches that may overlook local narratives, qualitative methods provide deeper insight into the social representations and lived experiences that influence attitudes toward fiscal policy.

Semi-structured interviews were selected for their ability to guide discussion while allowing participants the freedom to articulate their views in detail. This format offers consistency across interviews while remaining flexible enough to accommodate individual contexts and experiences.

## **2.2 Sampling Strategy**

The study draws on thirty semi-structured interviews conducted with a purposive sample of individuals selected for their direct relevance to the research topic. The sampling strategy was designed to include a diverse range of perspectives, encompassing public officials working in tax administration, fiscal policy experts, business leaders, academic researchers in economics and taxpayers from various socio-economic backgrounds. This approach enabled the inclusion of participants with informed and practical insights into tax reform processes. Interviews were conducted until thematic saturation was achieved, in accordance with the principles of theoretical sampling outlined by Glaser and Strauss (1967).

## **2.3 Data Collection**

Data were collected between September and December 2024, through in-person and online interviews, depending on participant availability. Each session lasted between 45 and 60 minutes. All interviews were audio-recorded with prior informed consent and fully transcribed for analysis.

The interview guide was structured around key themes, including perceptions of the current tax system, expectations toward reform, perceived obstacles and suggestions for improving the alignment of fiscal policy with national development goals.

## **2.4 Data Analysis**

A thematic analysis was carried out to identify recurring patterns and key issues emerging from the interviews (Paillé and Mucchielli, 2016). The process began with open coding, during which relevant text segments were assigned descriptive labels. These initial codes were then grouped into broader analytical categories that reflected the central themes of the study.

NVivo software was used to facilitate the organization and coding of data, support systematic comparisons across participant profiles and ensure the traceability and transparency of the analysis. The use of NVivo also allowed for the identification of co-occurring themes and patterns, contributing to the depth and rigor of interpretation.

## 2.5 Ethical Considerations

This research was conducted in accordance with established ethical standards for social science inquiry. Participants were fully informed about the purpose of the study, the types of questions involved and the intended use of their responses. Informed consent was obtained prior to each interview, and participants were reminded of their right to withdraw at any time.

Interviews were recorded only with explicit permission. Anonymity and confidentiality were strictly maintained throughout the transcription, coding and analysis stages. Identifying details were removed or modified to protect participant privacy, and all data were stored securely in line with data protection guidelines.

## 2.6 Methodological Limitations

While this qualitative approach provides rich and context-sensitive insights, it also carries certain limitations. The purposive and non-representative nature of the sample, combined with the subjectivity of personal narratives, limits the generalizability of the findings. However, the primary aim of this study is not statistical inference, but rather to develop a nuanced understanding of the dynamics of tax reform as perceived by those most directly involved.

## 3. RESULTS

**Table 1 :Structural Weaknesses of the Moroccan Tax System**

Sub-theme	NVivo Code	Frequency	Respondent Profile	Illustrative Quote
Concentration of tax burden	Tax Burden Inequity	High	Business owners, tax experts	“The system relies on a minority who already comply. It feels like the system doesn’t distribute the effort evenly.”
Informal economy and fiscal evasion	Informality	High	Tax officials, SMEs	“Many businesses are invisible to the system yet compete with us.”



Complex and opaque procedures	Administrative Opacity	Moderate	Accountants, professionals	“Regulations are vague, and interpretation changes from one officer to another.”
Lack of trust in tax administration	Institutional Distrust	Very High	Citizens, NGOs	“People contribute, but there is limited clarity regarding the allocation of those funds.”

**Table 2 : Conditions for a Successful Tax Reform**

Sub-theme	NVivo Code	Frequency	Respondent Profile	Illustrative Quote
Simplicity and system readability	Need for Simplification	High	All respondent types	“A simple system is the first step to regain trust.”
Long-term political commitment	Political Will	Moderate	Civil servants, academics	“Without political stability, no reform can last.”
Transparency and digitalization	Digital Tools and Trust	High	Experts, large taxpayers	“Digitizing the system would reduce manipulation and improve compliance.”
Inclusive and participatory process	Stakeholder Involvement	Moderate	Professional associations	“Reform won’t work if people aren’t part of the process; There is a clear need for inclusive and structured dialogue.”

**Table 3 :Tax Reform as a Catalyst for Growth**

Sub-theme	NVivo Code	Frequency	Respondent Profile	Illustrative Quote
Attractiveness and investment climate	Business Environment	High	Entrepreneurs, economists	“A transparent tax policy reassures investors and encourages formality.”
Fiscal justice and	Redistributive	Moderate	NGOs,	“The system should reduce

redistribution	Role		researchers	gaps, not widen them.”
Fear of limited or symbolic reform	Symbolic Reform Skepticism	Moderate	All stakeholder categories	“If the changes don’t go deep enough, The same structural challenges are likely to resurface.”
Institutional alignment and reform depth	Structural Alignment	Emerging	Policymakers, advisors	“Tax reform cannot succeed without parallel governance reform.”

#### 4. Interpretation

The results offer a comprehensive perspective on how tax reform is perceived by stakeholders within the Moroccan context. The first set of findings, presented in Table 1, highlights recurrent concerns regarding the structural configuration and accessibility of the current tax system. A significant number of participants described the system as heavily reliant on a relatively narrow segment of formal taxpayers, while large portions of economic activity particularly within the informal sector remain outside the scope of formal taxation. This situation was not necessarily interpreted as the result of deliberate exclusion but rather as indicative of a structural imbalance that influences perceptions of fairness.

Participants also reported challenges related to the complexity of procedures and limited access to clear, consistent information. These operational barriers were seen as contributing to uncertainty and making it more difficult for smaller businesses and individuals lacking professional assistance to comply with tax obligations. Another commonly mentioned issue was the perceived lack of transparency in public communication regarding the use of tax revenues. This aligns with the work of Bird and Zolt, who suggest that the sustainability of tax systems in developing economies depends not only on their technical design but also on how they are perceived in terms of equity and transparency. Similarly, Moore and colleagues emphasize that institutional trust plays a key role in shaping taxpayer behavior, particularly when the link between revenue collection and public service delivery remains unclear.

The second set of findings, detailed in Table 2, concerns the conditions identified by respondents as necessary for successful tax reform. Many participants emphasized that a simplified and more transparent tax system would not only improve compliance but also strengthen public confidence.

Simplification was viewed as beneficial from an administrative perspective, but also as a mechanism for reducing perceived inequalities and making the system more accessible. In this regard, reform was framed not merely as a technical task but as a means of restoring the overall legitimacy of the fiscal system.

A recurring theme was the need for sustained political commitment and a long-term strategic vision. Several respondents pointed out that reform efforts often lose momentum when guided by short-term imperatives or when policy frameworks are frequently revised. The digitization of tax administration was cited as a particularly promising avenue for modernization, with the potential to reduce discretionary decision-making and improve the traceability of fiscal transactions. These observations are in line with the findings of Ali, Fjeldstad and Sjursen, who highlight the value of digital tools in improving transparency and administrative performance. In addition, many participants stressed the importance of inclusive processes, arguing that reform is more likely to succeed when it incorporates the perspectives of a broad range of stakeholders. This view echoes the conclusions of Keen, who emphasizes that participatory approaches tend to enhance both the legitimacy and the effectiveness of fiscal policy, especially in contexts of institutional transition.

The third category of findings, presented in Table 3, explores how tax reform is expected to contribute to economic growth. Business leaders and economists generally associated reform with an improved investment climate, characterized by greater predictability, administrative stability and reduced compliance burdens. In their view, reform could strengthen competitiveness and promote the formalization of economic activities. Other respondents focused more explicitly on the redistributive dimension of taxation, suggesting that reform should contribute to social cohesion and help reduce regional and economic disparities.

These varying expectations reflect the multiple roles attributed to fiscal policy and suggest that reform must navigate a careful balance between economic performance and social equity. This multidimensional understanding is consistent with the arguments of Besley and Persson, who maintain that tax systems should be evaluated not only for their capacity to raise revenue but also for their contribution to state-building and inclusive development. Furthermore, several participants expressed reservations regarding the scope and depth of previous reforms, particularly when these were perceived as symbolic or limited in their impact. A number of interviewees stressed the importance of aligning fiscal reform with broader public sector transformations, reinforcing the idea

advanced by Keen and others that fiscal reform cannot be addressed in isolation from institutional reform.

Taken together, these insights suggest that tax reform is not perceived simply as a technical adjustment but as part of a wider process of policy transformation. Interviewees highlighted the need for reforms that combine administrative efficiency with institutional legitimacy and public engagement. The diversity of perspectives collected through this study enriches the macroeconomic analyses typically found in the literature and offers a grounded, context-sensitive understanding of the governance challenges facing fiscal reform in Morocco.

## **Conclusion**

This study examined how tax reform is perceived and experienced by a range of stakeholders in Morocco, with particular attention to the conditions under which such reform may support broader economic development. Drawing on thirty semi-structured interviews and a thematic analysis, the research sheds light on the way fiscal policy is understood by those who are directly engaged with or impacted by it.

Rather than seeking to quantify attitudes or produce statistically generalizable findings, the qualitative approach adopted here enabled a more nuanced understanding of the narratives, experiences and expectations that inform stakeholder perspectives. The results suggest that views on reform are shaped by a combination of economic, institutional and historical factors. Simplicity, transparency and alignment with public needs emerged as key determinants of perceived system credibility, while sustained political commitment and inclusive processes were widely viewed as essential for fostering trust and ensuring the durability of reform.

By articulating these multidimensional perceptions, the study contributes to ongoing debates on the role of taxation in development strategies. It complements macroeconomic analyses by offering context-specific insights that highlight the importance of stakeholder trust, institutional legitimacy and responsiveness to social realities. The findings emphasize that tax reform cannot be reduced to technical or legal adjustments; it must also respond to public expectations and reflect a broader commitment to accountable governance.

Beyond its empirical contribution, this study demonstrates the value of qualitative inquiry in public finance research. While fiscal policy debates are often dominated by quantitative indicators and legal

instruments, this work shows that the lived experiences of those who navigate the tax system offer a vital dimension to understanding reform processes.

Future research could build on these findings by integrating qualitative insights with policy evaluation tools or expanding the scope to include other regions or categories of stakeholders. From a practical standpoint, the perspectives shared by participants provide useful considerations for policymakers aiming to design tax reforms that are both context-sensitive and institutionally grounded.

### Acknowledgment

This article benefited from the support of the national center for scientific and technical research (CNRST) under the PhD-associate scholarship – pass program.

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