

Impact of Tax Incentives on Employment in Gabonese SMEs: Empirical Evidence from a Sample of SMEs in Grand Libreville

Mvono Essono Bertrand

University Institute of Organizational Sciences (IUSO), Libreville, Gabon
Email: bertmveno@gmail.com

How to cite this paper: Bertrand, M. E. (2024). Impact of Tax Incentives on Employment in Gabonese SMEs: Empirical Evidence from a Sample of SMEs in Grand Libreville. *Open Journal of Business and Management*, 12, 2308-2328.
<https://doi.org/10.4236/ojbm.2024.124118>

Received: May 13, 2024

Accepted: July 8, 2024

Published: July 11, 2024

Copyright © 2024 by author(s) and Scientific Research Publishing Inc. This work is licensed under the Creative Commons Attribution International License (CC BY 4.0).
<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

This article examines the impact of tax incentives on employment growth within Gabonese SMEs. A quantitative analysis approach was adopted by administering a survey questionnaire to a sample of 207 SMEs in Grand Libreville. The data collected through this survey were analyzed using the ordinary least squares (OLS) regression model. The results show on the one hand the power of tax incentives in fostering employment growth within Gabonese SMEs. On the other hand, they reveal the positive and significant effect arising from the establishment of SMEs in a special economic zone on job creation. The robustness of the results is tested using two methods: changing the estimation technique on the one hand and the variable of interest on the other. The study suggests the need for further consideration on tax incentives to sustainably support job creation by SMEs. It also recommends the effective implementation of all special economic zones to enhance the job creation potential of SMEs and to mitigate unemployment.

Keywords

Tax Incentives, Growth, Employment, SMEs, Gabon

1. Introduction

Since the outbreak of the Covid-19 pandemic and the consequences of the ongoing war in Ukraine, Gabon has been facing a real problem in ensuring the sustainability of SMEs, which rely on financial and fiscal reforms aimed at accelerating the implementation of tax reforms focused on the establishment of preferential tax regimes (UNCTAD, 2022). Although taxes and duties account for an average of 20% of Gross Domestic Product (GDP) in developing countries

(IMF, 2019), through the implementation of preferential tax regimes, these countries are willing to waive certain tax revenues in order to encourage investment and job creation. They engage in a process of arbitration between the present and the future by choosing to bear “fiscal expenses” today in the hope that eligible companies will effectively contribute to the dynamism of economic activity and the creation of sustainable jobs in future.

By tax incentives, we mean measures put in place by all countries (developed and developing) with a view to reducing taxes on businesses and encouraging them to adopt behaviours of general interest, i.e., socially responsible and beneficial for the community (Deyganto, 2022). It is a set of measures providing for more favourable tax treatment either for specific activities or enhanced competitiveness. These measures, contained in the tax law and deviated from common tax law, range from tax exemptions to tax credits. They also include legal provisions that affect the calculation of tax on profits made by companies. In a nutshell, when designed and implemented effectively, tax incentive strategies are expected to positively influence business growth, viability and sustainability (Twe-sige & Gasheja, 2019). According to Harabi (2007), company growth is characterised by an increase in certain quantitative indicators such as the number of employees, the turnover, the market share, the added value, the volume of exported production etc. The evolution of these growth indicators can be influenced by internal and external factors. Prominent among the external factors are measures relating to taxation which can be, depending on the orientation, either dissuasive or incentive -based (Waffa, 2022).

In its current strategy to accelerate economic transformation, Gabon, like several other countries, uses tax incentives by allowing companies to pay fewer or no taxes. Given the range of benefits offered, tax incentives occupy a prominent place in the general tax code and the various finance laws. In general, to reduce their tax burdens, the Gabonese tax law offers companies operating throughout the national territory two main types of tax incentive measures: common law tax incentives and derogatory tax incentives. The budgetary cost linked to derogatory tax regimes is generally significant. For example, between 2016 and 2017, VAT fiscal expenditures alone amounted to more than 209.97 billion FCFA (DGI, 2019). However, several categories of tax incentives are being implemented in the country, such as the “fiscal gifts” which the law offers to companies located in the Nkok Special Investment Zone, which was created in 2010 and is located 27 km from the centre of Libreville, the only truly operational zone to date.

Overall, tax incentives constitute legal and relevant mechanisms allowing companies to minimize their tax burdens and, therefore, serve as a legal means of tax optimization. This is an opportunity that all companies should ideally systematically take advantage of. However, in practice, it is evident that only larger companies are able to better grasp and capitalize on these benefits (Yaich, 2001). Very few Small and Medium Enterprises (SMEs), which nevertheless constitute

the majority of businesses in economies worldwide, use the tax incentive measures offered by public authorities. However, despite this, tax benefits are primarily directed towards SMEs because they are, in most cases, the primary job creators compared to larger companies (Adaskou et al., 2018).

Furthermore, two main arguments are generally put forward to justify the enactment of preferential tax regimes in favour of SMEs. The first suggests that tax burdens weigh heavily on the operating costs of SMEs and thus impeding their growth. The second argues that in a context marked by difficulties in accessing bank loans, tax incentive measures aim to increase the self-financing of SMEs (Mfopain, 2018). Consequently, tax incentives are seen as one of the solutions to the viability and growth of SMEs. However, notwithstanding the effectiveness of several tax incentive measures, the macroeconomic environment of several developing countries, like Gabon, seems to be characterized by the non-viability of a significant number of SMEs, low investments, and high rates of unemployment, particularly among youths and women.

In light of this observation, the problem of this study can be summarised to the following research question: Do the tax incentive measures put in place by public authorities allow Gabonese SMEs to create more jobs? Through this question, the objective of this research is to analyze the impact of tax incentives on job creation within the context of Gabonese SMEs. We hypothesize that the tax benefits granted to Gabonese SMEs increase their capacity to create permanent jobs. To test this hypothesis, this study adopts a quantitative approach based on survey data collected from a sample of 207 SMEs operating in Grand Libreville which includes the municipalities of Libreville, Owendo and Akanda. The primary objective of this investigation is to furnish comprehensive insights to the inquiries that pervade the minds of numerous stakeholders regarding the efficacy of tax incentive measures proffered by public authorities in mitigating the scourge of unemployment.

The subsequent sections of this article shall be thoughtfully structured as follows: Section 2 shall delve into a comprehensive review of the existing literature, shedding light on the influence of tax incentives on the expansion and prosperity of businesses. In Section 3, a meticulous exposition of the methodological framework employed in this research shall be presented. Moving forward, Section 4 shall serve as the platform for the unveiling and analysis of the empirical findings. Ultimately, in Section 5, conclusions shall be drawn, accompanied by astute recommendations for the formulation of sound economic policies.

2. Literature Review

2.1. Conceptual Approach to Tax Incentives

In the first section, we conduct a conceptual analysis of tax incentives. Tax incentives are one of the policies used by public authorities to promote and make the tax base more attractive. Today, as revealed by UNCTAD (2022) in its report on “Investments in the World,” tax incentives are a global phenomenon, applied

in almost all developed and developing countries. They play a central role in national strategies for promoting investments and exports due to the economic, social, political, and strategic objectives they pursue.

Considered as exceptions to the provisions of common tax law, tax incentives are generally designed as measures and strategies that provide favourable and privileged tax treatment to certain companies. They are granted to these companies either because they operate in certain activities or sectors of the economy (Keen, 2013), or because the government wishes to encourage investment in pre-identified priority sectors to compensate for their economic handicap in those sectors. They serve as a counterbalance to the low propensity to invest resulting from a burdensome tax system. Strategically, some countries offer tax incentives to increase their integration into international trade and address regional and international tax competition, with the aim of attracting more foreign direct investments. According to Deyganto (2022), some countries, especially in developing nations, offer tax incentives as compensation for the lack of infrastructure, administrative burdens, complexity, and obsolescence of regulatory frameworks faced by businesses. In the particular case of China, tax incentives are offered by the government to encourage business investments in innovation (Liu, 2022).

Furthermore, in the current context where the ambition of all countries is to effectively contribute to the achievement of sustainable development goals (SDGs) and significantly improve the well-being of their populations, tax incentives seem to play a crucial role. They are considered as a means to reduce tax burdens in order to encourage companies to incorporate sustainable development requirements into their production methods and adopt socially responsible behaviours that benefit society as a whole (Deyganto, 2022). Governments expect companies benefiting from tax incentives to contribute to the development of the communities in which they operate by creating jobs, protecting the environment, combating deforestation, and fulfilling other social responsibilities.

Several tax incentives are offered to companies. The IMF (2017) groups them into three main categories of measures: targeted and typical incentives, typical general measures, and targeted or general measures. Targeted and typical incentives include tax holidays, targeted rate reductions for qualified projects, special zones, and various exemptions such as customs duties and VAT. Typical general measures refer to low corporate tax rate strategies and the elimination or modulation of capital tax. As for targeted or general measures, they focus on investment tax credits, income deduction for investment, and accelerated depreciation (or amortization). Another classification, according to Olutokunboh Obafemi et al. (2021), categorizes them into two main groups: cost-based tax incentives, such as tax credits and tax deductions granted to certain companies, and profit-based tax incentives, namely tax exemptions and other tax reliefs granted by the state.

Tax incentives do not solely target companies but also individuals. Ennagach

and Radi (2023) emphasize that tax incentives are policies implemented by the state not only in favour of companies but also individuals to encourage them to efficiently and sustainably invest in growth-oriented sectors. Similarly, the Cameroonian Investment Incentive Law of 2013, highlighted by Feudjo and Djoumessi (2020), states that tax incentives are “special advantages granted by the government to a natural or legal person, resident or non-resident, for the promotion and/or development of a specific activity”. However, it is important to note that eligible individuals for tax incentives are those with a national or international investor profile. In Gabon, to learn about the tax support offered by the law, all investors are advised to regularly consult the General Tax Code, initial and amending finance laws, as well as specific texts such as the investment charter, petroleum code, mining code, gas code, and others.

2.2. Theoretical Foundations of the Effect of Tax Incentives on Business Growth

Several theoretical approaches help understand the real or potential impact of tax incentive policies on business growth. From a theoretical standpoint, authors addressing the issue of tax incentives typically invoke theories of optimal taxation, including Ramsey’s rule, Mirrlees’ optimal income taxation, and the Laffer curve, which are central to this theory. In his rule, also known as the inverse elasticity rule, Ramsey (1927) proposes a theory of optimal taxation based on household consumption. According to him, to avoid a tax system creating distortions that could shift the economic equilibrium towards a suboptimal state of collective welfare, it is appropriate to tax goods and services that are less sensitive to prevailing price systems. However, Ramsey’s rule quickly proved to be inapplicable, firstly because it relies on the central assumption that markets are competitive and without externalities. Secondly, it increases the tax burden for individuals with insufficient income and deviates from the requirement of tax fairness, which dictates that tax burdens should be distributed equitably among taxpayers. Finally, the Ramsey rule proved to be incompatible with the principle of fiscal neutrality according to which tax policies must in no case constitute distortions which could negatively influence the behaviour of companies. It follows that the Ramsey rule was in stark contradiction to the social justice theory of ability to pay taxes initially developed by Knut Wicksell in 1896 and Eric Lindhal in 1919.

The limits of the Ramsey rule led Mirrlees (1971) to propose a theoretical model of the optimal tax based on income tax. According to Mirrlees, the optimal tax represents the marginal tax rate which maximizes state revenue without compromising the ability of companies to invest and guarantee the sustainability of their productive assets. To achieve this balance, income tax being the most redistributive, should be levied on the most productive companies. Therefore, the optimal tax is based on the choice of tax bases and rates which contribute to the maximization of collective welfare. In this regard, trade-offs are ne-

cessary taking into account that economic actors, primarily businesses, modify their behaviour in response to changes in taxes, that is, in accordance with the prevailing fiscal policy. Viewed from this perspective, tax reduction measures implemented by public authorities are expected to have a positive impact on business growth and collective well-being. However, like Ramsey's rule, Mirrlees' optimal tax theory has proven to be limited in practice. These limits motivated Saez's, in the 1980s, to develop the modern theory of optimal taxation. The innovations introduced by Saez have allowed many countries to simulate the effects of their tax incentive policies on collective well-being and to define frameworks for improving these policies, as only high-quality tax policies and effective fiscal policies can promote business growth.

Today, in both developed and developing countries, a significant portion of fiscal policies empirically based on the Laffer (1981) curve which is founded on the central idea that «excessive taxation kills taxation». The Laffer curve suggests a negative, that is, inverse relationship between the tax rate and tax revenue, beyond a certain threshold of the tax rate. This means that beyond a certain threshold, excessively high tax rates lead to a decrease in tax revenue, while low rates tend to have the opposite effect. From this perspective, the Laffer curve aligns with policies focused on tax reduction to promote business growth, increase budget revenues and significantly improve collective well-being.

In line with the Laffer curve, life cycle theorists observe that providing tax benefits at different stages of a business' life cycle influences its ability to sustain itself over time. Propounders of the financing theory postulate that tax incentives allow businesses to reduce financing costs, which could have a positive impact on their growth. Also, because tax incentives can reduce the risk perceived in investment choices, investment theory posits that tax incentives are measures capable of encouraging investment by reducing the cost of capital. These same policies, by increasing the available income for businesses, as suggested by effective demand theorists, not only increase their demand, but also encourage them to embark on new projects by diversifying their activities. However, the predictions of the Laffer curve do not align with those of crowding-out theorists who argue that tax incentives create budget deficits that hinder public investment expenditure, that is intended to give a horizontal drive to both economic growth and development (Ennagach & Radi, 2023).

2.3. Review of Empirical Studies

Numerous studies, both in developed and developing countries have sought to verify the impact of tax incentives on business growth in general and on SMEs in particular. Overall, the results from these different works indicate either a positive, negative or neutral relationship of tax incentive policies on the growth of SMEs. Although tax incentives are effective and applied in almost all countries and regions of the world, however, in this empirical review we will specifically focus on studies conducted in the African context. Such a choice may be moti-

vated by the fact that these results can, to some extent, apply to the specific context of the Gabonese economy where, to the best of our knowledge, the analysis of the impact of tax incentives on the growth of SMEs has not yet been deeply explored. Therefore, we have selected the most recent and relevant studies for this review.

In a recent study in Morocco, [Ennagach and Radi \(2023\)](#) examined the existing theoretical and empirical review on the impact of tax incentives on investment and business growth. From their review of literature, the two authors observe that tax incentives generally have a positive and statistically significant effect on investment and business growth. They note, however, that this positive effect depends largely on factors such as the design of the tax incentive, the overall tax structure, economic policies and macroeconomic conditions. Based on the results obtained from this research and with a view to suggesting tax incentives as means of business growth, the authors recommend that countries engage in more reflection on the design and implementation of these policies. Such reflection should lead to tax reforms that improve of the efficiency of tax incentive measures as drivers of business growth.

[Deyganto \(2022\)](#) examined the effect of tax incentive practices on the sustainability of small and medium enterprises in Ethiopia during the Covid-19 health crisis. The author specifically sought to demonstrate how six of the tax incentive indicators namely tax exemption, tax reduction, reduction in tax rate, accelerated depreciation, loss carryover, and tax exemption, have impacted the sustainability of SMEs during the period of the Coronavirus crisis. To achieve this, quantitative data was collected from a sample of 300 SME owners, and the effect of tax incentive policies on their sustainability was analysed using a multiple regression model. From the results obtained, he observes that the tax exemptions, the rebate and the reduction in the tax rate have had both a positive and significant effect on the sustainability of SMEs. These results therefore suggest that in a crisis context, such as the Covid-19 pandemic, that has led to the bankruptcy of several businesses, SMEs expect real support from public authorities in the form of tax incentives capable of sustaining their growth.

In the same vein, [Nnam Imaobong et al. \(2022\)](#) analysed the effect of tax practices on the survival of Small and Medium Enterprises in Enugu State in Nigeria. Drawing on the widely supported thesis that tax practices hinder the survival of SMEs, the researchers conducted a survey-based analysis with a study population of 250 SMEs. The results of this research indicate that the tax obligations imposed on SMEs have a significantly negative effect on their profitability and their financing decision. Therefore, they recommend that public authorities should grant and improve existing incentive policies to promote the growth of SMEs. [Nnam Imaobong et al. \(2022\)](#) also emphasize the need and opportunity to reflect on how to define tax policies that align with the ability of SMEs to comply with the effective payment of taxes.

Still in the case of Nigeria, [Olutokunboh Obafemi et al. \(2021\)](#) studied the

impact of tax incentives on the growth of SMEs in developing countries using a sample of 260 SMEs from Kwara State in Nigeria. The sample was selected using stratified and simple random sampling techniques. The results of this research revealed a positive and significant correlation between tax incentives and business growth in this region of Nigeria. Based on the results obtained from this study, the authors suggest the implementation of tax holidays for all start-ups. At the same time, they recommend and considering a sufficiently stable growth limit for SMEs beyond which they may no longer be eligible for various tax advantages.

The study conducted by [Feudjo and Djoumessi \(2020\)](#) highlighted the effect of tax incentives on the creation and development of Cameroonian businesses. The results obtained, using a qualitative approach based on the analysis of the regulatory framework and the opinions of business leaders, show that large companies which represent barely 0.2% of Cameroonian companies, according to the National Institute of Statistics, are the main targets of tax incentive policies. This situation associated with the negative perception that Cameroonian business leaders have on taxation, justifies the limited impact of tax incentives on the creation and development of SMEs in Cameroon. From this point of view, only an incentive system tailored to the size of SMEs will not only facilitate entrepreneurial initiatives in terms of business creation but also growth. Therefore, it is necessary to establish specific tax exemption regimes in favour of SMEs and ensure that they are sufficiently informed to take advantage of them.

[Twesige and Gasheja \(2019\)](#) examined the effects of tax incentives on the growth of small and medium-sized enterprises (SMEs) in Rwanda, using SMEs in Nyarugenge district as a case study. They employed a mixed-methods approach and used random and purposive sampling techniques to select a sample of 136 SMEs. The results of their study demonstrated a positive and statistically significant effect of tax incentive measures on the growth of SMEs operating in the study area. Based on these findings, the authors concluded that tax incentives are a key element of sustainable SME growth.

Thus, it appears that regardless of the nature of the tax incentive (tax holiday, tax reduction, reduction of tax rate, accelerated depreciation, loss carry forward, tax exemption, etc.), the overall effect on business growth is positive and significant. Based on empirical data from Gabon, we will verify whether, as this review of the empirical literature reveals, the tax incentive measures implemented by the Gabonese government have a positive and significant effect on the growth of SMEs. We will prioritize the effect on job creation which can justify the contribution of Gabonese SMEs to the fight against unemployment, a key priority for the government.

3. Research Methodology

In this section, we present the methodology adopted in this research which includes the following points: the choice and justification of the research approach,

the presentation of the data sources, the study population and the sample selection procedure. Finally, it covers the presentation of variables and the specification of the analytical model.

3.1. Choice of Research Method

This study is exploratory given the limited number of studies conducted in the African context in general and the Gabonese context in particular regarding the impact of tax incentives on the growth of SMEs, with an increase in the number of employees as an indicator of growth. Thus, the quantitative research approach is preferred in this article due to the quantitative nature of the survey data. Except for the study by [Twesige and Gasheja \(2019\)](#) which simultaneously combines qualitative and quantitative approaches, most recent work on the impact of tax incentives on the growth of SMEs prioritise the quantitative approach. This is the case with [Deyganto \(2022\)](#), [Nnam Imaobong et al. \(2022\)](#) and [Olutokunboh Obafemi et al. \(2021\)](#) who all adopt a quantitative approach to evaluate the effects of tax incentives on the growth of SMEs. According to [Bell \(1993\)](#), cited by [Twesige and Gasheja \(2019\)](#), the combination of qualitative and quantitative approaches is only justified when one of the two approaches proves insufficient to fully understand a given phenomenon. From our point of view, the quantitative approach appears sufficient to verify, in the specific context of the Gabonese economy, the effect of tax incentive measures on the viability and growth of SMEs.

3.2. Data Sources

The data used for this empirical study were collected through the administration of a survey questionnaire developed on Google Forms software and transmitted to SMEs via WhatsApp and electronic mail. This constitutes our primary data. Telephone and electronic contact details were collected using the database available from the General Directorate of Small and Medium Enterprises. The survey was limited to Grand Libreville which includes three municipalities: the Municipality of Libreville, the Municipality of Owendo and the Municipality of Akanda. The choice of Grand Libreville is justified for at least three reasons. First, Grand Libreville alone accounts for the majority of Gabonese SMEs. Secondly, it is in the Grand Libreville that the country's only special investment zone and industrial zone are located, which concentrate a significant number of SMEs. Finally, the choice of the Grand Libreville is also driven by cost considerations. Expanding the survey to the entire territory would have required more time and cost to complete the study within a reasonable timeframe.

3.3. Population and Sampling

The target population for this study consists of legally constituted SMEs, meaning those with an SME license issued by the Ministry of Trade and Small and Medium Enterprises or a circuit creation form for SMEs issued by the National

Investment Promotion Agency (ANPI). The study is based on a sample of 207 SMEs out of the 428 selected following an initial random selection from the statistical database of the Directorate General of SMEs. The sample size was determined using the mathematical formula developed by Yamane (1967), which is as follows: $n = \frac{N}{1 + (e)^2 + N}$, where n represents the sample size, N is the total population, and e is the level of significance set at 0.05%, corresponding to a 95% reliability of the selected sample. Applying this formula, the sample size is:

$$n = \frac{428}{1 + (0.05)^2 + 428} = 206.76 \approx 207 \text{ SMEs.}$$

These are SMEs that have been functional for at least 5 years, whether or not they utilize tax incentives. Overall, the questionnaires distributed to these 207 SMEs were completed by their managers or owner-managers. Overall, the questionnaire was designed to elicit the specifically required information from the respondent. The questionnaires were closed ended. Indeed, the closed ended questionnaires have been recommended in social science research due to its advantages over open ended questionnaires (Sekaran & Bougie, 2016). To ensure the relevance of the questions on tax incentives, the questionnaire was first submitted to a tax inspector for assessment. Also, to ensure the reliability of the research instrument adopted, the test-re-test methods were adopted. Thirty-five (35) copies of the questionnaire were distributed to properly selected SMEs in Grand Libreville, first online, via Google Forms, then some time later, the questionnaires were delivered personally to this same group of SMEs. This established some degree of consistency in responses.

3.4. Description of Variables

3.4.1. Dependent Variable

Our study seeks to determine whether tax incentive measures influence the growth of Gabonese SMEs. In this study, we use the number of personnel as a variable characteristic of the growth of Gabonese SMEs. The change in personnel is measured by the number of newly created permanent jobs over a three-year period. Since the period marked by the Covid-19 pandemic (2020-2021) limited hiring opportunities in all companies, large or small, we considered the post-pandemic period (2021-2022) to measure the growth rate of new jobs (GRNJ). This rate represents the relative variation in personnel between 2021 and 2022 reported by the SMEs in our sample based on the questionnaire sent to them:

$$\text{GRNJ} = \frac{E_{2022} - E_{2021}}{E_{2021}} \times 100$$

3.4.2. Independent Variables

This study considers nine independent variables divided into two groups, firstly the variables of interest, namely tax incentive measures and, secondly, control variables that may influence SME growth. They are described in **Table 1** below,

along with the scale of measurement and the coding method adopted.

Table 1. Description of independent variables in the model.

Nature	Name of the variable	Code	Scale	Codification
Tax incentive variables	Tax Exemption	TAXEX	1 = yes 0 = No	Exemption = 1 if the company has already benefited from this advantage at least once, 0 if no
	Tax Reduction	TAXRE	1 = Yes 0 = No	No Tax reduction = 1 if the company has already benefited from this advantage at least once, 0 if no
	Tax Credit	TAXCRE	1 = Yes 0 = No	Tax credit = 1 if the company has already benefited from this advantage at least once, 0 if no
	Reduction in Tax Rate	RTIR	1 = Yes 0 = No	Reduction in the tax rate = 1 if the company has already benefited from this advantage at least once, 0 if no
Control variables	Respect for Tax Compliance	RTAXC	1 = Yes 0 = No	Tax compliance = 1 if the company claims to respect tax law, 0 if not
	Use of Tax Optimisation	UTAXO	1 = Yes 0 = No	Use of optimization = 1 if the company has already used this practice at least once since its creation, 0 if no
	Location in a SIZ	LSEZ	1 = SEZ 0 = Otherwise	Location in a SIZ = 1 if the SME is located in a special investment zone and 0 otherwise.
	Competition in the sector	COMS	1 = strong 0 = No	if the Manager of the SME considers it strong, 0 otherwise
	Difficulty accessing Bank Loans	DABL	1 = Major 0 = if not	Difficulty accessing loans = 1, if the SME manager perceives it as a major obstacle, 0 if not.

Source: Authors.

3.5. Method of Analysis

To assess the effect of tax incentive measures on the capacity of Gabonese SMEs to create sustainable employment, we estimate several multiple linear regression models. In total we have five models. In the first four, we seek to verify the effect of each tax incentive variable on the capacity of Gabonese SMEs to generate jobs. In the fifth model we check the combined effect of tax incentive measures on job growth within Gabonese SMEs.

Model 1:

$$GRNJ = \beta_0 + \beta_1 TAXEX + \beta_2 RTAXC + \beta_3 UTAXO + \beta_4 LSIZ + \beta_5 COMS + \beta_6 DABL + \varepsilon$$

Model 2:

$$GRNJ = \beta_0 + \beta_1 TAXRE + \beta_2 RTAXC + \beta_3 UTAXO + \beta_4 LSIZ + \beta_5 COMS + \beta_6 DABL + \varepsilon$$

Model 3:

$$GRNJ = \beta_0 + \beta_1 TAXCRE + \beta_2 RTAXC + \beta_3 UTAXO + \beta_4 LSIZ + \beta_5 COMS + \beta_6 DABL + \varepsilon$$

Model 4:

$$GRNJ = \beta_0 + \beta_1 RTIR + \beta_2 RTAXC + \beta_3 UTAXO + \beta_4 LSIZ + \beta_5 COMS + \beta_6 DABL + \varepsilon$$

Model 5:

$$GRNJ = \beta_0 + \beta_1 UTAXI + \beta_2 RTAXC + \beta_3 UTAXO + \beta_4 LSIZ + \beta_5 COMS + \beta_6 DABL + \varepsilon$$

With ε representing the error term and UTAXI representing the use of tax incentives, which includes the four incentive measures adopted in this study.

For statistical analysis of survey data, many researchers use the Statistical Package for Social Scientists (SPSS). In this study, we opted for an estimation of the five equations above using the econometric software Stata, which, like SPSS, is also very widely used by social science researchers.

4. Estimation Techniques, Results and Discussions

4.1. Correlational Analysis and Multicollinearity Check

Through this analysis, we seek to evaluate the linear relationships between the variables of our model, particularly the nature of the relationship between the dependent variable, personnel growth and the independent variables, specifically the tax incentive measures granted to Gabonese SMEs by public authorities. **Table 2** below presents this analysis, highlighting potential multicollinearity problems.

Table 2. Correlational analysis between variables.

Variables	GRNJ	TAXEX	TAXRE	TAXCRE	RTIR	RTAXC	UTAXO	LSEZ	COMS	DABL
GRNJ	1.000									
TAXEX	0.5121	1.000								
TAXRE	0.3788	0.6123	1.000							
TAXCRE	0.4161	0.5758	0.4450	1.000						
RTIR	0.4240	0.2720	0.3010	0.3080	1.000					
RTAXC	0.4018	0.0823	0.2248	0.2953	0.3764	1.000				
UTAXO	0.6236	0.5475	0.4416	0.4491	0.5437	0.6443	1.000			
LSEZ	0.2735	-0.0548	0.1618	0.1011	0.2494	0.3818	0.4186	1.000		
COMS	0.3431	0.0926	0.1554	0.2244	0.2246	0.5787	0.4156	0.1258	1.000	
DABL	0.1782	0.0447	0.1295	0.1077	0.2694	0.3197	0.2953	0.2191	0.2605	1.000

Source: Author.

From the results of the table above, we can draw conclusions regarding the nature and degree of relationship between, on the one hand, the dependent variable and the independent variables and, on the other hand, between the independent variables. Firstly, these results indicate that the tax incentive variables and the other independent variables of the study are positively correlated with the growth of the personnel. Secondly, they reveal that the correlation between the independent variables is weak for certain independent variables and moderate for others. All correlations being less than 0.8, these results indicate the absence of a possible multicollinearity problem that could compromise the quality of the research results, as well as the interpretations that could result from them.

4.2. Heteroskedasticity Test

To test the null hypothesis (H0) of homogeneity of variance of the residuals and before interpreting the results obtained from the estimation of each model using Ordinary Least Squares (OLS), we conducted the Breusch-Pagan test for the five models selected in order to evaluate the impact of tax incentives on SME growth. The results of this test are contained in **Table 3** below.

Table 3. Results of the Breusch-Pagan test.

	Model 1	Model 2	Model 3	Model 4	Model 5
Chi2	3.13	0.07	0.00	1.16	1.72
Prob > Chi2	0.0767	0.7918	0.9441	0.2822	0.1895
Decision	H0 accepted	H0 accepted	H0 accepted	H0 accepted	H0 accepted

Source: Author.

From the results obtained from this test for each model, we can observe that the probability associated with the Breusch-Pagan test is greater than 0.05. This leads us to accept, at a significance level of 5%, the null hypothesis that the variance of the residuals is constant, revealing the absence of heteroscedasticity in the model residuals. Therefore, in the absence of multicollinearity and heteroscedasticity problems, we can estimate our regression models on the impact of tax incentives on employment growth in SMEs.

4.3. Results and Discussions

4.3.1. Base Model Results

Although some authors prefer binary logistic regression models to assess the effectiveness of tax incentives (Aboubakar et al., 2022), **Table 4** below presents the results of the estimation of the five analysis models using the ordinary least squares method, which provides better results in terms of coefficients.

Table 4. Presentation of results using OLS.

Variables	Model 1	Model 2	Model 3	Model 4	Model 5
TAXEX	0.4878*** (4.83)				0.4962*** (4.20)
TAXRE		0.1739** (2.21)			-0.0509 (-0.63)
TAXCRE			0.2496*** (2.80)		0.0586 (0.65)
RTIR				0.1421* (1.94)	0.1477* (1.78)
RTAXC	0.4234*** (3.25)	0.3457*** (5.34)	0.2342*** (4.567)	0.3106*** (5.46)	0.1894*** (4.05)

Continued

UTAXO	0.3245*** (3.83)	0.5267*** (7.18)	0.5071*** (6.93)	0.5242*** (6.92)	0.2511** (2.14)
LSEZ	0.1694** (2.24)	0.0346 (0.47)	0.0502 (0.69)	0.0279 (0.38)	0.1735** (1.93)
COMS	0.1688*** (2.78)	0.1152* (1.85)	0.1025 (1.66)	0.1128* (1.81)	0.1694** (2.61)
DABL	-0.0033 (-0.06)	-0.0258 (-0.45)	-0.0208 (-0.37)	-0.0398 (-0.69)	-0.0174 (-0.31)
Constant	0.0975*** (2.85)	0.1170*** (3.31)	0.1175*** (3.35)	0.1168*** (3.29)	0.0900*** (2.82)
Prob > F	0.0000	0.0000	0.0000	0.0000	0.0000
R ²	0.6610	0.5126	0.5210	0.6094	0.6747
N	207	207	207	207	207

Note: The Values in parentheses represent standard deviation. *Indicates significance at the 10% confidence level; **indicates significance at the 5% confidence level; ***indicates significance at the 1% confidence level. Source: Author.

The results indicate that the tax exemption and the other independent variables of the model explain up to 66.10% (Model 1), 51.26% (model 2), 52.10% (Model 3), 60.94% (Model 4) and 67.47%, the growth in permanent jobs within Gabonese SMEs. Considering the tax incentive indicators individually, the results show that tax exemptions ($\beta = 0.4878$), tax deductions ($\beta = 0.1739$), tax credits ($\beta = 0.2496$) and tax reduction ($\beta = 0.1421$), have a positive and significant effect on employment growth, at a significance threshold of 1% (Models 1 and 3), 5% (Model 2) and 10% (Model 4). These results are consistent with previous studies by [Deyganto \(2022\)](#), [Twesige and Gasheja \(2019\)](#) which demonstrate the positive and significant effect of tax exemptions, tax rebates, tax credits as well as tax rate reductions on the growth of SMEs in general and their ability to create new jobs, in particular. From this perspective, having a perfect understanding of the legal framework that allows them to pay less tax and taking advantage of the tax benefits offered by this framework contribute to the growth of Gabonese SMEs by positively impacting their workforce, whose productivity and efficiency are sources of survival for SMEs.

However, the results suggest that when we combine the different tax incentives indicators (Model 5), only tax exemptions ($\beta = 0.4962$) and tax rates reductions ($\beta = 0.1477$) have a positive and statistically significant effect on the growth of personnel, respectively at the threshold of 1% and 10%. Furthermore, the positive but non-significant effect of tax deductions and tax credits seems to reveal the ineffectiveness that can be associated with incentive measures whose objective would be to concurrently grant all forms of tax advantages to the same companies. Consequently, unrestricted, poorly designed, or simply mismanaged tax incentive policies cannot effectively contribute to job creation in SMEs. In

fact, the Gabonese Directorate General of Taxes (DGI, 2019) indicates that the complexity of tax incentive policies in Gabon, due to the existence of numerous incentive instruments, reduces their effectiveness and, therefore, their weak influence on job creation. Similarly, the inequality observed in granting tax benefits to companies in the same sector does not encourage those with fewer fiscal advantages to create sustainable jobs.

The results also show that tax compliance by SMEs has a positive and statistically significant effect on the employment growth rate at the 1% threshold (Model 1: $\beta = 0.4234$; Model 2: $\beta = 0.3457$; Model 3: $\beta = 0.2342$; Model 4: $\beta = 0.3106$ and Model 5: $\beta = 0.1894$). This indicates that SMEs that comply with the current tax systems are likely to create sustainable jobs because the enforcement of penalties for non-compliance with tax laws can unfortunately lead to the cessation of their activities. But, the compliance of SMEs with tax laws is not automatic as such; they need, as Baaba Amanamah (2016) indicates, solid tax education. This implies that managers and employees of SMEs must have knowledge in the field of tax law. In fact, lack of knowledge on the provisions of the tax code and other legislative texts on tax matters explains the non-use by certain SMEs of the various tax incentive measures put in place by the Gabonese government. Therefore, complying with current tax provisions requires SMEs to adopt better management and legal and tax monitoring tools in order to effectively monitor frequent changes in tax regulations and the granting of tax incentives.

Overall, the results indicate that engaging in tax optimization (Model 1: $\beta = 0.3245$; Model 2: $\beta = 0.5267$, Model 3: $\beta = 0.5071$; Model 4: $\beta = 0.5242$ and Model 5: $\beta = 0.2511$) has a positive and significant effect on the growth of permanent jobs within SMEs. It therefore appears that the use of legal processes, with a view to minimizing tax burdens, allows SMEs, thanks to the savings achieved, to create new jobs and thus contribute to the reduction of unemployment in the country. However, despite the existence of tax optimization opportunities, few SMEs take advantage of this legal benefit by reducing their operating expenses. Some SMEs prefer to engage in fraudulent practices or corruption to reduce their tax burdens, while legally, without any risk, they can lighten their tax burdens, increase their profit margins, and create new jobs.

In addition, the results highlight in models 1 and 5, the positive and significant impact of locating or establishing SMEs in a special economic zone on employment growth. This result confirms the facts because in the Nkok special investment zone, tax exemptions are the dominant incentive policy. In the Nkok zone, Article 44 of Decree 0931/PR promulgating Law No. 010/2011 on the regulation of economic zones with privileged status in the Republic of Gabon states that, SMEs admitted to the zone benefit from full exemption from industrial and commercial profit tax for the first 10 years, exemption from Value Added Tax for a period of 25 years, exemption from dividend tax for a period of 25 years, and exemption from property taxes on built and unbuilt properties for a period

of 25 years. Such “tax gifts” seem to explain the observed positive effect, especially in Model 1, with tax exemptions as the indicator of tax incentive, and the non-significant effect in Models 2, 3, and 4, with tax deduction, tax credits, and tax rate reduction as respective tax incentive variables. Generally, companies located in tax-advantaged zones, such as the Nkok Special Investment Zone in Libreville, provide great opportunities for the creation of permanent jobs. However, despite the benefits granted in these tax-favourable zones, some SMEs, either because they do not want to comply with tax laws, or are unaware of the benefits offered by the law, or simply because they do not properly appreciate and anticipate the future consequences of public decisions, do not wish to establish themselves in these zones.

According to our results, the growth of employment in SMEs is also positively and significantly influenced by the intensity of competition that prevails in the SME’s sector. This result is consistent with the literature on the determinants of SME growth. In order to cope with a competitive and globalized environment, business owners rely on the capabilities of their human capital and are willing to recruit high-quality personnel to increase their productivity, which in turn provides them with a significant competitive advantage and a better chance of long-term sustainability. Therefore, human capital development is a means to contribute to the viability of SMEs in developing countries in general, and in Gabon in particular. However, the results of Model 3 highlight the positive but non-significant effect of competition among firms in the same sector on employment growth. This suggests that a company operating in a highly competitive context, if it already has a talented workforce that ensures its competitiveness by effectively mastering its production technology, may not be incentivized to hire new personnel.

Finally, the results highlight across the five models, a negative but non-significant relationship between difficulties in accessing bank loans by SMEs and employment growth. In a context of scarcity of capital to finance its investments in capacity, renewal, productivity and/or diversification, the SME cannot objectively increase its workforce. However, the non-significant nature of this variable suggests that difficulties in accessing financing do not appear to be factors that heavily or irreversibly handicap the development of Gabonese SMEs. Overall, these SMEs face several other constraints that negatively influence their ability to create jobs. This includes deficiencies in infrastructure in the country, high levels of corruption, difficulties in accessing public procurement, high levels of parafiscal charges, an overall unattractive business environment, etc.

4.3.2. Robustness of Results

Overall, the results of the base model can be tested through two possible improvements. First, we can modify the estimation technique. Secondly, we can change the main variable.

1) Robustness of Results through Modification of the Estimation Tech-

nique

The ordinary least squares technique does not always account for the specificities of variables. In situations of endogeneity, it is not easy to obtain robust results. Previous work tells us that there is a bidirectional causality between tax exemption and employment growth. To correct this endogeneity, and obtain robust results, we re-estimate our model using the Two-stage least squares (2SLS) method. The results are compiled in **Table 5** below.

Table 5. Robustness through estimation technique changes.

Variables	Model 1	Model 2	Model 3	Model 4	Model 5
TAXEX	0.113*** (0.0334)				1.136*** (0.0480)
TAXRE		0.0452*** (0.0156)			0.947*** (0.289)
TAXCRE			0.0405*** (0.0149)		0.215** (0.0920)
RTIR				1.653*** (0.278)	1.847*** (0.203)
RTAXC	0.0724*** (0.0144)	0.0877*** (0.0154)	0.0966*** (0.0147)	0.101*** (0.0108)	0.166 (0.186)
UTAXO	0.117** (0.0538)	0.0927 (0.0571)	0.0493 (0.0510)	0.00906 (0.0265)	0.0423*** (0.00305)
LSEZ	1.433** (0.570)	1.059* (0.630)	0.897 (0.587)	0.617* (0.330)	1.136*** (0.0480)
COMS	1.766*** (0.412)	1.295*** (0.419)	1.208*** (0.327)	1.180*** (0.215)	0.00713 (0.00551)
DABL	0.0763*** (0.00713)	0.0864*** (0.00783)	0.0900*** (0.00811)	0.0640*** (0.0102)	0.0640*** (0.0102)
Constant	3.149*** (0.853)	3.125*** (0.928)	3.126*** (0.862)	3.897*** (0.793)	4.104* (2.175)
Prob > F	0.0000	0.0000	0.0000	0.0000	0.0000
R ²	0.7332	0.6278	0.6108	0.5920	0.5712
N	207	207	207	207	207

Note: Values in parentheses represent standard deviation. *Indicates significance at the 10% confidence level; **indicates significance at the 5% confidence level; ***indicates significance at the 1% confidence level. Source: Author.

Overall, it is evident that the tax incentives, regardless of their size, increase employment in SMEs in Grand Libreville in Gabon. The results show that tax exemption, regardless of the variable used, has a positive and significant impact

on employment growth. Specifically, tax exemption increases employment by 0.11 units with a significance level of 1 percent. Tax reduction has a positive influence of 0.0452 at 1% significance level. Tax credits and tax rate reduction increase employment by 0.0405 and 1.653 respectively. Both of these variables are significant at one percent. Generally, the control variables are all significant and have the expected sign as is the case in the main model.

Furthermore, when we analyze tax incentives in Gabon in depth, these can be seen as a comprehensive process. To do this, we will calculate a composite index of tax incentives. We will use the simple arithmetic mean formula for this calculation:

$$\bar{X}_i = \frac{1}{n} \sum_{i=1}^n x_i$$

2) Robustness of Results by Modification of the Interest Variable

Having calculated the composite index of tax incentives, we obtain the results compiled in **Table 6** below.

Table 6. Robustness by change of interest variables.

Variables	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6	Model 7
Tax incentives	1.065*** (0.0895)	0.855*** (0.135)	0.796*** (0.277)	1.055*** (0.269)	1.766*** (0.412)	0.667* (0.317)	0.0555* (0.029)
RTAXC		0.0374*** (0.0132)					0.0559*** (0.0155)
UTAXO			1.394** (0.558)				0.0374*** (0.0132)
LSEZ				1.579*** (0.596)			0.667* (0.317)
COMS					0.0471** (0.0157)		0.389*** (0.11)
DABL						0.0559*** (0.0155)	0.308** (0.14)
Constant	8.076*** (2.790)	8.533*** (2.471)	3.571*** (1.068)	-4.298 (9.005)	6.555*** (1.181)	0.362 (0.52)	2.128** (0.785)
Prob > F	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
R ²	0.5176	0.4892	0.5913	0.7120	0.4982	0.5183	0.5712
N	207	207	207	207	207	207	207

Note: Values in parentheses represent standard deviation. *Indicates significance at the confidence level of 10%; **indicates significance at the confidence level of 5%; ***indicates significance at the confidence level of 1%. Source: Author.

When we calculate a composite index of business incentives, we find that regardless of the model considered, there is a positive and significant influence of

tax incentives on employment in Gabonese SMEs. Six models are considered and in model 1 we find a significant impact. Increasing incentives by one unit increases employment by 1.06 points. Models 2, 3, 4, 5 and 6 progressively integrate the control variables. The objective is to show that the significance of tax incentives remains despite changes in the control variables. Among all these models, the one which presents the greatest significance is the one which integrates concentration. Here, taxation influences employment growth by 1766. Next is the 1st model. Model 4 influences employment growth by 1.055. In models 2, 3 and 6, the influence of taxation is less than 1 but greater than 0.5. The major finding from this is that taxation is a major determinant of employment growth in Gabonese SMEs. All these results therefore confirm our initial hypothesis that tax incentives would influence job creation by Gabonese SMEs.

5. Conclusion

Gabon, like other developing countries, has adopted a very incentivizing tax policy to encourage the creation and development of businesses. As such, it has put in place a tax regime derogating from common tax law allowing companies to not pay or to pay less tax. As is the case today in most African countries, Gabon has set up the Nkok special economic zone in Grand Libreville, and other zones are also being planned, where it offers “gifts tax” to companies that settle there. It seemed appropriate to us to assess, at a time when the country is experiencing a significant increase in unemployment rates, the effect of tax incentive measures on the growth of permanent jobs within Gabonese SMEs. The choice of this target group of companies is justified by the fact that they are the largest job providers in countries worldwide compared to large companies.

Based on four main indicators of tax incentives, namely tax exemptions, tax reductions, tax credits and reduction in tax rates, the results of this research indicate that each of these variables has a positive and significant effect on job growth within Gabonese SMEs. As a result, they confirm our initial hypothesis that tax incentive measures positively impact job creation in Gabonese SMEs. Thus, as a strategy to combat unemployment, public authorities must continue to design tax incentive policies that guarantee and sustain the growth of SMEs.

However, the combined use of these four incentive indicators may result in some not having the intended effect on job creation by SMEs. Hence there is the need for further reflection on both the design and implementation of tax incentive measures. Overall, despite the existence and implementation of tax incentive measures, Gabon still records a high and clearly increasing national unemployment rate. This rate does not seem to be the effect of the inefficiency of the current incentive policies, but the combination of several other internal and external factors affecting SMEs. What we can conclude, as shown by the positive and significant relationship between the establishment in a special economic zone and job creation, is that the Nkok special economic zone has facilitated the creation of numerous jobs thanks to the tax exemptions granted to the companies

that have been there since its inception. For this reason, we can only encourage the State to finalize the studies and launch, as soon as possible, other projects for the creation of new special economic zones including investment zones in the cities of Lambaréné (Middle Ogooué Province), Port-Gentil (Ogooué-Maritime Province) and Franceville (Haut-Ogooué Province), as well as the integrated special zone of Gabon-Cameroon-Equatorial Guinea-Guinea, supported by the Economic and Monetary Community of Central Africa (CEMAC).

However, to increase the capacity of SMEs to create jobs by expanding their workforce, tax incentive measures cannot be effective in the absence of an overall attractive business environment for all companies, where the financing needs of SMEs can be met by banks. In addition, there is a need for a public procurement code which facilitates SMEs' access to public contracts, as well as the development of quality infrastructure. These are real challenges that must be addressed by public authorities with the support of private sector actors in order to unleash the job creation potential of Gabonese SMEs in order to significantly reverse the current trend of the unemployment rate.

Conflicts of Interest

The author declares no conflicts of interest regarding the publication of this paper.

References

- Aboubakar, M., Kaoutouing, S., & Thérèse, M. D. W. (2022). Incitations Fiscales, Opportunisme des Dirigeants et Investissement Dans Les Entreprises au Cameroun. *Journal of Accounting and Taxation*, 2, 37-54. <https://doi.org/10.47747/jat.v2i1.653>
- Adaskou, M., Zaroual, F., & Boutbirt, N. (2018). Les déterminants de la croissance des PME: Une analyse comparative sur un panel d'entreprises de la Région Souss-Massa, Maroc. In *1^{ère} Congrès International Francophone en Entrepreneuriat et PME* (pp. 1-31). Association Internationale de Recherche en Entrepreneuriat et PME.
- Baaba Amanamah, R. (2016). Tax Compliance among Small and Medium Scale Enterprises in Kumasi Metropolis, Ghana. *Journal of Economics and Sustainable Development*, 7, 5-16.
- Bell, J. (1993). *How to Complete Your Research Project Successfully*. UBSPD.
- Deyganto, O. K. (2022). The Effect of Tax Incentives Practices on the Sustainability of Micro, Small and Medium Enterprises in Ethiopia during the Outbreak of Corona Virus Pandemic. *Journal of Innovation and Entrepreneurship*, 11, Article No. 8. <https://doi.org/10.1186/s13731-022-00194-8>
- DGI (2019). *Code Général des Impôts* (pp. 11-52). Droit Afrique.
- Ennagach, R., & Radi, B. (2023). Impact des incitations fiscales sur l'investissement et la croissance des entreprises: Une revue de la littérature. *International Journal of Financial Accountability, Economics, Management, and Auditing*, 5, 164-177.
- Feudjo, J. R., & Djoumessi, F. (2020). Fiscalité et motivation entrepreneuriale dans le contexte socioéconomique. *Revue Française d'Economie et de Gestion*, 1, 1-26.
- Harabi, N. (2007). *Déterminants de la croissance des entreprises: Une analyse empirique du Maroc*, Harabi-WBWPFR.doc.

- IMF (2017). Incitations fiscales, investissements et croissance. In *Forum national sur la réforme du système fiscal de la RDC* (pp. 1-11). International Monetary Fund.
- IMF (2019). *Gabon: Selected Issues*. IMF Country Report No. 19/390.
- Keen, M. (2013). *Taxation and Development: Critical Issues in Taxation and Development*. MIT Press. <https://doi.org/10.2139/ssrn.2169764>
- Laffer A. (1981). *Trop d'impôt tue l'impôt*. Université de Chicago de l'Amérique.
- Liu, Z. (2022). Earnings Thresholds in Chinese High-Tech Enterprises: The Role of Corporate Income Tax Incentives. *Modern Economy*, 13, 223-240. <https://doi.org/10.4236/me.2022.133014>
- Mfopain, A. (2018). Choix fiscaux et contraintes financières des entreprises: Une lecture à partir du modèle d'incitation camerounais. *International Journal of Accounting and Taxation*, 6, 31-41. <https://doi.org/10.15640/ijat.v6n1a3>
- Mirrlees (1971). An Exploration in the Theory of Optimum Income Taxation. *The Review of Economic Studies*, 38, 175-208. <https://doi.org/10.2307/2296779>
- Nnam Imaobong, J., Amara, F. M., Ekeke, L. I., Okeke, S. E., & Chukwunwike, O. D. (2022). Taxation Practices and the Survival of Small and Medium-Sized Enterprises (SME). *Universal Journal of Accounting and Finance*, 10, 399-410. <https://doi.org/10.13189/ujaf.2022.100204>
- Olutokunboh Obafemi, T., Egun Araoye, F., & Olusuyi Ajayi, E. (2021). Impact of Tax Incentives on the Growth of Small and Medium Scale Enterprises in Kwara State. *International Journal of Multidisciplinary Research and Growth Evaluation*, 2, 11-19.
- Ramsey, F. (1927). A Contribution to the Theory of Taxation. *Economic Journal*, 37, 47-61. <https://doi.org/10.2307/2222721>
- Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill Building Approach*. John Wiley & Sons.
- Twesige, D., & Gasheja (2019). Effect of Tax Incentives on the Growth of Small and Medium-Sized Enterprises (SMEs) in Rwanda: A Case Study of SMEs in Nyarugenge District. *Journal of Accounting and Taxation*, 11, 89-98. <https://doi.org/10.5897/IAT2019.0339>
- UNCTAD (2022). *Rapport sur l'investissement dans le monde 2022. Les réformes de la fiscalité internationale et l'investissement durable*.
- Waffa, C. (2022). L'impact des incitations fiscales sur la mobilisation des recettes fiscales. *Revue Algérienne de Finances Publiques*, 12, 49-61.
- Yaich, R. (2001). Fiscalité et performance de l'entreprise, rôle de l'expert-comptable. *Revue Comptable et financière*, No. 52, 22.
- Yamane, T. (1967). *Statistics: An Introductory Analysis (No. HA29 Y2 1967)*.