

The Multiplier Effect Of Interaction Of Taxation And Electoral Franchise On Access To Political Power, And State Building Capabilities In Nigeria

Sampson I. Ekwonna, Ph. D
Department of Political Science
Imo State University, Owerri.
08033104995
samekwonna@gmail.com

Abstract

Political franchise, as an integral part of representative democracy, was a product of the design and intent of the monarch to extract taxes (from the masses). Its institutional structure, the parliament, has overtime become a bastion of attempt to deny the rulers the power to extract taxation. Today, the continued interaction of (law on) political franchise and taxation has inflicted a far reaching effect on the idea of equity in taxation for the individual and society, and impediment on state building efforts of nations like Nigeria. This paper examines the interaction of electoral franchise and direct taxation and its effect on access to political power, and state building. As a position paper, its primary objective is to raise a controversy on the acclaimed (objective of) equity in taxation, by pointing out the resulting inequity in access to political power over tax fund defined as common pool resource; and, to examine or point out the overall negative impact of this interaction on state building. For explanatory framework, it relies on an amalgam of the Collective Good theory and The Tragedy of the Commons theory. The methodology of this paper is entirely analytical, relying on the force of logic and utilizing existing literature, and its approach is descriptive and prescriptive. The conclusion drawn here is the advocacy that though the right to vote be universal, the right to be voted for should be moderated with high end direct tax contribution over ten or more years as condition.

Key words: Taxation, Electoral franchise, Tragedy of the commons, Common pool resource, Collective good, state building capabilities.

Introduction

The gravity of taxation in the health of the Nigerian commonwealth is often not given adequate attention – or is even ignored - by the mainstream political science. Within this neglect or ignorance is lost a vital enquiry and resolution into the health of the Nigerian state. It is within an enquiry into the nature and relationship of politics and taxation that many other questions could be answered and every answer make a meaning; and contribute to our search for such

minor issues of growth, development, nation building, and other lesser policies and objectives. Taxation is at the heart of internal/municipal politics and political power: to determine who taxes and who is taxed, how taxed and collected; and how is the tax shared and spent. Taxation is essentially a decisive aspect of what makes David Easton's 'value' worth allocating, and his definition of politics relevant as struggle worth indulging in (Easton, 1965). Any consideration of national policies without taxation, at least in the very background of its consideration or appreciation, might as well be some aimless conversation about some incidence of masochism, sadism, or megalomania, or some other conditions of power as a mental/psychological disorder.

Our conception on nature of taxation, the principles and application of taxation, and what actually happens to us and our taxes, are the subject of national arguments which arguments are often sought to be resolved periodically in the exercise called elections in most democratic societies, whether or not (most of) the people involved in that argument really understand it, at all (deJouvenel, 1990, pp. 74-76).

The Problem and its Setting

The modern state, in its varying degrees of welfare ideological dispositions implements the principle: 'from each according to his capacity; and to each according to his needs'. This implicates the principle of taxation and is demonstrated in a government's budget of taxation and expenditure activities on projects and programmes.

If the welfare state principle seeks large scale redistribution of income through direct state intervention in order to alleviate the pressure/effect of poverty (de Jouvenel, 1990) what could be inordinate, or out of place, if a democracy seeks large scale, or some scale of, modification of the access to the democratic space through some scale of redistribution of citizenship capabilities or democratic power still in accord with the ideological principle modified to: 'from each according to his ability to pay; and to each according to his contribution'? The object of this is to instill responsible citizenship through robust participation based on equity in power of contribution to the commonwealth. This paper examines the multiplier capability of taxation on the nation's commonwealth, with specific focus on participatory citizenship. It is a position paper on the implications and gravity of the dynamic of taxation in the circumstance of the state as it affects the overall relationship between the state and the citizen, and among the citizens, as the tax reflects the nature of the society as a community of persons bound in collective effort for common good. Can the power of taxation be cultivated to

instill greater discipline in the political health of the state through regulation of access and capability to participation in politics?

We will break down the above general query into the following specific questions.

1. What is the nature of the connection between taxation and franchise in statehood?
2. How does the continued interaction/ combination of political franchise and taxation, as practised in electoral democracies, impact on equity in the access to political power to all its subjects?
3. What is the impact of the interaction of the principles of franchise and the practice of taxation on the state building capabilities of a developing society like Nigerian state?

Objectives of the study

The general objective of this paper is to thrust the subject of tax and taxation into the current consciousness of the political scientists, and hopefully generate a controversy for critical evaluation of it as a dynamic of statehood and democratic society. To the above effort our specific objectives would include:

1. To demonstrate the nature and content of the connection/link between taxation and electoral franchise and statehood.
2. To raise the controversy of the general inequity in the access to political power foisted on the modern democratic state by the interaction of franchise and taxation as practised.
3. To demonstrate that the interaction of franchise and taxation in the Nigerian electoral process undermines the nation's state building capabilities.

Methodology

The methodology of this paper is purely qualitative analysis, relying on existing literature and subjecting it to logical reevaluation. And, being a position paper, its approach is prescriptive and descriptive.

1. Explanatory Concepts and Theories

Major Concepts: The specific meanings within which these concepts would be employed in our discussion are as follows:

Tax and Taxation: Tax is the very act, while taxation is the institution, of behavioural pattern of the state as a legitimate authority to demand and extract, as its revenue, some proportion of the estate of the individual and body corporate, within its territory or domain, howsoever it (tax or domain) is interpreted, either at recurrent intervals or as a lump sum. There are several forms of taxation, including: direct/indirect, income, consumption, licenses, etc. Our interest here is essentially that which comes from direct tax on income and wealth, and which forms or is part of the revenue of the state.

Electoral franchise: This is essentially the political right to participate in the political life of the state as a citizen, expressed in the right to vote and be voted for. However, in the context of this paper we intend to separate the two wings of its meaning into: the universal right to vote; and, the restricted right to be voted for. The said restrictions are in the forms of electoral laws, constitutional provisions and, even, criminal laws.

Access to political power: By this we intend the position that gives access to the ability to influence the behaviour of persons and the activities of the community through direct participation in policy making and implementation. In the Eastonian manner, it means being in the group or body that makes authoritative allocation of values – material, moral, etc. – for the whole society, the access to which is by being elected in the democratic state.

State building capabilities: This is the development, enhancement, and sustenance by the state of the effectiveness of its structures and their processes to exercise its will over its territory and persons therein, and the engendering of habitual obedience to its will from the bulk of its population. This is expressed in the general compliance to its laws, and the general payment of its taxes, by the people; and, the general delivery of certain services to the people, and the generally unhindered application of sanction on non compliance, by the state. In sum, it refers to the attempt at full manifestation of the state's enforcement, extractive and delivery capabilities.

Theories

For framework of analysis, we shall rely on an amalgam of the broad stream of the collective good theory of Mancur Olson and other contributors after him (Rich, 1980, Moe, 1980); and the theory of the tragedy of the commons of Garrett Hardin (1968) and others following him (De Yong, 1999).

a. The Collective Good Theory: Essentially developed by Mancur Olson, this theory takes a look at group membership as a product of the operation of collective action to produce common good but motivated by individual interest. The individual as a rational actor will ordinarily contribute his share in collective action to produce a common good only if he cannot dodge that or that there is no other way to enjoy the benefits of the intended joint action, unless he pays for it.

Participation in collective action is either as a full contributor and partaker in the resulting outcome or, as a free rider who withholds all or part of his contribution but seeks to enjoy the benefits of others' collective efforts.

Since it is not possible to prevent free riders, the dilemma of the collective effort is: how to encourage those who might otherwise wish to free ride to pay up? This is sought to be accomplished by offering selective benefits, as extras, only to those who pay up (Ekwonna, 2014b).

b. The Tragedy of the Commons: Though the roots of this theory could be found in the antiquities, and in the 1833 work of William Foster Lloyd but it was clearly enunciated and popularized by the Ecologist, Garrett Hardin (1968). The theory, using the parallel of a common grazing land with open access, free for all, predicts diminishing returns, as each member of the community seeks to take advantage of its free access by increasing his flock of animals in disregard of the dwindling capacity of the land to support the pressure of use. "The tragedy of the commons occurs when individuals neglect the well-being of society (or the group) in the pursuit of personal gain" (www.investopedia.com/terms/t/tragedy-of-the-commons.asp retrieved 1/11/2015). According to Elinor Ostrom (2008), "the tragedy of the commons arises when it is difficult and costly to exclude potential users from common-pool resources that yield finite flows of benefits, as a result of which those resources will be exhausted by rational, utility-maximizing individuals rather than be conserved for the benefit of all.

Tax Fund as Collective Action to Produce Common Good

Within a conglomeration of the theories of Collective Good and The Tragedy of the Commons, our perceptions on taxation can be analyzed. So far, the approach or attitude of the average Nigerian towards the national wealth is to treat it as largely the public good itself (not a means to the production of common good), sometimes collective good, and much less common-pool resource (CPR). It is the definition of the tax funds and its probable delineations into these

that might determine the nature of the citizen's participation in the life of the Nigerian community.

As **public good**, the commonwealth would be open for all to plunder, or preserve, according to the dictates or degrees of individual selfishness, often dressed up in science as 'rationality'. Rationality has not been able to, by any dint of its assumed auto balance capability, protect our commons from unlawful plunder called corruption, a tragedy of the commons. However, we must acknowledge that the intrinsic character of public good makes this fate inevitable: access to it is non-restrictive (Ekwonna, 2014a; Ekwonna, 2014b) and non-consumptive (De Young, 1999) – those enjoying it and those watching them do not consider it might be exhausted. In our history, we have not been able to secure much/significant and, thus, deterrent convictions in court cases on public looting and, therefore, have not exerted much punishment to effect forbearances. The result and picture is one of attractiveness to and open, free access to the commonwealth.

As **collective good**, the major character of our common wealth should be dominated by the perception of the contributive character of the collectivity – fostered by our tax. That way, taxation should dominate state posture as in developed societies like India, USA, UK, etc., where the taxman evokes the spectre of the Grim Ripper, from whom there is no escape. "There is no balancing of the merits of paying or not paying taxes: either we pay them, or our property is confiscated, or we go to jail" (Coons, 1959, p. 456). Even the dead are taxed in order to be buried/cremated and their estates are almost completely confiscated via the channel of inheritance tax and forfeiture. The non-excludable character of this is demonstrated in the mere principle of from each according to his ability and to each according to his needs. And, its double-barreled down side are: its consequential abilities to spawn large cases/incidence of free-riders of various degrees, including those who might want to overload on the consumption side; and, those whose contributions are mere tokenism, the sore loser, or both (Ekwonna, 2014a, Ekwonna, 2014b); like the businessman and trader who withhold their contributions in part or whole by hiding and not recording and invoicing their transactions; and, those whose contributions are more than a task on their abilities: how to encourage them to keep contributing. Like the civil servants and others whose incomes are taxed at source. According to Coons (1959, p. 461), "Few people like to pay taxes if they can avoid them. Most taxpayers have a criterion of

their own which they apply whenever called upon to pay taxes: whatever tax is paid is too much.”

The two big lacuna of this perspective are: one, how to determine the threshold of participation/contribution in order to draw the line between contribution and free riding; and, two: how to actually distinguish and allocate necessary incentives or discriminatory gifts that encourage the taxpayers, to sustain their role as contributors. In our political system, we mistake participation for contribution and thereby ignore the reality that it is contribution that makes the production of collective good possible and not general participation and that the contribution makes participation (in consumption) probable. The source of this misinterpretation is probably in the original inability to perceive the primacy of tax to healthy statehood, over the strictly pecuniary contribution of revenue from other non-tax system. The state is a state because it levies and collects taxes, and its population are citizens or subjects because it collects taxes from them; and are/should be citizen to the full if they pay their taxes. The situation of such confusion/confused perception on the nature of the commonwealth is a healthy environment for corruption.

As **common-pool resource** (CPR), the common wealth is to be contrasted with public goods and collective goods. The non-consumption of one deprives others of its use; it is capable of being overused (it is not inexhaustible or renewable); and, therefore, those who contribute to its provision or maintenance are attentive or sensitive on its use by others (De Young, 1999, p. 601) and, more so by those who did not contribute to its production. According to Ostrom (2008) CPR yields finite flows of benefits, and “it is difficult and costly to exclude potential users”. In this situation, those whose tax keeps the state going would perceive any expenditure as waste and which may not be recovered or that takes away allocatable funds from other needs areas/budget heads of the community, and (they) must be (feeling) sensitive about such and would be intolerant of non-contributors/ tax dodgers being put in such position. Not only are these people participants by contribution, they are also participants in active vigilance.

The CPR is almost an ideal type but it is also practical. It is the one that clearly can be designed to avert the tragedy of the commons. Members are not trapped in this situation of potential but definite tragedy of overuse and ruin. They can escape this by organizing themselves into group of rulers and forbearances and not just short time. The elements it possesses and

which would be necessary to improve the public good and the collective good perceptions would include restricted access (based on contribution and expertise/knowledge).

3. Analysis and Emergent Propositions

Following the objectives of our paper and our discussion, so far, the following propositions are in order:

A. Nature of Connection Between Taxation, Franchise & State Power

The nature of the connection between taxation, franchise and state power is demonstrated in the interaction of the growth of the state's/government's attempt to extract from the wealth of the individual and the latter's attempt to prevent or divert that and the consequent growth of the modern state system. The history of the development of the modern state system, its democracy and franchise is essentially economic – it is the history of taxation: in the past history of established western democracies, and into the current history of the developing societies. This is illustrated in these points:

1. Taxation is in the very character of state and conquest. In the very ancient times, conquerors despoiled and plundered the vanquished territories and accepted tribute from vassals; but the modern state has not given up the practice of plunder – it just collects taxes from them.

Clearly tied to warfare, as the moving force for the creation and consolidation / building of the modern state system is taxation, both as its creative force and oiler and as the continuous proof of its factuality. Referring to an age, Kishlansky, Geary and O'Brien (1995, p. 489) said "war was the irresistible force of the Seventeenth Century monarchy. War-taxation was its immovable object".

The connection between taxation and development of the modern political state system is documented in the milestones of the Magna Carta and the Glorious revolution and Bill of Rights in England, the Boston Tea Party/American Revolution in America, the Aba Women Riot in Nigeria, etc. The ancient role of taxation, among other things, enabled the payer to purchase protection from the king, or great lord who had the authority to do that. Taxation granted the whole community "independency", and to the individual inhabitant who had paid his taxes, it meant the purchase of freedom from "villainy" and slavery and the privilege of family and personal life and the ply of his trade (Smith, 2003, p.505). To the inhabitants of the city this ensured their participation in the affairs of the governance of the city; and to the city it meant

“order and good government, and along with them the liberty and security of individuals” (Smith, 2003, p.511).

2. Taxation is at the foundation of the modern representative democracy. The idea of the parliament/legislative powers are directly linked to taxation (McLean & McMillan, 2003, p.248). The parliament was created to overcome the taxpayer’s reluctance to pay taxes because it was originally the ruler’s attempt to execute theft on the individual’s wealth. But a tax imposed by the parliament was thought to have been levied by the people on themselves, because all are citizens: “it is implied in the definition of the citizen that he lays no obligations upon fellow citizens which he does not himself assume (de Jouvenel, 1952, p.76). “Indeed, the subject’s dislike of taxation has been the means of turning him into a citizen: It has provided the foundation of our political institutions. For what war parliament originally if not a device to overcome the taxpayer’s resistance?” (deJouvenel, p.74). No taxation without representation.

3. The increase in the power of the state, at the expense of the power of the members of the lower income class and the higher income earners owes essentially to the increasing importance of taxation through which the state has come to put itself in the position to arbitrate and effectuate redistribution of wealth through the control of the resources of the commonwealth (de Jouvenel pp.73-76).

4. Though taxation helped in state building by creating and deepening democratic culture and institutions in Europe and America, the developing societies of Asia, Africa and Latin America experiencing the reverse effect of that combination of factors. The connection between taxation and democracy in these societies indicates that the latter seems to impede rather than advance the former and, thus, necessitating state building into a coercive machinery for effective taxation: Democracy increases the capacity of the citizens to bargain, resist or even opt out completely, against a less capacitated state (D’Arcy, 2012, pp.7-8).

The connection between the state and taxation goes back to history of its monarchical beginnings and through the development of its democratic character, and the state building goals of the developing societies. Taxation is central to the emergence of the modern cities in Europe and ultimately to the sustenance and survival of the (modern) political community.

B. Interaction of Franchise and Taxation: Question of Inequity in Access to Political Power

That taxation is a major source of a Common Pool Resource which we call the national coffers is beyond controversy. As a CPR, how can the health or buoyancy of the national coffers be sustained, to avoid the tragedy of the commons? Unless the argument insists on a perception of taxation as merely a (source of) public good, in which rampant free riding is accepted, any other perception: as a (source of) collective good would recommend some encouragement or extras for contribution; and, as a CPR it would prescribe restricted access against non contribution. The obvious questions, therefore, left to the operation of franchise in the state is: how to encourage these paying – especially paying high – to continue to pay up; and, how to prevent profligacy in the application of tax fund (CPR)? The answer is restricted access to power over the fund, and which is possible only by the reexamination of the operation of the right to franchise.

Universal franchise as the right to vote is alright supported by the argument of consciousness of the impact of legislation. However, the universal right to be voted for is not supported by the same, or any other, argument that can stand the serious scrutiny of logic (Honohan, 2013), neither does the practice of age, minimum tax contribution, or any other restriction, for limited access to political power for action.

The Presidential Committee on Nigerian National Tax Policy (2008) insists on fairness and equity in taxing the individuals and entities. And, the guiding principles in the electoral laws touch on similar principles in order to realize the goals of democracy. However, the interaction of taxation and electoral politics brings to the fore a controversy on fairness and equity in the allocation of political power. Can we have fairness and equity in political power, if taxation is both a condition for participation and an objective or goal of the contest?

We, therefore, argue for both equity and fairness, which is claimed to be in the objective of the Presidential Committee on Nigerian National Tax Policy (2008); and, to “enhance trust among taxpayers and enhance trust between taxpayers and the government”, which comes out of equity in taxation, as canvassed by the Organization for Economic Cooperation and Development (OECD, 2010). Only those who continued to pay direct taxes at the highest tax bracket over a considerable period of time, say ten years, should be given the right to the second wing of franchise namely, the right to be voted for. This will remove the inherent inequity or

tyranny of the free riders over the common pool resource of the contributors (through bad and irresponsible acts in office). This proposition finds support in a logical amalgam of the thoughts of the great masters, practicability, constructive experience of (textbook) scholarship, and the utilitarian argument.

Plato, Aristotle, J.S. Mill and others in their various writings worry about the ignorant ruling over the wise through democracy and franchise, so they introduce various restrictions, including educational and tax qualifications for participation. Mill gives a utilitarian, as against natural right automatic, argument in support of franchise, but which is so limited by a utilitarian disqualification based on illiteracy, and poverty or economic dependency (evident in non-payment of direct taxes) (J.S. Mill, cited in Hampsher – Monk, 1992, p. 393). We are apprehensive about (the poor and the insolvent) free riders (and the token contributors) having to decide on application and exercise of taxation and the process of it as our Common Pool Resource (CPR). All who are capable of paying taxes because they have the capacity to be levied and have paid up, should be enabled to defend their interests which include what happens to that taxes, through political action. Minority of demonstrated tax capability should guarantee minority power else any more would be excess power which is both a waste of it (power) and a disposition/proclivity to tyranny and wastefulness, because excess in anything including power, is a lack or absence in responsibility. According to J.S. Mill (cited in Hampsher – Monk, 1992, p. 393) “Those who pay no taxes, disposing by their votes of other people’s money, have every motive to be lavish and none to economise.” Those who pay none or less tax have less at stake in the common pool resources (CPR) and as such have lesser need for political power inherent in the two-way operation of franchise –voting and being voted for. Conversely, those who pay higher have more at stake and, therefore, have greater need for political power to protect the system that necessities it.

This is not particularly an original or new idea. In both New York and Leipzig (Germany) of the late 19th century, the radical challenge of the growing labour class/movement led the bourgeoisie to demand a reformed electoral system that would take into account the amount of taxes paid by each citizen. Though the idea did not gain acceptance in New York but it succeeded in Leipzig (Adam, cited in GHI Bulletin, 2014. p.144).

Our argument in support of this proposition is also (almost) utilitarian. The utility that comes out of harmony of interests in the society. Taxation should reflect harmony of interests in

the common Pool Resource (CPR). There is harmony of interest among those who make contribution to the CPR as its objective is a common good. There is no harmony of interests – in fact, there is absolute disharmony of interests – between contribution and non-contribution. And there is less harmony or less disharmony of interests between those who contribute very high and those who contribute very low.

The problem of variance in the degree of harmony of interests – which is not absolute disharmony – arising from the economic value of share of contribution is sought to be resolved in the social value of the contributions made: from each, not according to his will, but according to his ability – because beyond ability will is useless; capability becomes impossibility.

Between contribution and non-contribution is absolute disharmony of interests for which the society lacks mitigation or resolution, except the measures of confiscation which produces greater disharmony or anarchy between the two classes, and between the economic and the social values of the same society. This is anarchy, without open violence.

Common Pool Resource (CPR) calls for contribution and representation as participation in modern democracy. In a CPR relationship, there is absolute disharmony of interests between contribution and non-contribution – free rides; and, this is more so in representation. As a form of representation in CPR, contribution to, precedes decisions about CPR; and both reflect the harmony of interests between economic values and social value, and between ability and needs. Those who have greater ability in contribution have greater need to protect in a CPR. Any gap between ability and need would foster corruption – profligacy in the application of CPR and outright theft of CPR. So, borrowing from Plato (in the laws) wherein he stated that the greater the disparity between the rich and the poor, the greater the harmony of interests in the society and the greater the corruption and inefficiency in the state. We, therefore, state that the greater the disharmony of interests engendered by the disparity in contribution which is not mitigated, the greater the incidence of corruption and inefficiency in a CPR (see D.R. Bhandari, 1997. p.42).

The textbooks on Economics reject the proportional tax system solely on the grounds of it being against the principle of taxable capacity by putting greater pressure on the low income earners to make more sacrifice out of their non disposable life wage (Mohammed, 2015, p.14), while the higher income earners are made to surrender only part of their largely disposable wealth. In its place is advocated and largely practised the progressive tax system, which puts

greater burden of taxation on the higher end earners. Among its touted virtues are equity and economic stability; and, its vices include encouragement of tax evasion, prevention of capital formation and investment, increase in hoarding of capital (Mohammed, 2015, p.15). These same arguments work against universal franchise and in favour of restricted right to be voted for. Just like in the proportional tax system, the universal right to be voted for inflicts inequitable pressure on the high end contributors to the tax pool by having more of their tax fund exposed to the vagaries of democratic leadership and policy choices. Again just like in the progressive tax system, the universal right to be voted for inflicts on the high end tax payers a sense of inequity by not guaranteeing them commensurate (that is, higher) access to political power to protect their higher contribution to the common resource pool of tax fund. And in consequence, they will begin to withhold and cheat on their taxes.

C. Taxation and Franchise in the Nigerian Electoral Process: Implications for State Building Capabilities:

Taxation can be explained as contribution to not just the common wealth, but also to state building expressed as capability to enforce rules, capability to extract taxes and capacity to deliver services to the people. And, as a means of participation in the production of public good the output of such collectivity includes public infrastructure and development programmes.

The political implication of taxation on state building entails the following;

1. It can be interpreted as purchase of access (it being a license) to participate especially in elections, because without it one can be disqualified.
2. It can be interpreted as demonstration of allegiance and suzerainty to the state
3. It can be employed by the state as mechanism to subdue the community and regulate behaviour of persons.
4. It can be interpreted as contribution to collective effort by the state as a community.
5. It can be interpreted as the common pool resource by all who pay into it.

Therefore, a general non payment of taxation can have serious impact on state building capacity.

The interaction of the second wing of the principle of franchise and which gives the right to be voted for a universal application, and the taxation based on the principle of capacity, in their combined operations with the electoral laws of Nigeria, have the effect of undermining the capacity for state building.

The electoral law asks for tax qualification among others as a recognition of the distinctiveness of the two wings of democratic franchise. The only serious eligibility and which is legally enforceable is the minimum age requirement, and those of citizenship and residency. The most serious distinguishing qualification between voting and the right to contest to be voted for are education and taxation, in token agreement with the utilitarian suggestions of J. S. Mill. However, the tokenism of its application undermines the Nigerian state building ambitions. Our concern here is taxation.

The electoral laws of Nigeria require that a candidate for any public office to present a tax clearance certificate for the three years preceding the date of filing of nominations. On its own, the striking features of this qualification include:

- (1) No minimum amount of tax is prescribed, therefore, an assessed taxability of the barest minimum, say One Naira, is as good as Billions of Naira; and,
- (2) No questions are asked about other years of likely cheating preceding the three years of declaration.

The implications of this is far reaching but we shall focus on what the above two features portend for state building: the operation of franchise and electoral laws connives at the criminal acts of tax avoidance and outright tax evasion; and that within the corridors of policy making and political power are harboured potential lawbreaking and criminality of behaviour and lost tax revenues to the state.

The foregoing scenario threatens state building capabilities in several ways, but we shall concentrate on aspects: the power of the state to enforce its laws over whole territory and all persons; the ability to extract taxes; and, the capacity to deliver services to all persons over whole territory.

- (1) Enforcement powers of the state: The gap so exposed shows that the enforcement power of the state is undermined by the very presence of criminality and law breaking in the very heart of policy making and implementation. Secondly, its operation, unwittingly, creates a class above the ordinary operations of the law – in the blind spot of the law.
- (2) Extractive Capability: This undermines the extractive powers of the state in its very capability levels. The operation of the state's laws prevents the state from extracting its own resources. An entity that cannot extract its taxes (to the maximum capacity) over all its own territory and persons is to that extent impaired as a state. The extractive power of the state is both

horizontal and vertical: it should extract from all subjects (except those it clearly choose to exempt); and all its dues from each subject.

(3) Service Delivery Capacity: A state that cannot deliver services is in serious credibility challenge with any other entity that attempts to deliver. The ability to do so is determined by its ability to extract taxes and enforce its laws. Diminished tax fund is a logical consequence and indicator of poor enforcement and extractive capabilities, and which guarantees diminished capacity to render services.

Besides the foregoing, among the many maladies inflicted on the state and society include the following:

(1) Non responsiveness and unaccountability in the government-citizen relationship (OECD, 2010, p. 11). The high end tax liabilities will begin to negotiate in bad faith by withholding on their taxes as they do not see fairness and equity in the system. And, in consequence, the government would have to rely on coercive measures to extract whatever little it can out of whosoever it can catch.

(2) Impediment on the reach of government: The inability of government not only to tax all effectively and efficiently that results from this is that the very low turnover of efficient taxability means less reach to the population by state power. The effect is that a lot of other laws of the state will not derive the necessary habitual obedience from the bulk of the population.

(3) Increased government-citizen alienation: A political leadership constituted by low taxability would not only fail to inspire confidence but will also fail to make the people see their stake in the policy output of such government. The people will not make the necessary psychological connection between any possibility of goodness in their lives and government activities.

On the overall, the features of a failed state automatically manifests from the interaction of taxation and franchise in an environment of the ordinary operation of the electoral laws of the state based on the ordinary principles of democracy.

4. Conclusion

As a position paper, our case is made that the right to vote continue to be universal, but that the right to be voted for be moderated with high end taxation at ten year duration as a requirement. This would result in two positives: one. to instill confidence and sense of equity in the society by encouraging those who pay high to continue to do so. The justification for this is

there is correct understanding of tax fund as a common pool resource and which necessitates that those who contribute (the highest) to it have a greater interest to protect and, therefore, should have greater access to political power to do so (achieved if they can become the elected representatives in the assembly that takes decisions about taxes and tax funds). It is difficult to explain in morality a situation in which someone of very diminished contribution or citizenship capacity as expressed in taxation would suddenly be put in the position of political power to decide on the application of taxes which are largely the contributions of others. If the rich are often expected to pay more taxes because they have more that needs to be protected and enjoy more from the benefits of goods produced, they should have more capability to determine the direction of the political power over their contribution.

And two, guaranteeing the ability of the state to ensure self building impact and activities. A chosen minority in taxation would self inflict on the individual a guaranteed second class citizenship, and a remedy to which is a drive to pay higher which would create more tax fund as common resource pool for the state, out of which it can derive capacity to deliver more services to the people. Further, it will guarantee the capability of the state to enforce its (tax) laws over all persons all over its territory. Anything else ensures the continued profligacy and outright theft that that have become part of the order of things with public offices in today's Third World societies.

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