STAKEHOLDERS' ENGAGEMENT AS A STRATEGY FOR OPTIMIZING VOLUNTARY TAX COMPLIANCE: A CASE STUDY OF THE NIGERIAN TAX ADMINISTRATION

Dissertation Manuscript

Submitted to UNICAF University in Zambia
in partial fulfillment of the requirements
for the degree of

Doctorate Of Business Administration (DBA)

By

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March, 2023

Approval of the Thesis

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Abstract

STAKEHOLDERS' ENGAGEMENT AS A STRATEGY FOR OPTIMIZING VOLUNTARY TAX COMPLIANCE: A CASE STUDY OF THE NIGERIAN TAX ADMINISTRATION.

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Tax non-compliance has remained a major concern to the Nigerian government and fiscal policy experts. At the same time, the lack of revenue sources accounts for the country's low tax/GDP ratio of 6% which currently hinders visible development. This study proposes that stakeholders' engagement could be useful in promoting voluntary tax compliance, determined by high-level awareness, a positive tax-paying habit, and sustainable revenue flow into the treasury. The study explains stakeholder engagement as "an iterative process of actively soliciting the knowledge, experience, judgment, and views of persons selected to represent a broad range of interests, on an issue, to create a shared understanding, and making relevant, transparent, and effective decisions." The research adopts a mixed-method approach, using a questionnaire, interviews, and focus groups, to gather data for the study. Close to 1,000 respondents participated in the survey, while fewer participated in the interview and focus group sessions. The qualitative data gathered was analyzed by assigning codes to the texts and later merged into categories, through thematic and content analytical methods, which yielded the seven (7) themes that eventually emerged. In contrast, the quantitative data was analyzed through descriptive and inferential statistics, to validate the initial qualitative findings. The two (2) data sources provided a firm basis for data triangulation. The study's findings showed that stakeholders' engagement can promote voluntary tax compliance, improve awareness, and engender a positive tax culture among the population, facilitated by critical tasks, such as tax education, tax collaboration, and assistance, resulting in accountability and transparency in governance, and improved tax morale. The quantitative survey results generalize the initial qualitative findings and strengthen the research conclusions.

Declaration

I declare that this thesis has been composed solely by myself and has not been submitted in any previous application for a degree in whole or in part. Unless stated otherwise by reference or acknowledgment, the work presented is entirely my own.

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Dedication

This work is dedicated to God, the Omnipotent and all-knowing Father of all humanity, who has enabled and strengthened me to complete this doctoral research program. May His name be praised and adored forever. Amen.

Acknowledgments

First and foremost, I am incredibly grateful to my supervisor Dr. Nissar Ahmad Yatoo, for his continuous support, invaluable guidance, and patience throughout this research program. His academic knowledge and broad research experience have inspired me, constantly encouraging me to work harder during challenging times in the program. I thank the entire educational team and staff of the UNICAF University in Zambia, for the rich learning opportunities offered to those of us from Africa, and particularly for the scholarship offer, which is the motivation for embarking on the Doctorate of Business Administration (DBA) program. My special thanks go to the UNICEF support staff, who are always on standby to offer any required assistance from students, either by mail or phone. Special thanks go to my greatest partner, Folasade Tokunbo Sofowora, who is always available to offer a helpful hand at the slightest opportunity throughout the doctorate program, particularly her financial and loving support and encouragement, in ensuring the completion of the doctoral program. Lastly, I cannot forget to mention my children, Oluwaseyi, Ayodeji, and Tolulope, for their regular assistance in arranging the manuscript when routine clerical support was required, and technical guidance on computer use, whenever their assistance was sought. I treasure all their best wishes and encouragement toward completing this doctoral program.

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List of Abbreviations

ADB: African Development Bank

AGF: Accountant-General of the Federation

BEPS: Base Erosion and Profit Shifting

BRICS: Brazil, Russia, India, China, and South Africa (Emerging Economies)

BSR: Business for Social Responsibility

CAC: Corporate Affairs Commission

CBN: Central Bank of Nigeria

CITA: Companies Income Tax Act

C.o.C: Cost of Collection

CSR: Corporate Social Responsibility

CTPA: Centre for Tax Policy and Administration

DAC: Development Assistance Committees

DFID: Department for International Development

ECOWAS: Economic Community of West African States

FCT/IRS: Federal Capital Territory/ Internal Revenue Service

FAD/WB: Fiscal Affairs Department of the World Bank

FBIR: Federal Board of Inland Revenue

FIRS: Federal Inland Revenue Service

GDP: Gross Domestic Product

GGAR: Good Governance Africa Report

GNP: Gross National Product

GST: General Sales Tax

IBRD/IDA: International Bank for Reconstruction and Dev./International Dev. Association

IETO: Individuals and Enterprises Tax Office

IMF: International Monetary Fund

ISORA: International Survey on Revenue Administration

ITL: Information Technology levy

ITMA: Income Tax Management Act

JTB: Joint Tax Board

LFN: Laws of the Federation of Nigeria

LTO: Large Taxpayer's Office

MDAs: Ministries, Extra-ministerial Departments, and Agencies

M & E: Monitoring and Evaluation

MIS: Management Information System

MNEs: Multinational Enterprises

M.o.F: Ministry of Finance

MSEP: Multi-stakeholders Engagement Process

MSTO: Micro and Small Taxpayer's Office

MTO: Medium Taxpayer's Office

NBS: National Bureau of Statistics

NCC: Nigerian Communications Commission

NCS: Nigeria Customs Service

NTP: National Tax Policy

NEEDS: National Economic Empowerment and Development Strategy

NGOs: Non-Governmental Organizations

NEPC: Nigerian Export Promotion Council

NIPC: Nigerian Investment Promotion Commission

NNPC: Nigerian National Petroleum Corporation.

NTP: National Tax Policy

ODA: Official Development Assistance

OECD: Organization for Economic Cooperation and Development

PITA: Personal Income Tax Act.

POA: Performance Outcome Areas.

PPTA: Petroleum Profit Tax Act.

RMFAC: Revenue Mobilization and Fiscal Allocation Commission.

SDA: Stamp Duties Act.

SEEDS: States' Economic Empowerment and Development Strategy.

SBIR: States' Board of Internal Revenue

SIRS: States' Internal Revenue Services

SMEs: Small and Medium Enterprises

SMEDAN: Small and Medium Enterprises Development Agency of Nigeria

TADAT: Tax Administration Diagnostic Assessment Tools

Tax/GDP: Tax to GDP ratio

TMPCs: Technical, Management, Professional, or Consulting Services (Profits derived)

TPB: Theory of Planned Behavior

UN-ESCAP: United Nations Economic and Social Commission for Asia and the Pacific

UN-SDG: United Nations-Sustainable Development Goals

US-TAS: United States/Taxpayer Advocate Service

VAIDS: Voluntary Assets and Income Declaration Scheme

VATA: Value Added Tax Act

VNR: Voluntary National Reviews

VOARS: Voluntary Offshore Assets Regularization Scheme

WB/IMF: World Bank and International Monetary Fund

WHT: Withholding Tax

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CHAPTER 1: INTRODUCTION

Background to the study

Empirical studies have shown that taxation has remained the most reliable and sustainable revenue source available to all governments since the dawn of modernization (Bitzenis and Vlachos, 2018; Horodnic, 2018). However, tax non-compliance continues to confound tax authorities and their officials, particularly in Nigeria. The situation has hindered the government's capacity to generate sufficient revenue for socio-economic and developmental programs and finance recurrent expenditure needs (Torgler, 2003). Tax is a compulsory levy imposed on individuals and corporate entities by the government in this context. This levy serves as a source of income that enables the government to perform the various legitimate functions of the state (Olaoye, Ashaolu & Adewoye, 2009). Taxes are significant sources of revenue for governments, and they assist in financing infrastructural development at all government levels, which explains the essence of governance. As a result, Ojo (2003) posits that taxation is our price for civilization. Therefore, implementing efficient tax collection machinery would enable a government to optimize tax collection and achieve societal goals. Governments worldwide require revenues to meet social obligations (Fagbemi, Uwadiale & Noah, 2010). However, the country’s tax policy design does not seem to align with promoting voluntary tax compliance, which should improve the yearly tax/GDP figures (Akintoye &Dada, 2013). This challenge might be due to the country's tax complexity, complicated tax laws, and operations, inefficient tax administration, ineffective tax policies, over-dependence on crude, systemic corruption, and taxpayers' negative attitude to taxation (Oluyombo & Olayinka, 2018).

Despite the role of taxation in development, one still wonders why most citizens still view taxation as an undesirable levy imposed on them by the government. The argument is that the government often does not apply tax revenues reasonably to promote efficiency, economy, and expenditure effectiveness (Ekoja & Saratu, 2014). Nigeria represents the epitome of poor tax compliance. Available official statistics showed that non-compliance with tax rules leads to unreported income and a tax gap. The Ministry of Finance (MoF) estimated this tax gap to be around $46.80 billion annually. The literature has argued that no single theory can explain individuals' negative responses concerning tax payment matters. Still, empirical studies stated that sociology, psychology, and economic theories might help explain certain individual compliance behaviors. Research studies in social sciences also noted that human elements play a vital role in individual compliance decisions. However, there seems to be no consensus or agreement concerning why people often pay taxes or why they choose to ignore tax payment duties. The growing phenomenon of tax non-compliance in Nigeria can be traced to various reasons, such as multiple taxations, irregular tax policy options, scanty and unreliable databases, corruption by tax officials, and involvement of tax contractors in tax administration functions, as well as the complexity of tax laws and cumbersome tax processes (Edori et al., 2017).

The absence of coordination among tax authorities at the national and sub-national levels also leaves a considerable gap in tax harmonization and coordination efforts, resulting in various taxpayers' non-compliant behaviors. A solid and efficient tax administration system promotes voluntary tax compliance, yields a continuous, sustainable revenue flow into the government's treasury, and ultimately increases the country's tax/GDP ratio. Compliance with tax laws typically means the correct and accurate reporting of taxable income, appropriate computation of the tax payable, filing of tax returns, and the timely payment of tax liability (Franzoni, 1999). If the taxpayers feel that the government genuinely serves their interests, they would be willing to pay taxes. With fiscal recklessness and insensitivity to the plight of the citizens, the willingness to pay taxes would be at its lowest point (Akintoye & Tashie, 2013; Abata, 2014).

Sanni (2012) studied the effect of tax diversity in Nigeria. He argued that corruption, fraud, extortion, lack of tax-related data, and overlapping taxes are the critical elements affecting tax efficiency in the Nigerian tax system. However, in many studies devoted to the challenges and remedies to improve the tax administration generally, Micah et al. (2012) highlighted a few strategic actions that could enhance tax efficiencies, such as granting administrative autonomy to tax agencies, adopting information and computer technology (ICT) and effective tax audit practices, judicious use of tax monies, and tax education and enlightenment programs to promote tax awareness. Several studies on tax administration have revealed that ICT adoption in tax administration can significantly impact tax operation efficiency and procedures, thus resulting in high compliance. However, when the computer technology system fails to communicate sensibly, the efforts made would become a waste of financial resources, which is a common daily occurrence in most developing countries' tax administrations, thereby limiting the revenue potential of countries.

Despite all the efforts geared toward improving revenue collection and tax administration in Nigeria, the level of tax compliance is still far from improved (Odusola, 2006). Tax non-compliance with regulation is traceable to the challenges of tax multiplicity in Nigeria (Anyanwu, 1997; Sanni, 2005), along with other factors such as an unstable business environment, a large informal sector, and fund misappropriation (Odusola, 2002). Also, citizens' perception of tax injustice could frustrate the tax system, resulting in non-compliant attitudes (Abiola & Asiweh, 2012). Previous tax reforms of the government had severally attempted to develop a culture of voluntary compliance, through constant improvement in domestic revenue mobilization, tax education, fiscal harmony, comprehensive tax training, and cultivating respect for taxpayers, all of which have yielded only a little impact, judged by the available OECD statistics (2016), which revealed that Nigeria's current tax/GDP ratio still hovers around 6% compared to the average 15% among the member-states of the ECOWAS region. The poor trend in revenue performance has continued to create wide tax gaps, while the tax authorities have been unable to substantially stop the leakages in revenue collection. In particular, the share of non-oil tax revenue to GDP has remained between 3-4% since 2011 (IMF Report, 2018).

This concern of tax non-compliance dates back to the early 1970s when Nigeria solely depended on oil revenue for its budgetary funding, with little focus on domestic revenue resources, including the tax compliance goal. However, from the early millennium years to date, studies into the challenges of tax non-compliance have increased, with the government and academic scholars committing considerable resources to understanding the implications of the problem. Webley et al. (1991) attributed the increasing interest in tax compliance studies to the significant growth in most developing countries' public sectors. This agitation, therefore, demanded more revenues to fund states' social objectives and infrastructural programs, requiring businesses and individuals to consciously participate in nation-building through taxation. Of all the taxes in Nigeria's tax stable, personal income taxation has remained the most inefficient, unproductive, and complex to administer due to the fiscal system arrangement which gave taxing rights over individual income to the sub-national government (Asada, 2005; Kiabel & Nwokah, 2009; Nzotta, 2007; Odusola, 2006; Sani, 2005). Most people often ignore Section 24 (f) of the 1999 Nigerian Constitution, which provides that "it shall be the duty of every citizen to declare his or her income honestly to appropriate and lawful agencies, and pay his taxes promptly" (1999 Constitution of the FRN, p. 11). This tax provision also covers the taxation of corporate entities. However, a few pieces of evidence suggest that variables, such as economic, social, and psychological factors, can impact tax compliance (Alm, 1999; Brook, 2001).

Realizing that all efforts to enhance voluntary tax compliance among the various taxpayer groups have not been very effective, this study on 'Stakeholders' engagement as a strategy to optimize voluntary tax compliance' attempts to examine the role of stakeholders' engagement in promoting voluntary compliance, chiefly through awareness creation and collaboration with known stakeholders in the tax administration. The study aims to articulate appropriate strategies that would help determine the critical steps in a stakeholders' engagement plan, with the capability to impact the greater population significantly, and aiming to achieve a desirable level of voluntary tax compliance. The stakeholder theory postulates that "a firm should create value for all stakeholders, not just its shareholders." (Freeman, 1984). Tax authorities at the two-tier level would have to collaborate to create and sustain tax awareness among the different taxpayer groups to achieve a high level of tax receipts that can close the estimated tax gap of $46.80 billion yearly in Nigeria. Empirical studies show that "a positive attitude would encourage tax compliance, while a negative attitude may trigger tax non-compliance" (Marti, 2020). Sarker (2015) stated that strategic communication is a valuable stakeholder management tool and can facilitate coalitions with relevant stakeholders in the overall efforts to promote tax compliance.

Stakeholder engagement is assumed to be most successful when the strategy is part of a larger, unified action proclaimed by the government, which stakeholders can understand, should they decide to support the government's overarching goal. Stakeholders are persons or groups keen on engaging and influencing the political process to protect their economic interests and avoid negative externalities to maintain political power (Fidrmuc et al., 2003). Strategic engagement with stakeholders helps to identify people who would facilitate or obstruct reform, and the project sponsors can leverage the knowledge learned to influence behavior (Rahman, 2010). Another stakeholder engagement name is multi-stakeholder engagement, which helps reduce risk. Targeting just one or two relationships places too much on individual loyalty, which can change quickly.

Statement of the Problem

Low tax compliance concern remains a persistent challenge to governments in developing countries, as they limit the capacity of revenue authorities to generate taxes for development and funding for recurrent expenditure purposes (Torgler, 2003). This challenge manifests through the country's low tax/GDP ratio. Oyedele (2014) asserts that the non-oil tax to GDP ratio of 4% (based on Nigeria's 2013 rebased GDP) is the lowest globally compared with other emerging economies like

Brazil, Russia, India, China, and South Africa. It is neither better when compared with the average ratio within the countries of Africa (as shown in Tables 1 and 2). It is a paradox that Nigeria has not translated the high economic figures associated with its rebased GDP into tax revenues critically required for socio-economic development. Empirical evidence shows Nigeria's capacity to tax its citizens effectively is relatively weak compared to other ECOWAS member countries (see Tables 3-4 and Figures 1-3). Oyedokun (2015) asserts that some inherent difficulties in the country's tax system have continued to hinder the efforts of the citizens to fulfill their tax obligations. The country's low tax/GDP ratio of 6% is far off from the projected 15% ratio suggested by the World Bank to indicate how well a government can manage and control its country's economic resources (World Bank/ FAD Revenue Outlook, 2016). The low tax ratio poses a significant concern for the government in mobilizing enough tax revenues to finance social infrastructure and raise investment. The problem of tax non-compliance is prevalent and cuts across the different groups of identified taxpayers, whether they are corporate entities, self-employed, or in employment.

The main focus of the study is to get all citizens and taxpayers, most of whom are currently invisible to the tax authorities at the two-tier level, and who have not been complying with their obligations under the tax laws, to understand their tax obligations under the law, and begin to join hands with the government to fund social development, each person according to their financial ability. For those of them who are familiar with their obligations and known to the tax authorities but occasionally fail in their duty to file correct tax returns and promptly remit tax due to the government, they should be assisted and encouraged to do the needful; otherwise, there are various enforcement strategies in force to compel them to comply. Tax authorities need to be mindful of the business practices of large businesses operating as multinational enterprises across different countries and continents. Taxpayers in this category often exploit current legislation loopholes to maximize their gains from their diverse business ventures. With the growth of digitalized businesses, the age-long concepts of ‘the permanent establishment,’ ‘physical presence,’ and ‘significant economic activity’ have become irrelevant for determining business profits, given that business digitalization is not necessarily a destructive phenomenon. Today, most companies can conduct online transactions without any traces of their places of business. The concerns over the taxation of digital transactions mainly revolve around establishing optimal policies on taxing rights and profit allocation. Base erosion and profit shifting (BEPS) affect all countries, and realizing that income tax is a significant tax head, international cooperation becomes indispensable to bringing about a lasting solution to digitization concerns.

Empirical findings have shown that Nigeria's low tax collection rates directly result from the general weaknesses in the tax administration systems and the systemic non-compliance culture. Several factors seem to be responsible for the poor and inefficient tax system in Nigeria, some of which are related to official corruption, complex tax operation, complicated tax laws, negligence in terms of tax recoveries, poor tax administration strategies, and multiple taxations and the fact of too many revenue authorities at both the national and sub-national levels. Other factors are the underground economy and the structural issues inherent in the country's economy, inadequate statistics on registered taxpayers, tax evasion and tax avoidance problems, and many businesses operating outside the tax net (Adekanola, 1997; Odusola, 2006). If the tax officials are honest, reliable, patriotic, hardworking, and adequately knowledgeable on tax laws, the output performance is expected to be efficient and effective (Gurama & Mansor, 2015; Odusola, 2006); otherwise, the tax administration might not meet its target and may soon lose its credibility from the taxpayers' perspective and the government's (Micah, 2012). Also evident in the taxation structure of Nigeria are those issues related to the dearth of tax-related data, corrupt practices, and unorganized monitoring and enforcement approaches (Leyira et al., 2012).

The existence of tax evasion and increased cost of compliance, together with the ambiguity of tax laws, have been discovered to contribute to poor tax collection (Uremadu & Ndube, 2011). Taxation is central to economic development, and a well-functioning revenue system is necessary for strong, sustainable, and inclusive economic growth (Carnaham, 2015). This tax objective is the main reason for stakeholder engagement, which requires the revenue agencies and the government to engage with the different stakeholders in the tax administration, interacting and working together to share a common understanding of the benefits of voluntary tax compliance for the country. An efficient tax system must be open to aiding easy compliance and recognizing taxpayers' rights while treating them as partners. The tax system should reward compliance, and the tax authority must be strong-willed to enforce compliance, re-orientate taxpayers legally, and perform its functions transparently (Edemode, 2009; Adegbie & Fakile, 2011). Meanwhile, most taxpayers complying with the tax laws do so due to the fear of penalties and fines if detected (Nyaga, 2014; Oyedokun, 2015). Table 5 summarizes the total number of taxpayers (individuals, self-employed persons, and corporate entities) registered for income tax, Value Added Tax (VAT), and the Pay-As-You-Earn (PAYE) operation (ISORA, 2016).

Purpose of the Study, Research Aims, and Objectives

Purpose of the Study

The purpose of this qualitative, descriptive research is to investigate the leading causes of tax non-compliance in Nigeria, understand the reasons why most compliance/enforcement strategies are often ineffective, on the one hand, and determine the extent to which stakeholders' engagement (independent variable) can promote voluntary tax compliance (as a dependent variable), on the other. It proposes to use the grounded theory and phenomenology principles in analyzing the data collected, aimed at understanding the participants' lived experiences and relying on the emerging data to develop conceptual theories. A positive effect of stakeholders' engagement on compliance would help create a secure, favorable tax environment that can elicit a positive tax-paying culture and culminate in keeping with normal tax obligations, resulting in timely payment of due taxes to the government. This response would ultimately improve the level of revenue and increase the country's tax/GDP ratio from the present 6% level to at least 15% projected by the World Bank/IMF. The computed tax ratio validates how well a government can manage and control its country's economic resources (IMF Revenue Report, 2016). Empirical studies state that a typical developing economy should collect at least 15% of GDP in taxes, compared with 40% achievement in advanced economies. In the 2015 national budget, the government projected a tax/GDP ratio of 15% within five (5) years, mindful that the ability to collect taxes is central to the country's capacity to finance its social services, critical infrastructure, and other public goods. As the situation currently stands, Nigeria's low level of tax collection now puts economic development at risk.

The study on 'Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance' is a proposition for promoting voluntary compliance through stakeholder collaboration, with a focus on key tax administration stakeholders, as institutional or representative members coming together to ensure that the identified stakeholders collectively agree on the modalities for promoting tax compliance. In this context, stakeholder engagement is viewed as a strategic approach to encourage compliance, seeking to determine the nature of engagement that suits the Nigerian environment. The idea is not to devote attention to taxpayers, but focus on key stakeholders, although not in their capacity as stakeholders. Emphasis will be on the strategic collaboration involving regular collaboration to provide solutions that would ease the challenges of tax non-compliance, for the overall benefit of all. It is instructive to understand that the study focuses on the strategic collaboration among the critical stakeholders in the tax administration.

The study adopts mixed-method research, integrating qualitative and quantitative components to gain deeper, context-rich answers to complicated questions. It employs a survey/questionnaire to uncover respondents' responses to issues associated with tax non-compliance, particularly why people often evade tax payments. The study used surveys, interviews, and focus groups to collect data, which was analyzed using thematic and context analysis methods, creating codes and categories, later developed into themes and higher categories. Coding helps to identify the themes when analyzing the data obtained for indexing. In contrast, themes are features of participants' accounts characterizing particular perceptions and experiences that the researcher views as relevant to any research questions. The study's purpose statement is to use the stakeholders' strategy to promote voluntary tax compliance. The study identified the main variables as tax non-compliance (dependent variable) and stakeholder engagement (independent variable). Other constructs, such as tax morale, trust, and personal norms, related to the theory of planned behavior come in handy as mediating factors. Having implemented several reform initiatives that could only solve a few of the problems, stakeholder engagement would appear to be an innovative strategy to help promote tax compliance. It is a platform for collaborative decision-making opportunities and to help integrate citizen values and knowledge into complex management issues. Therefore, it is predicted to create an opportunity for dialogue on how to influence taxpayers' poor perception of taxation and encourage them to support the government's developmental programs. The conclusions from the data analysis should help the tax authorities decide which strategic approach to adopt when engaging with the different taxpayer groups, creating tax awareness towards achieving a sustainable, high level of revenue collection.

Research Aims and Objectives

Research Aims

Nigeria represents the epitome of poor tax compliance. The situation requires urgent action to refocus and reorganize the country's tax administration to ensure cooperation and optimal tax collection. With Nigeria's estimated population of about 220 million people and with a considerable responsibility to advance its citizens' well-being as part of the goal of a well-functioning state, it cannot achieve much impact with its current low tax/GDP ratio of 6% (IMF/FAD Report, 2018). The research study identified the major stakeholder groups in the tax system to gain an understanding of how the tax authorities can effectively engage with the relevant stakeholders and encourage them to comply with tax regulation, such that the interaction could yield a significant impact on the greatest number of persons, and firms, in a manner that sustainably promotes voluntary tax compliance. The study aims to make every taxable person and business comply with tax regulations voluntarily, without any prompts from the tax authorities, while encouraging the government to provide a tax-friendly environment that guarantees business growth and judiciously utilizes taxes collected on beneficial public projects, rather than nuisance projects with little value.

Research Objectives.

Research objectives present an outline of specific steps to be taken in the drive to achieve a stated research aim, and for this research study, the research objectives are stated as follows:

i. Explain the factors fueling tax non-compliance in the Nigerian tax environment and investigate how stakeholders' engagement can help address non-compliance concerns to promote voluntary tax compliance.

ii. Evaluate the role of stakeholders' engagement strategy in improving tax awareness, and eliciting positive tax-paying behaviors among the citizens.

iii. Determine the specific tasks/key activities, with a high potential to deliver tax optimization, and consequently improve the tax/GDP ratio, yearly, towards enhancing voluntary compliance.

With the above objectives, all the general concerns around tax non-compliance would have been carefully addressed, and new possibilities would emerge to help the process. An in-depth analysis of the emerging information from the data obtained might hopefully create space for further questions, concepts, and new understanding. Understanding the basis of resistance to taxation and knowing that the innovative stakeholder engagement strategy can help promote voluntary compliance would make the study a step in the right direction.

Nature and Significance of Study

The study is mixed-method research, allowing the researcher to collect and analyze qualitative and quantitative data for the study. The method draws on the potential strengths of both qualitative and quantitative methods, allowing researchers to explore diverse perspectives and uncover relationships between the intricate layers of the multifaceted research questions. From the numerous empirical studies justifying the positive role of meaningful engagement in developing helpful tax policies, it is argued that a study that explores the effects of stakeholders' engagement in promoting tax compliance would open up opportunities for the emergence of other tax initiatives in the efforts to develop appropriate tax policies and programs for the citizens of any country. The study confirms the right of the tax authority to apply different strategies to promote voluntary tax compliance in its domain (Alm et al., 1992). Various empirical studies have proved that taxpayers' attitudes and other factors can influence an individual's tax compliance behavior. These factors often differ from one tax jurisdiction to another and from one individual to another (Kirchler, 2007), covering the perception of a tax authority and its tax system (Ambrecht, 1998), peer attitude and subjective norms, tax knowledge (Silvani, 1992; Le Baube, 1992), tax morale, rewards and motivation (Feld, Frey and Targler, 2006), deterrent actions, such as punishment and penalties (Allingham and Sandmo, 1972), and compliance costs (Slemrod, 1992).

Despite the successful outcomes of most tax compliance studies, there are no records of specific studies undertaken on how stakeholders' engagement could influence tax compliance attitude and behavior, with key stakeholders acting as a united entity with a common purpose. Stakeholders' engagement can be defined as "the various communication practices, processes, and actions that an organization must undertake to engage its stakeholders to secure their involvement and commitment or reduce their indifference or hostility (Bourne, 2016). A stakeholder engagement process would ensure no one is left out in the strategic collaboration to promote compliance. It is a platform for dialogue and a tool for strengthening democracy, peace-building initiatives, and governance, preventing violent conflict, and facilitating a shared understanding of societal problems (OECD/DAC, 2005). Stakeholders' involvement in the planning and execution of any project is key to achieving the goals of the project (Heravi et al., 2015). As an approach to implementation, the concept translates into the prioritization of the needs of the most vulnerable, and efforts to reach the furthest behind first. Leaving no one behind is closely linked to stakeholder engagement. People left behind in most societies are typically excluded from decision-making that impacts them. This study seeks to articulate the argument that engagement with historically marginalized groups is critical to informing local and national priorities and empowering those most at risk of being left behind to participate in implementation actively.

The study promises to deliver several learning points for the citizens, the tax authorities, and the government. In addition, it would explore the continuing use of specific deterrent actions, such as audit rates and punishment, alongside adopting tax cooperation and other innovative compliance methods commonly used in developed countries. The study is timely and valuable at this stage when most governments are required to achieve a higher level of domestic resources needed to finance the newly approved UN Sustainable Developmental Goals (SDGs), being a universal call to action by all countries to end poverty, protect the planet, and ensure that by 2030 all people can enjoy peace and prosperity. To achieve these laudable goals, the Nigerian government must rely on the incredible creativity of our entrepreneurs, know-how, technology, and financial resources from all of society to achieve the SDGs in every context.

One aim of the study is to engage with different taxpayer groups to make them understand simple tax compliance obligations by the time the tax authorities begin implementing the innovative stakeholder engagement strategy to influence tax awareness, increase tax collection, and promote a tax-friendly climate. The likely achievements will impact tax collection by increasing the country's tax/GDP ratio from 6% to at least 15% within five (5) years. Without a doubt, stakeholders' engagement will improve tax regulation knowledge, promote taxpayer awareness, encourage the prompt filing of tax returns, and increase tax collection, all aimed at promoting voluntary tax compliance.

Taxation is imperative for nation-building, and as it is regarded as a significant source of government revenue (Brautigam, 2002) and a reliable source of financing the budget (Liman, 2009), it becomes imperative for Nigeria to continuously improve its tax collection ability to compete with other emerging economies. Tax authorities in Nigeria can only achieve this goal if they develop an effective structure that allows them to regularly engage with the major stakeholders in the collective effort to promote voluntary tax compliance. Voluntary compliance is fundamental to a self-assessment tax regime.

The significance of the study lies in the realms of being able to address the identified gaps related to the country's low tax/GDP ratio of 6%, in comparison to the 15% projected by the World Bank/IMF as the baseline for countries desirous of improving the well-being of their citizens, and the goal of establishing a sustainable revenue base, devoid of the uncertainties associated with crude oil production. The study reveals that the stakeholder engagement approach better understands the conditions that promote voluntary tax compliance than mainstream compliance theories. By using this engagement approach, the tax authorities stand a better chance of creating policies that would optimize voluntary compliance.

Another significance of the study is the resolution of the "compliance puzzle “by understanding what motivates taxpayers to pay taxes. The mainstream compliance theories have failed to provide any convincing explanation beyond enforcement actions which several research studies have proved to be mostly incorrect. However, strategic engagement with stakeholders in the tax administration seems to promise a better understanding of the conditions that promote voluntary tax compliance than the mainstream compliance theories. By adopting this strategic intervention, the tax authorities stand a better chance of initiating policies that would optimize compliance. Several research studies have shown that early engagement with key stakeholders is vital. It is essential to make strategic choices about the timing and nature of the meeting with people with a common interest and political influence to protect their economic interests and minimize negative externalities (Fidrmuc & Noury, 2011).

Regular engagement with key stakeholders on taxation will ensure legitimacy if the outcomes meet most interest groups' preferences. Stakeholders' engagement presents tax authorities with the rare opportunity for dialogue on operational issues, knowing that the stakeholders might have practical knowledge, experience, and expertise in specific industries (Weiss, 1995). The overall impact of the study is that it would help the tax authorities to deliver improved public goods and services to the people. With broader tax coverage and a population amenable to tax compliance, revenue collection and taxpayers' perception of the government will improve.

Research Questions and Hypotheses

Research Questions

Research questions and hypotheses are the foundation of a research study. Formulating the research question or developing the hypotheses can help the researcher decide on the research approach. It is well-known that knowledge about a subject matter of interest can help formulate research questions. An interest in a particular topic begins the research process, but familiarity with the subject matter helps define an appropriate research question for the study (Haynes, 2006). Questions can naturally flow from a perceived knowledge deficit within the subject area or field of study (Hulley et al., 2007). However, it is advised that a researcher should endeavor to know "where the boundary between current knowledge and ignorance lies" (Haynes, 2006).

The research question is a question that the study sets out to answer, while a hypothesis is a statement the research study sets out to prove or disprove. Research questions are used in qualitative research to answer open-ended questions. They can be used instead of hypotheses when there is little previous research on the subject of inquiry. Research questions allow the researcher to conduct more open-ended queries, and a wide range of results can be reported. A properly constructed research question should always be clear and concise and should include the variables, population, and topic being studied. For this study, the under-listed research questions are proposed:

i. To what extent can the stakeholders' engagement (SE) promote voluntary tax compliance?

ii. How can stakeholders' engagement (SE) help enhance tax awareness and elicit a positive tax-paying culture among the citizens?

iii. What are the likely key activities/tasks inherent in the stakeholders' engagement that would help improve tax optimization and increase the country's low tax/GDP ratio?

In defining the above research questions, reliance was placed on various reviews of stakeholder theory in organizations and compared the idea gathered with the mainstream tax compliance theories to determine the points of disagreement between them in their application for compliance improvement. The primary research questions have been stated, with the population of interest specified and the proposed intervention stated clearly.

Hypotheses

It is generally believed that a reasonable hypothesis must be based on a good research question at the beginning of a study and, indeed, should drive data collection for the study. Hypothesis explicitly restates and clarifies a problem or research question under investigation. It is a predictive statement about a study's possible outcome. Creswell (1994) describes it as a formal statement that presents the expected relationship between dependent and independent variables. Also, Ary et al. (1996) define it as "a tentative proposition to suggest a possible solution to a problem or an explanation of a phenomenon surrounding the issue." Both definitions suggest that a research hypothesis is a statement created by researchers when speculating on the outcome of an experiment or a specific situation in that research study (Mourougan et al., 2017).

Hypothesis testing is a systematic procedure for deciding whether the results of a research study support a particular theory that applies to a population. When formally testing statistical significance, the hypothesis should be stated as a 'null' hypothesis (Hully et al., 2007). If the findings of a study are not statistically significant, the null hypothesis cannot be rejected, however, if the results are significant, the null hypothesis can be rejected, and the alternative hypothesis accepted. For this study, both the null (Ho) and alternative (Ha) hypotheses are as stated below:

Ho 1: Stakeholders' engagement strategy is unlikely to promote voluntary compliance.

Ha 1: Stakeholders' engagement strategy can promote voluntary compliance.

Ho 2: Stakeholders' engagement cannot improve tax awareness, nor elicit a positive tax-paying culture among the generality of citizens.

Ha 2: Stakeholders' engagement would improve tax awareness, and elicit a positive tax-paying attitude among the generality of citizens.

Ho 3: Tax education and collaboration as inherent key activities in stakeholders' engagement strategy are unlikely to facilitate compliance and optimize tax collection.

Ha 3: Stakeholders' engagement, with reliance on tax education and sustained collaboration, as inherent key activities can help facilitate compliance and optimize tax collection.

From the above, it can be assumed that research questions and hypotheses are 'signposts' to explain and guide the study's purpose (Creswell, 1994). The null and alternate hypotheses are two mutually exclusive statements concerning the study's population. The researcher might believe the alternative hypotheses to be accurate or hope to prove valid (Chigbo, 2019). Hypothesis testing is crucial in research methodology for several reasons, which include, providing evidence-based conclusions, supporting decision-making, adding rigor and validity to the study, and contributing to the advancement of knowledge. By testing hypotheses, researchers contribute to the growth of knowledge in their respective fields, by confirming existing theories or discovering new patterns and relationships. In testing hypotheses, using statistical methods to analyze data helps ensure that conclusions are based on sound statistical evidence.

Contribution of the Study

A variety of disciplines have devoted huge attention to tax compliance literature, so much so, that there is a lack of consensus and agreement as to why people do or do not pay their taxes. Indeed, the tax compliance literature indicates that that there are still many research gaps that need to be filled concerning issues concerning tax morale, tax fairness, and deterrence measures, for the likely improvement in overall taxpayer compliance. Therefore, This study contributes to the fiscal/social-psychological model under the tax compliance theories. In drawing knowledge from the fiscal/social-psychology models, there is ample evidence of direct stakeholder communication between tax authorities and different taxpayer groups, such as micro-enterprises, small and medium enterprises, domiciled in the informal economy, large businesses, etc., as well as strategic dialogue with tax/accounting professionals, all aimed at improving taxpayer compliance. But not once has there been a forum that brings together all key stakeholders in the tax administration system, working together as a team, towards influencing and promoting voluntary compliance. This apparent gap to be filled is the proposition to employ stakeholders' engagement as a strategy to promote voluntary compliance, implying that strategic engagement with key stakeholders in the tax administration can bring the government to its senses, and make recalcitrant taxpayers yield to the voice of reason, in the overall efforts to improve the tax collection machinery and improve the country's tax/GDP ratio, which is the measure of a nation’s tax revenue relative to the size of its economy. The ratio is used with other metrics to determine how well a nation’s government directs its economic resources, through taxation.

The study's primary contribution is the proposed framework that enables the government and tax authorities in the country to use stakeholders’ engagement to influence citizens’ tax behavior and their compliance decisions toward tax obligations. This strategic collaboration, among the key stakeholders in the tax administration, will facilitate regular collaboration that brings all of them together, and as a team to reposition the tax system, ensure that the government (being the sponsor of the project) becomes cooperative and friendly in all its public disposition, and willing to submit to the demands of accountability and transparency in governance. Another contribution of the study to the body of knowledge is that stakeholders’ engagement as a strategic intervention can influence the government and tax authority to adopt a more cooperative attitude towards taxpayers, encouraging them to embrace accountability and transparency in governance, and consequently influencing individual taxpayer’s willingness to comply with tax obligations. In addition, stakeholders could voice their opinions on how tax monies are utilized and present their expectations to the government, thereby converging ideas on how to achieve compliance. Overall, the country will achieve a good tax system that embraces fairness, adequacy, simplicity, transparency, and administrative ease. Existing literature states that stakeholders’ engagement can promote regular dialogue, strengthen democracy, encourage good governance, and facilitate a shared understanding of societal problems (OECD, 2010).

Chapter / Thesis Outline

Having earlier made a compelling case for the use of stakeholders’ engagement to minimize the challenges of tax non-compliance by highlighting the purpose of the study, and research questions to be investigated, it becomes necessary to lay out the content of the remaining chapters of the complete thesis. Chapter 1 has explained why the problem of tax non-compliance remains a major concern of the Nigerian tax administration and why stakeholders' engagement has been proposed as a strategic intervention to minimize the challenges, as indicated in the study title. Chapter 2 covers the literature review which provides a detailed analysis of the theoretical and conceptual framework used in the study. This chapter provides the reader with a comprehensive review of the literature related to the concerns of tax non-compliance. It investigates the effect of stakeholders' engagement in promoting compliance, thus expanding on the introductory/background information presented in the earlier chapter. The review showed that the objective of the study is to improve the literature on fiscal/social-psychological compliance theories. Several compliance and stakeholder engagement terminologies were also explained and topical issues of interest also discussed, such as stakeholder engagement process, fiscal/tax administration system, tax assignment, tax reform, taxation as a tool for stimulating growth, and several examples of innovative ideas that could promote tax compliance.

Chapter 3 covers the methodology section which reiterates the research questions and hypotheses, presents the research design, discusses the participants, the instruments used, the procedure, the data analysis plan, and sample size justification, including the ethical concerns. The section justifies the choice of research approach while explaining the steps taken in researching so that a reader could have enough information to enable him to replicate a similar study, with the same population and arrive at the same results. Even though the bulk of the study remains qualitative, there was a need to make the qualitative findings and conclusions externally valid and generalizable to the population. This prompted the quantitative survey carried out on more than 1,000 subjects. Chapter 4 of this thesis summarizes a mass of information to answer the research questions, test the hypotheses, examine the foreshadowed problems, and explore the conjectures. This section begins with a reinstatement of the research questions were, before proceeding to review the findings of text analyses (qualitative), or results of descriptive and inferential analyses (quantitative), on the data collected and analyzed, including the discussions. Chapter 5 presents the summary of the findings, conclusions, and recommendations based on the data analyzed in the previous chapter. It is a time for imagination and boldness but with scholarly caution. The interpretations, conclusions, and recommendations are rooted in the study and could be assumed to be credible because they are all based on prior literature.

CHAPTER 2: LITERATURE

Introduction

Tax non-compliance poses a general concern to governments and tax authorities in all countries and has continued to attract the keen attention of most researchers in economics, sociology, psychology, and public finance (Ross & McGee, 2012). It is considered a vital phenomenon affecting both developed and developing economies (Hendriks & Weber, 2008), although the trend worsens in developing countries like Nigeria (Mas'ud, Aliyu & Gambo, 2014). This general concern remains a persistent challenge to governments in developing countries, as it limits the capacity of revenue authorities to generate taxes for development and funding for recurrent expenditure purposes (Torgler, 2003) and manifests in the country's tax/GDP ratio. Empirical evidence shows that Nigeria's capacity to tax its citizens is deficient, which explains its current low tax/GDP ratio of 6% for the last five (5) years. Also, Oyedokun asserts that "there are some inherent difficulties in Nigeria's tax system, which have continued to hinder the efforts of the citizens to fulfill their tax obligations. Government is necessary, and it cannot continue to function without a means to pay its expenses efficiently. All citizens must support their governments by making regular tax contributions according to the reciprocal duty of protection and support between the government and citizens. Therefore, governments all over the globe have a responsibility to ensure that they develop a fair and efficient tax system that is likely to encourage voluntary tax compliance through broader tax participation among the different taxpayer groups in their respective jurisdiction.

The importance of tax compliance lies in the understanding that compliance with tax laws keeps the system working for all and supports the programs and services that improve lives. One way to encourage compliance is to ensure that the tax rules are as clear and straightforward as possible because overly complicated tax systems are usually associated with high tax evasion. The theory of taxation states that "taxes can only enhance social welfare in a tax-friendly environment." The self-assessment tax system introduced into the Nigerian tax administration in 1992 to enhance voluntary compliance among corporate taxpayers at its commencement, although later extended to include all taxpayers in 1998, does not seem well implemented. However, the haphazard nature of tax management by the relevant authorities in Nigeria has worsened the tax compliance situation, resulting in continuously low tax collection compared to the GDP growth, reporting a low % tax/GDP ratio of 6% for several years.

Each of the three-tier levels of government has assigned revenue assignment and collection under tax laws. The central tax authority, FIRS collects the main taxes for the benefit of the three levels of government, each receiving a prescribed percentage of total revenues as provided in the constitution. The subnational tax authorities collect taxes from individuals, while the Local councils collect rents and rates, including fees from the markets. The tax types with compliance levels are indicated in Table 1 below:

Table 1

Summary of Tax Compliance Level with the Taxes (2020)

s/n	**Tax Type**	**Assigned Authority**	**Registered Taxpayers**	**Active Taxpayers**	**Compliance %**	**Tax Rate %**
1.	Petroleum Profit Tax	FIRS	150	136	90	Tax rates of 55% & 85%
2.	Personal Income	SIRS’				Progressive tax rates range from 7-to 24%, after a deduction of Personal Relief.
	Tax: PITA -		761,000	14,823	1.95	
	PAYE -		77,000,000	14,000,000	20.0	
3.	Value Added Tax	FIRS	1,505,831	77,082	5.12	7.5%
4.	Companies Income Tax:	FIRS	1,003,010	56,329	5.62	30%
			% of Active Taxpayers	% of Revenue Contribution		
	Large Businesses:		Up to 5%	Above 70%		
	Medium Businesses:		5 – 25%	10 – 25%		
	Small Businesses		70 – 90%	Below 10%		

Note: Information obtained from the FIRS Annual Report (2020)

The above-summarized table shows that real assessment needs to be expanded beyond the large taxpayers, an action that requires a more precise definition of other taxpayer segments. To this end, a registration threshold is crucial to create a meaningful and effective VAT regime and to delineate a medium taxpayer segment where self-assessment can similarly be applied. This and other issues such as the centralization of personal income tax administration require careful consideration by the Ministry of Finance leadership which has the responsibility for tax policy formulation.

Several efforts have been made in the past, through tax reforms, to help improve compliance in Nigeria's tax system. These efforts have led to the implementation of some key initiatives by the FIRS, which have resulted in increased tax revenues during some periods, although not sufficiently significant to impact the tax/GDP ratio. The 1978 Task Force on Tax Administration, under the chairmanship of Alhaji Shehu Musa, Permanent Secretary of the Federal Ministry of Finance, introduced the withholding tax regime and the imposition of a 2.5% turnover tax on building and construction companies. Yet, another study group headed by Professor Emmanuel Edozien was constituted by the government in 1991 to strengthen revenue authorities in Nigeria and enable them to confront the challenges posed by tax non-compliance issues associated with domestic revenue mobilization. The study group's final report led to another study group on indirect taxation under Dr. Sylvester Ugoh, which later recommended the adoption of the Value Added Tax (VAT) for implementation in 1993. Another study group headed by Professor Dotun Phillips was set up in 2002, with terms of reference tailored to reposition the Nigerian tax system for higher efficiency. In 2012, the Minister of Finance, Dr. (Mrs.) Ngozi Okonjo-Iweala initiated a diagnostic study on the Nigerian tax administration with technical assistance from McKinsey & Co. The firm was to investigate the causes of tax non-compliance and help to improve tax yields, thereby increasing the country's low tax/GDP ratio from 6% to at least the projected 15% recommended by the International Monetary Fund (IMF) and World Bank. This exercise led to several initiatives that might have increased tax yields from 2012 to 2015 but only slightly improved compliance without any appreciable tax/GDP ratio increase. The result indicated that a different approach was required to solve the problem of low compliance. The intervention study sought to evaluate the impact of stakeholders' engagement as a strategy to promote voluntary tax compliance among all categories of taxpayers in Nigeria.

For taxes to achieve a high tax/GDP ratio and deliver a continuous and sustainable revenue flow required to fund development, all the taxpayer groups within the country must be involved in the plan to reposition the country's tax administration. The government cannot afford to ignore any particular group of taxpayers. The informal sector operators are as important as the large businesses in discussing tax compliance. Terkper (2003) pointed out that if the informal sector activities are ignored, it would lower compliance morale and increase the risk of generalized non-compliance. According to Wintrobe (2001), if individuals and corporate taxpayers fail to trust the government to respond to their wishes, they would be inclined to evade tax even if the government is honest. If some taxpayers believe that others are cheating, the temptation to shelve their tax burdens may become irresistible (Weisman, 2001). Tax authorities must, therefore, begin to engage seriously with the taxpayers. Stakeholder engagement is a strategy commonly used by organizations to engage key stakeholders for a clear purpose and achieve agreed outcomes. Most organizations now recognize this strategic approach as a fundamental accountability mechanism. It obliges an organization to involve its stakeholders in identifying, understanding, and responding to sustainability issues and concerns and reporting, explaining, and answering stakeholders for decisions, actions, and performance.

Numerous tax reform initiatives in the areas of tax collection and computerization were adopted as a way of strengthening the tax administration and generally improving tax compliance, some of which included: monitoring the withholding tax (WHT) operation, the introduction of the taxpayer identification numbering system, taxpayer segmentation, and computerization of tax operation, including the upward revision of rates of penalties and fines, being a deterrent and cooperative enforcement strategies put in place to influence compliance, together with various tax education and enlightenment programs for different taxpayer groups. The approach yielded little success regarding additional revenues from the few taxpayers already known to the various tax authorities rather than strategizing to achieve a widening tax net and ensure that every taxable person and business is captured for tax purposes. The introduction of cooperative enforcement rules in the tax laws was a result of emerging outcomes of various research studies reporting on the preferences of taxpayers, to the effect that "if they are treated politely, with dignity and respect, and having genuine respect shown for their rights and social status, mostly the criteria for procedural justice and believed to enhance feelings of fairness among taxpayers," they would be more willing to cooperate with the tax authorities. (Grabosky & Braithwaite, 1986).

The main theoretical approaches to tax compliance are categorized into the "economic deterrence" approach (focusing on audit and penalties) and the broader behavioral approach (examining the social and fiscal psychological angles). Earlier research on theories of tax compliance has attempted to explain why taxpayers behave the way they do, revealing the motivations for why some taxpayers comply with the tax laws while others choose not to comply. Given the demand for more funding by the governments and the consequent need to increase revenue collection, the tax authorities should not overlook the general concerns of tax non-compliance. However, regardless of the tax system in practice, taxpayers should be concerned about how the tax authorities manage the challenges of tax non-compliance and the compliance strategies to ensure a fair tax system. An essential aspect of the accommodative enforcement approach is that it helps establish a collaborative relationship between the regulators and those regulated (Grabosky & Braithwaite, 1986, p.207). Tyler (1997) specifically showed that people often appreciate respectful treatment by the authorities and view those in power who treat them with respect as more entitled to enjoy the respect. The failure of the various tax administrations in Nigeria to make significant progress in tax compliance indicates that a different strategic approach would be required to substantially impact tax awareness that could promote compliance among the various categories of taxpayers. As tax administrations continue to search for better ways of encouraging individuals and businesses to comply with tax laws, this study aims to support the aspirations of the tax administrations by examining the usefulness of "stakeholder theory" in organizations to determine its relevance for tax compliance purposes.

This chapter, therefore, presents a review of the literature on compliance and seeks to assess the role of ‘stakeholder theory,’ along with the theory of planned behavior to explain how it can impact voluntary tax compliance. There is very little empirical evidence to support voluntary tax compliance using stakeholder engagement; however, a few examples exist in stakeholder communication, tax awareness, and taxpayer education to promote compliance. That is a gap that this research would seek to fill. This chapter also reviewed the theory and principles of taxation and discussed the role of taxation as an instrument for economic development and for creating an efficient tax system. The study analyzed the current tax system and the gains accrued from previous tax reforms, as research findings have attributed the low tax collection in Nigeria as a direct consequence of the general weakness in the tax system, coupled with the rampant non-compliance culture (Nyaga, 2014; Oyedokun, 2015). Finally, the study examined the empirical evidence of successful stakeholder engagement in various industries to justify the argument that stakeholder engagement can help promote tax compliance and optimize tax collection.

Background Knowledge of Tax Compliance and Stakeholder Engagement

Every country needs an efficient and effective tax administration system to achieve sustainable revenue mobilization, a necessary foundation for economic growth and development (Kleven et al., 2016). Literature has proved that a sound tax system usually promotes tax compliance among the different financial players within an economy. The tax authorities do not have to waste resources pursuing taxpayers or coerce them to comply, as individuals and businesses know their tax obligations to the government. While enforcement actions through higher audit rates and penalties for tax non-compliance are understandable to most people, there hasn't been much attention focused on the social dynamics that could prompt or encourage voluntary tax compliance in an environment that lacks an efficient tax collection machinery, as currently known to be the position in Nigeria. The theoretical background information presented in this chapter seeks to understudy the inherent motivations behind individual compliance behavior to be guided correctly in designing appropriate tax strategies to influence tax compliance. There are reports of research findings from different fields of discipline with linkage to taxation, such as accountancy, development economics, political science, public finance, and social psychology (Kasippilai & Jabbar, 2003), all seeking to find answers to the motivation behind the willingness by individuals to pay their taxes, even when not forced to pay. All the mainstream theories on tax compliance have explained the underlying rationale for compliance with tax laws. An optimal level of tax collection is required to improve the citizens' well-being and facilitate achieving the United Nations' Sustainable Development Goals (SDG) by 2030.

The numerous studies on taxpayer compliance have all referenced the original thoughts that emerged from the earlier research findings of Allingham & and Sandmo (1972). Still, lately, there has been an unprecedented interest in various studies devoted to the behavioral intentions of taxpayers to understand how best to approach the subject of voluntary tax compliance. This interest has led to the frequent use of various theoretical, conceptual, and empirical approaches to explain tax compliance behavior and evaluate the impact of known factors that generally positively influence compliance. This new interest has created a new field of knowledge termed "tax compliance behavior."

Main Tax Compliance Theories, and Related Concepts and Terminologies

The analysis of the extant tax compliance literature has revealed that several factors could be responsible for explaining individual tax compliance decisions and has further grouped the factors under five (5) major compliance theories, often termed the primary schools of thought' (McKerchar &

Evans, 2009; Devos, 2012; Fjeldstad et al., 2012). This grouping arrangement is strictly based on the literature review of the OECD Forum of Tax Administration (OECD, 2015). These include Deterrence/Economics theory, Social-Psychology theory, Fiscal Exchange theory, Comparative Treatment theory, and the theory of Political legitimacy and trust in government, which are all briefly discussed below:

The Deterrent (Economic) Model

The financial/deterrent theory has been challenged on many occasions for its failure to recognize that numerous factors with linkage to behavioral intentions, such as an individual's attitudes, perceptions, and morals (Lewis, 1982), can easily influence tax behaviors and also for ignoring the knowledge that tax compliance can only take place in a social setting (Rethi, 2012). This economic/deterrent theory assumes that the tax rate, fraud punishment, and probability of detection impact an individual's behavioral intention. In this context, the individual is viewed as a rational person who might have to compare the costs (penalty) to the benefits (tax rate) of tax evasion, choosing not to pay tax if the advantage of not paying tax far outweighs the cost (Walsh, 2012). This assumption implies that tax evasion would be high in a situation of low audit probability and tax penalty. In contrast, tax evasion is most likely discouraged when there is a high probability of detection and stricter punishment (Fjeldstad, Schulz-Herzenberg & Sjursen, 2012). The model, therefore, recommended a more frequent audit visit and a more severe punishment for tax offenders to discourage the offense of tax non-compliance.

The Social-Psychology Theory

The social/psychological behavior theory believes that personal and social norms determine an individual's behavioral intentions (McKerchar & Evans, 2009). This thinking has become a significant focus in sociological and psychological disciplines, attempting to develop theoretical constructs and rationalize taxpayer behaviors, as well as playing other vital roles in helping to define tax compliance properly (Franzoni, 1999; Sour, 2004; OECD, 2010). The theory explained that the element of 'fear' inherent in social stigmatization action might be a likely deterrent factor, confirming that compliance exists in a social context (OECD, 2010; Kirchler, 2007). Social stigma is the extreme disapproval of an individual, based on social characteristics that are perceived to distinguish them from other members of society. Concerning tax compliance, stigma arises only when a behavior or its detection is rare. The fear of such stigma is the source of compliance. Sour (2004) contended that engagement in acts of evasion may induce feelings of anxiety, guilt, or negative self-image in taxpayers. Such a feeling is bound to affect compliance since it is common for people to discuss their tax affairs with friends, family members, and at work (Sour, 2004).

The Fiscal Exchange Theory Model

The fiscal exchange model seems to have emerged from a combination of the economic model and social/psychology model (McKerchar & Evans, 2009) and operates on the understanding of a social contract between the government and taxpayers (Frey & Feld, 2002; Torgler, 2003; Fjeldstad et al., 2012). The theory further states that the impact of government, demonstrated by the level of public expenditure, could well serve as an encouragement for tax compliance, especially when the individual appreciates the government for the presence of public goods and services which they have benefitted from or perceived to enjoy (Alm, McClelland & Schulze, 1992; Fjeldstad et al., 2012). Under this view, the individual exchanges his "purchasing power in the market in return for services." The interaction depends on the government performing its duty (Fjeldstad et al., 2012).

Comparative Treatment Model

Generally, people are known to obey tax regulations if they consider the processes leading to enacting the law fair and equitable (Tyler, 1990; McKerchar & Evans, 2009). The comparative theory assumes that a person is likely to demonstrate a higher level of compliance to taxation if he feels that the tax administration is fair and might be influenced to display an attitude of non-compliance if the tax system is not equitable and fair (Sour, 2004; GIZ, 2010). The tax administration's feeling of fairness and equity is not restricted to how taxpayers are treated but also applies to the burdens imposed on other persons and how they respond (Walsh, 2012). Tax compliance tends to improve when the taxpayer perceives his tax burden to be "…of about the same magnitude as that of other comparable persons." (Feld & Frey, 2006:15); similarly, tax evasion would increase when the individual considers his tax burden to be higher than they are for the other people in a similar circumstance (Spicer & Becker, 1980).

Political Legitimacy and Trust in Government

This model is regarded as "the belief or trust in the authorities, institutions, and social norms, considered to be appropriate, just and working for the common good," and it is viewed as a strong determinant of compliance (Fjeldstad et al., 2012; Ali et al., 2013). It is a common belief that when the citizens have great trust in their government and social institutions, this quickly translates into political legitimacy for the government, promoting tax compliance. This element strongly impacts compliance decisions (Tyler, 1990; OECD, 2010). Picur & Riahi-Belkaoui (2006) provided evidence of countries where the government is perceived and adjudged to work for the interests of the public, based on their various studies in 30 countries (developed and developing). They noted that tax compliance is generally high in jurisdictions with strong control over corruption and a low-size bureaucracy while suggesting that revenue authorities should improve their reputation, cultivate integrity, and build strong credibility to gain taxpayers' trust (Richardson, 2008).

From a critical assessment of each compliance model, it is evident that a single theory cannot conclusively explain the individual motivation for complying with tax obligations. Individual taxpayers could be influenced by several factors, depending on their beliefs, attitudes, morale, and knowledge. Tax authorities must understand that the information about the different tax compliance theories would, to a large extent, help in designing appropriate policies to achieve voluntary tax compliance, particularly with the understanding that the government cannot eliminate tax evasion, even though it can be reduced (Polinsky & Shavell, 1984).

General Terms and Concepts in Tax Compliance Studies

Research into contemporary tax compliance studies has thrown up several terminologies and concepts to guide the proper understanding of voluntary tax compliance. A few of these terms and concepts are briefly discussed below:

Concept of "Tax Puzzle."

Extant literature on the psychological perspective concerning behavioral intentions indicates that an individual's decision to pay tax cannot be assumed logically. Research shows that personal judgments, social norms, and other non-rational cognitive factors such as motivation, integrity, and interpersonal interaction could influence his decision. The tax puzzle is that if people genuinely hate tax obligations, how does one explain the willingness to pay taxes when there is no coercion or prompting from the authority? The seemingly obvious answer to the question is the fear of detection. However, this is only a tiny aspect of the solution. The explanation to this puzzle can be explained by examining the realms of "tax morale," a concept that summarizes all of the motivation, intellect, and soft skills associated with an individual's personality, temperament, and attitude and are the factors that have been proved to have a substantial impact on individual behavioral intentions, with the capability to influence tax compliance. A higher level of tax morale correlates with a higher level of compliance. The tax authority must, as a policy, guide against any event that might lead to declining morale of the taxpayers because once it is allowed to dip, it would be hard to restore it to the prior levels (Davis, Hecht & Perkins, 2003). Two views exist on this issue of the tax compliance puzzle: the compliance lottery view and the responsible taxpayer view. Both can happen simultaneously since the models are not mutually exclusive. Still, they offer independent insights into the emphasis any tax authority should make.

A compliance lottery view is a traditional approach, expecting the taxpayer to make an informed decision by comparing the gains arising from a successful non-compliance and the expected loss from detection. As the likelihood of detection increases, the probable gain from non-compliance decreases. In contrast, as the penalties for detection are more severe, the expected gain from non-compliance decreases. An adjustment in audit rate, fines, and penalties may help tax authorities to limit tax non-compliance to a reasonable level. In contrast, the responsible taxpayer view provides a different approach by assuming that people are more likely to pay taxes when provided with necessary tax assistance tools, enlightened on their tax obligations, and when the payment processes are simplified and made convenient. This approach appears to be a softer consideration toward improving voluntary compliance, driven by taxpayer education rather than punitive enforcement actions. Another learning point from the responsible taxpayer's view is the separation between 'intentional' and 'unintentional' non-compliance, which recognizes that many taxpayers have the best intention toward tax payment obligations. This category of persons should be helped through tax convenience, assistance, and education to achieve tax compliance.

Concept of "Tax Gap."

Taxation enables governments to raise the revenue needed for financing public expenditures. Still, annual revenue estimates are often missed, giving rise to tax gaps, viewed as the difference between the aggregates of budgeted taxes (or actual tax liability) and actual tax receipts accruing to the government (Alm & Soled, 2017). The World Bank/IMF projected that a tax/GDP ratio of 15% or more is crucial for economic growth and poverty reduction. Gaspar, Jaramillo, and Wingender (2016) noted that the projected 15% is the ‘tipping point.’ For countries below this point, mobilizing more domestic resources is critical for economic growth and development. The World Bank/IMF financial data showed that nearly 60 countries fell below the 15% threshold and lost $180.8 billion in 2016. Analyzing this 2016 tax gap figure of $180.8 billion showed that Nigeria alone recorded the most critical tax gap of $46.9 b. The top 10 countries on the list accounted for $151.2 b, or 84% of the world's tax-revenue gap (see Table 6). The estimates of the countries' tax gaps appear to be a reliable guide for a better understanding of countries' tax systems and an indication of the likely enforcement strategies to be implemented (Tomkins et al., 2001). The concern over the tax gap is more than a problem of lost revenue. A visible sign of non-compliance can create unfavorable consequences for the government if strong tax policy controls are not adopted to stem the downward spiral.

Concepts of "Tax Compliance and Voluntary Compliance."

Researchers have often described tax compliance as the goal of all tax administrations. Thiga & Muturi (2015) define compliance as the "ability to fulfill all tax obligation as may be required by the government, from time to time." Saw (2017) defines tax compliance as "prompt and timely submission of tax returns, supported with tax liability declared, and payment of such tax liability." Ahmed and Kedir (2015) view tax compliance as "the degree to which a taxpayer complies with tax laws and regulations." Sitardia & Dwimulvani (2016) define compliance as the "expression by an individual to comply with tax statutes, disclose actual income, and promptly remit the tax liability." Voluntary compliance connotes a situation where an individual has complied with his tax obligations, of his free will, without prompting or enforcement from the authority. Such is based on the taxpayer's willingness to respect the law and trust the government (Muehlbacher & Kirchler, 2010). Gangl, Hofmann, & Kirchler (2015) posit that voluntary compliance is a state that requires a taxpayer to make tax payments without the fear of enforcement action and must have been encouraged by his respect for the law.

Concept of "Enforced Compliance"

Compliance may result from enforcement action through the tax authority's influence or a voluntary process. Enforced tax compliance may be achieved by the imposition of penalty and detection, relying on the granted power of the government to bring any tax offender or evader to punishment. Such a situation may arise when the person's compliance is influenced by the fear of an audit visit or levying of punishment or when coerced or forced by the authority when there seems to be no alternative to tax compliance. In a few situations, taxpayers have held the wrong belief that tax payment can be achieved only when the tax authorities decide to apply coercion or force in enforcing tax compliance (Kirchler et al., 2008). However, the tax authority must demonstrate a commitment to provide the taxpayer with tax assistance services to ensure full compliance. Modugu et al. (2012) posited that taxpayers' perception of government accountability and transparency often enhances trust in the government.

Concept of Self-assessment Tax Regime

Voluntary tax compliance is a requisite condition for a self-assessment system. By its design, a self-assessment system aims to limit audit review. Still, it emphasizes optimal taxpayer compliance, implying that the tax authority would wish to limit its spending on audit review, even if its goal is to achieve an optimal level of compliance. A strategy might afford the government a high return on investment because any enforcement action to recover uncollected taxes is a cost to the tax authority.

Concept of Tax Non-compliance

James & Alley (2002) define tax non-compliance as the "unwillingness to act under the tax law and administration, applicable at any particular time." According to Kirchler (2007), tax non-compliance could take different forms, such as non-filing tax returns, under-statement of income, or overstatement of allowable expenses, all in a bid to reduce tax liabilities. In tax parlance, a tax non-compliance situation presents funding and fairness problems to the government and its citizens. First, tax non-compliance reduces the required revenue flow to finance public goods and services. Second, tax non-compliance imposes a higher financial burden on those who voluntarily comply with their tax payment obligation, as they would have to assume the tax burden of those who failed to comply. For this reason, tax policy experts might want to seek an answer to the question "What exact conditions are known to promote voluntary tax compliance?" This question has remained a challenge to the numerous tax theories or models for years. At the same time, research studies are still being conducted on tax compliance, seeking answers to the likely known factors behind the individuals' motivation for their behavioral intentions and the various struggles they face in deciding whether to fulfill their tax obligations. Regrettably, no mainstream compliance theories or models have produced accurate results close to well-known macro-level compliance data. At best, each of them has only offered a partial explanation of the factors they consider could influence compliance.

Concept of Stakeholder Theory and Related Concepts

Freeman (1984) proposed the stakeholder theory as an organizational term emphasizing the interconnected relationships between a business and its stakeholders. Palmer (2015) noted the theory's assumption that "managers are vested with some level of responsibilities to other stakeholders, besides the shareholders, who may have a stake in the firm, such as the workers and customers, to whom they sell or purchase.” The approach to defining a stakeholder may have some consequential effects. It could affect who a stakeholder is and what factors should matter in the definition (Mitchell et al., 1997). For instance, Eden & Ackermann's (1998) definition of stakeholders "as people or small groups with the power to respond to, negotiate with, and change the strategic future of the firm" seems to have focused the firm's attention only on key persons with the power to respond, or negotiate for the firm. On the other hand, Freeman's definition of stakeholders "as any group or individuals, who can affect or is affected by the achievement of the organization's objective" would appear to have introduced a long list of stakeholders and accommodated those without any power to affect the firm's operation. However, Palmer (2015) has further explained that managers are responsible for considering and managing the different interests of all persons, not just shareholders. This idea of the fiduciary duty seems to have presented another problem, often called the "stakeholder paradox." Goodpaster (1991) resolved the paradox by suggesting that although managers might have duties to a long list of stakeholders, the fiduciary duty is solely for the shareholders. He further noted that "management may never have promised the customers, employees, suppliers, etc., a 'return on investment,' but it is still obliged to take its legal obligations seriously not to injure, or cheat the stakeholders, quite apart from whether it is in the shareholders' interests" (pp. 69-70). Since then, this theory has found its way into management discourse in all the social sciences (Freeman et al., 2010).

Concept of Stakeholder Management

Stakeholder management (SM) refers to various ways organizations can develop and manage multiple relationships with diverse groups and strengthen their employees' skills to respond quickly to the stakeholders' expectations (Habisch et al., 2011). Researchers have now begun to focus on the linkage between strategic management (SM) and organizational performance in recent years and investigate how this link can serve corporate objectives (Ranangen & Zobel, 2014; Matos & Silvestre, 2013). The current literature has defined stakeholder management as a continuous and organized phenomenon. An organization develops a working and meaningful collaboration with all its stakeholders while incorporating their different expectations into its strategic business plan (Habisch et al., 2011; De Colle, 2005).

Concept of Stakeholder Engagement

Engagement is a process that allows stakeholders to be consulted when decision is required to be taken on matters that might affect them. The engagement may involve different methods of social interaction, ranging from a one-way directional exchange (communication/consultation) to multi-way collaboration (deliberation/empowerment), propelled either from the "bottom-up" (community-led) or "top-down" (agency or expert-led), either of which would depend on the mandates and structures put in place by the firm, including stakeholders' authorities, capacities, needs and wants (Reeds et al., 2018; Matarrita-Cascante et al., 2019). There is a growing realization that countries must do more to ensure their tax administrations support new and modern innovations to engender favorable outcomes for all taxpayers (Oliver et al., 2019). The idea of stakeholder engagement in tax administration is innovative. It promises to allow stakeholders to be actively involved in critical areas of research, planning, and other activities that may affect their day-to-day decisions (Lockwood et al., 2010; Plummer et al., 2017). Engaging with stakeholders has become a part of a broader movement towards more networking and extensive collaboration, even in public organizations (Kislov, 2018). It is now accepted as an interdisciplinary systemic practice and teamwork (Roelofs et al., 2019), enjoying huge approval across diverse fields of study as a guide for "best practice" in the areas of strategic planning and corporate decision-making, simply for its democratization appeal, as well as operational effectiveness, far above the top-down managerial approach (Wagenet & Pfeffer, 2007; Butler & Adamowski, 2015; Decker et al., 2015). By recognizing the usefulness of strategic engagement in planning functions, policymakers and researchers have continued to defend the idea of incorporating the principles and knowledge of stakeholder theory in critical decision-making, arguing that adopting such would, undoubtedly, improve corporate governance and accountability (Koontz & Thomas, 2006; Wagenet & Pfeffer, 2007).

Still, many others continue to contest the unproven claim of value addition and the efficiency of stakeholder engagement processes, just as there are divergent views concerning the popular claim of its value and efficacy (Koontz & Thomas, 2006; Powell & Colin, 2008; Allen et al., 2013). Yet, the concept has remained a reference point for anyone experimenting with the idea. It is noteworthy that many organizations are now adopting the values and knowledge of stakeholder engagement in various fields, cutting across a range of project scopes and scales, executed by a diverse group of managers, facilitators, experts, or non-experts, who could, either be experienced or inexperienced. Stakeholder theory explains how firms take into account stakeholder’s interests (Gilbert & Rasche, 2008), describing those who are affected by the activities of the firm and the impact on the firm’s business objectives. Stakeholders' relations are significant in stakeholder theory (Hatami & Firoozi, 2019).

Empirical Evidence on Stakeholder Engagement

Adopting the principles of stakeholder engagement between patients and healthcare stakeholders is becoming more rampant, as these critical participants are involved in the planning and execution of biomedical research. However, limited studies have characterized the process or its impact. A notable study by the Patient-Centered Outcomes Research Institute (PCORI), aimed at strategically defining the nature of patient and stakeholder engagement, had designated fifty (50) pilot projects funded by the Institute. The study involved 47 researchers and aimed to identify early contributions and lessons from the engagement project. A report would be submitted within 6-12 months following the project initiation date. The instrument documented the nature of stakeholder engagement, its state, level, type of facilitation, barriers to the engagement, insights from the interaction, and the contributions observed were to be measured and recorded. While the study noted a high impact of critical stakeholder engagement, a systematic description and assessment of the engagement at multiple stages would be required to develop the evidence base.

In another review conducted on some selected large biopharmaceutical companies aimed at "building stakeholder relations through ongoing engagement and dialogue," Stray (2020) noted that engaging with stakeholders is a necessary interaction that supports the alignment of common interests of both the company and the various stakeholder groups, and it helps to identify the material content for corporate social responsibility (CSR), or sustainability reporting (Herremans et al., 2016; Manetti, 2011; Moratis & Brandt, 2017). However, it is currently observed that stakeholder engagement (SE) is still an emerging field, and there isn't much yet, to show for it as evidence of "best practices" (Ray & Miller, 2017). Evidence from the study also revealed that companies do not allow the stakeholders to be involved in the process of decision-making, as it concerns the reports' content (Manetti, 2011), which tends to decrease the relevance and credibility, as well as beneficial use to the stakeholders (Morattis & Brandt, 2017).

The study undertaken by Callistus & and Aigbavboa (2017) evaluated stakeholder engagement in the Ghanaian construction industry. It was executed by some researchers from the University of Johannesburg, South Africa, focusing on stakeholder participation in project delivery and monitoring and evaluation (M&E) for public projects at the local government level. The adopted study method was a desk review of journal articles, books, conference proceedings, and published and unpublished thesis work from the institution's database, including relevant internet sources. The data collected were carefully analyzed into codes and categories to produce appropriate themes. The study identified six major stakeholders with some relevance in the construction business. The survey findings justified a high-level stakeholder engagement in most project delivery works. However, stakeholders' participation in the M&E-related functions was poor, attributing the lapses to a lack of technical knowledge and an understanding of the business, insufficient involvement, and little time devoted to the projects' monitoring and evaluation (M&E). The study concluded that stakeholders' low participation in M&E functions contributed to the numerous challenges that affected public project performance in Ghana, which included procurement lapses, delayed payment, non-conformity with contract specifications, and failed project timelines.

Another study investigated the quality of stakeholder engagement (SE) in corporate sustainability reporting conducted by three (3) researchers. The study adopted the content analysis method, widely used in corporate disclosure studies (Guthrie et al., 2004) because of its allowance of repeatability and valid inferences from data context (Krippendorff, 1980). A sample of 174 sustainability reports in English, Spanish, or Portuguese was collected from the GRI online database on the 31st of December 2009. In the analysis of each case, stakeholder engagement was noted as an unavoidable element of the companies' social commitment. However, a proper section was not always devoted to this crucial issue. The study noted that some firms adopted stakeholder management (SM) practices rather than genuine engagement (Svendsen, 1998; Waddock, 2002). The companies analyzed did not seem to have conducted a formal meeting, as per the expectations of the leading models, such as a ‘two-way conversation’ (Goodstein & Wicks, 2007) that permits an exchange of mutual respect and change context (Andriof et al., 2002), and a cooperative scheme of collaboration and dialogue (Phillips, 1997).

In conclusion, the empirical evidence on stakeholder engagement in all the studies suggests that the SE process can yield better decision-making, increased social learning, and more precise communication among the stakeholders, including the public. Strategic stakeholder engagement (SE) strengths lie in its flexibility and adaptability. Yet, these strengths may lead to complexities in engaging stakeholders because of the associated conceptual and institutional challenges. The process must encourage a culture of empowerment, trust, and equity and represent stakeholders' interests, emphasizing participation rather than reducing conflict (Butler & Adamowski, 2015).

The Choice of Compliance Model in Addressing Stakeholders’ Engagement Strategy

The problem of tax non-compliance has remained a significant concern to governments all over the world. It continues to attract the keen interests of senior tax officials and scholars in the fields of economics, sociology, psychology, public finance, and taxation in particular (Ross & McGee, 2012). The unpredictable nature of tax policy and administration rules in Nigeria makes regular tax administration look like a game of chance. Existing compliance theories have attempted to clarify the complications inherent in taxpayers' decision-making. Still, none of these theories can claim to be the best remedy for use by the various tax administrations in the overall efforts to promote or influence compliance. Available statistics on countries' tax potentials suggest that a government with the size and structure of Nigeria's economy, and its per capita income level, should strive to achieve a non-oil tax capacity of 16 -18%. This view appears as the optimum economic point, suggesting that Nigeria has the potential for more tax collection of 12% of GDP (Fenochietto, 2013, cited in 2017 IMF Report).

The tax/GDP ratio represents a country's domestic output attributable to tax collection. It is a widely applied tool to measure the country's tax efficiency. Therefore, all governments should strive to grow their GDP parallel to their total tax collection. There should be appropriate strategies for proper engagement with each taxpayer group. The country would achieve a well-functioning state, only when its citizens can comply with their tax obligations. This approach might be justified, given that various empirical studies have noted that tax non-compliance pervades the Nigerian space. Tax evasion is exceptionally rampant among Nigeria's wealthiest citizens, not to mention the vast majority of taxpayers, many of whom are engaged in self-employment, operating in the informal economy sector, and are unknown to the tax authorities. Taxpayers need to understand that taxation is not an end but a platform for improving citizens' welfare. Tax is a core part of state-building, emphasizing the social contract between the people and government and enshrining the revenue principle in exchange for specific public goods and services. Research scholars in the field of taxation believe that different factors affect tax compliance. As a result, not a single theory can justifiably explain how tax non-compliance behaviors are controlled (Alm, 1999).

For the reasons given above, the study aims to examine the fiscal and social-psychology models of the tax compliance theory as the theoretical basis for analyzing the proposed engagement strategy in promoting voluntary compliance. It will, therefore, contribute to the tax compliance model that argues in favor of an individual’s general beliefs about government being relevant and pivotal to promoting compliance. Understandably, if citizens consider the government inefficient, they will fail to pay taxes (Lewis, 1982; Mukorera, 2019), as citizens’ morale will be low. Tax morale is viewed as an individual’s intrinsic value derived from paying taxes. The theory is based on the premise that, under real conditions, economic actors often do not have complete rationality, given the influence of several factors, such as sociological, psychological, and other pertinent factors. The compliance literature provides robust evidence that individuals with positive attitudes toward taxes (tax morale) often exhibit higher tax compliance (Alm, 2019; Kirchler, 2007; Lewis, 1982). The social-psychological approach examines the behavior and beliefs of individual taxpayers to consistently understand, predict, and analyze human behavior (Misra, 2019).

The fiscal exchange theory is a mixture of social-psychological and economic/deterrent approaches toward explaining compliance (Fjeldstad et al., 2012; Frey & Feld, 2002), basing the theory on taxpayers' perception of the government. Recent developments in tax compliance studies are influenced by social and psychological theories, explaining that the human element often plays a vital role in individual taxpayer compliance decisions. Tax morale summarizes the relationship between the taxpayer and the government, including the taxpayer's reaction to the government's fiscal policy or spending (Lewis, 1982). Tax morale is proxied by its core determinant factors, such as personal and social norms, values, individual attitudes, and fairness of the tax system, including quality public governance and trust in government (Barbutamisu, 2011; Chau & Leung, 2009; Devos, 2014). These are all behavioral and psychological factors that the suggested stakeholder engagement can effectively facilitate towards strengthening the tax administration. Stakeholders' engagement will encourage the government to embrace quality public governance and demonstrate accountability and transparency while encouraging effective partnerships with taxpayers. Similarly, it will give the citizens/taxpayers a strong voice in shaping the tax system, including broader government priorities (Touchton et al., 2019). The fiscal and social-psychology compliance model argues that when citizens perceive the government as fair and accountable, they have more trust in it, build more trust in its activities, and comply with tax obligations (Ser, 2013). In particular, when they can see a clear link between taxes and services, they become more tax-compliant and support all the reforms implemented by the government (Ali, Fjeldstad & Sjursen, 2013).

Also, regular and continuous tax education, embedded in the stakeholder engagement strategy has a huge potential to promote voluntary compliance. Singh (2003) and Harris (1989) separately proved that an increase in tax knowledge would significantly impact tax compliance. This fact is also emphasized by Mustapha (2011) and Palil, Akir & Ahmad (2013), while Pratama (2018) stated that tax education affects people's tax knowledge.

The Gap in the Literature

The apparent gap in the literature which the study seeks to fill, is the common knowledge that previous studies on stakeholder engagement have been limited to interactions between taxpayers and tax authorities only, leaving out other major stakeholders in the tax system, thereby restricting the benefits accruing from such interactions. This study, however, seeks to expand the interaction to include all stakeholders in the tax system, comprised of policymakers in the government, tax authorities, taxpayers, tax consultants, and the media. Working together as a team will encourage stronger cooperation between the government and citizens, and in return, the relationship would improve voluntary compliance (Torgler & Schaffner, 2007).

Theoretical / Conceptual Frameworks on Compliance and Stakeholder Engagement

Tax compliance studies lie within the taxation discipline and are linked to economics and accountancy studies. Economists are often concerned with the objectives of justice or equity. They have put forward various theories or principles to guide the taxation process, examples of which are the benefit, cost-of-service, and ability-to-pay principles, which the literature review aims to explain. Earlier studies on compliance theory reviewed the Allingham & Sandmo (1972) tax model, which examined compliance from the economic perspective (Gupta & McGee, 2010) to the sociological and legal perspectives (Jackson &Millron, 1986; Klepper, Mazur & Nagim, 1991). This continuous review is informed by inadequate research on other constructs under the socio-legal consideration, a suggestion that social effects are often not easily determinable (Galbiati & Zanella, 2008).

A lot has also been written on the issue of different enforcement strategies, ranging from tax audit and penalty imposition (Jackson & Jaouen, 1989; Shanmugam, 2003; Dubin, 2004) to tax morale and fairness perception (Taing & Chang, 2020), procedural justice (Murphy, 2004), to reasoned action / planned behavior (Beck & Ajzen, 1991; Hanno & Violette, 1996: Hessing et al., 1988), including those based on sociology and psychology, to the famous Australian Tax Office compliance model (Braithwaite, 2003), all aimed at promoting individual compliance behavior. So far, the results of the various compliance experiments implemented have failed to achieve a desirable compliance level.

Theoretical Framework for the Study

The motivation to understand why taxpayers do not want to comply with tax obligations has led to numerous studies in the area of compliance, cutting across various disciplines such as accounting, economics, political science, public administration, and psychology (Kasipillai & Jabbar, 2003). Such an understanding is vital for obtaining a higher level of voluntary compliance and helps to bridge the recurring annual tax gap effectively. The whole idea of fines, punishment, audit, and seizure of property linked to the economic/deterrent compliance model, and informing the strategies for addressing compliance was found to be deficient and consequently neutralized to pave the way for the behavioral theory. The basis for the behavioral theory is in recognition of the incomplete rationality of economic actors, as a result of the influence of numerous factors and constraints, such as social, psychological, and others (Bruno & Frey, 1997; Devos, 2014; Havashi, 2012; Kirchler & Braithwaite, 2007). There is no rational person in real-life conditions, as mental, intellectual, cultural, and other characteristics of people don’t seem to allow people to completely rationalize the choices involved in the tax compliance decision process. Therefore, behavioral theory explains the variety of responses for tax non-compliance, such as personal and social norms, including the perception of fairness, etc., which are increasingly being taken into account (Horodnic & Windebank, 2015).

According to this theory, taxpayers are social actors, whose tax non-compliance posture is attributable to the lack of trust in the government (Williams, 2020). It is therefore reasoned that a partnership-like approach and preventive assurance of compliance with tax regulations is more effective among taxpayers (Aliev et al., 2021; Jovanovic, 2018).

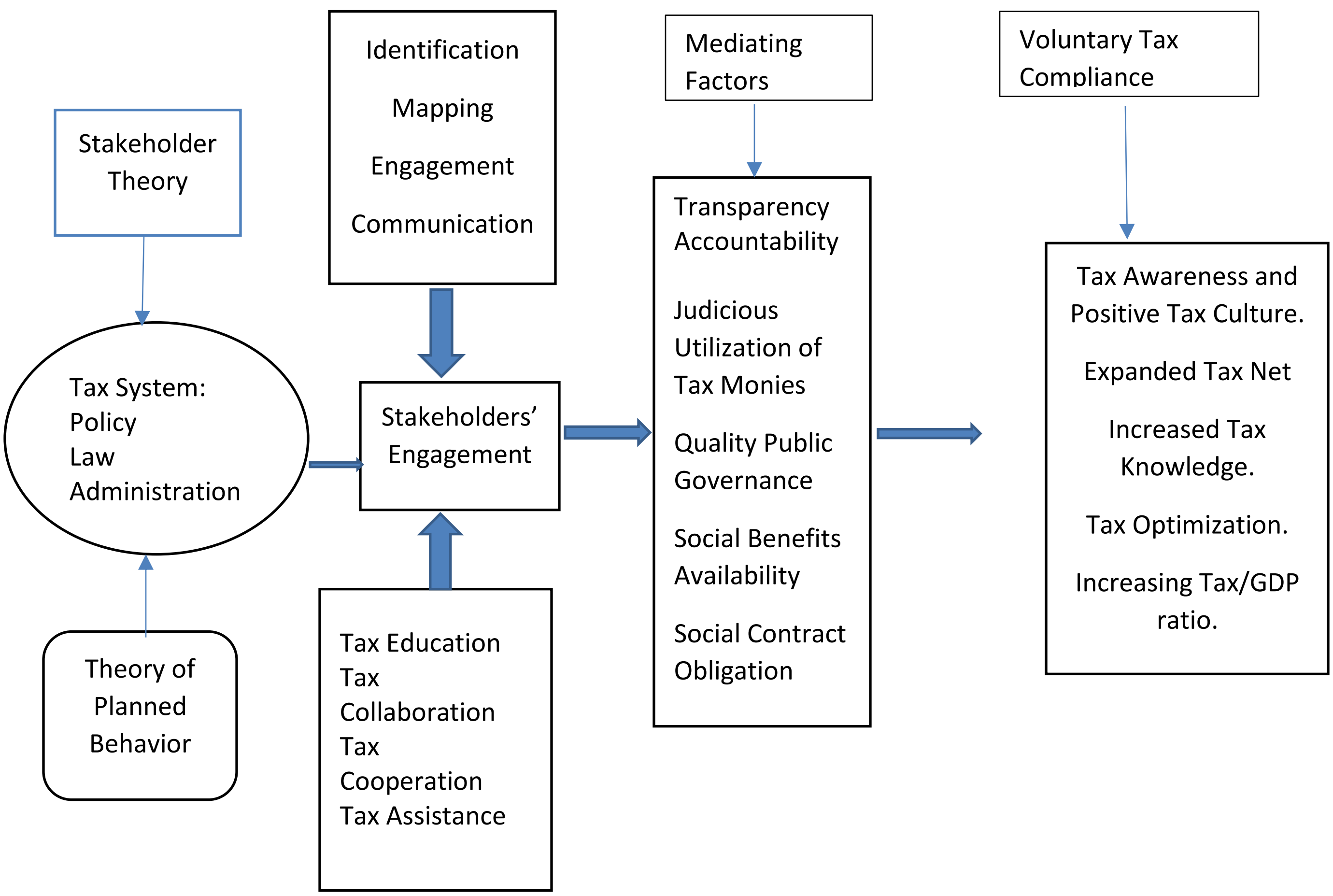
In explaining stakeholder theory, Freeman (1984) states that "a firm should create value for all stakeholders, not just the shareholders." Also, Sarker & and Whalan (2011) state that the path to stakeholder engagement lies in communicating with stakeholders strategically to help identify those who might want to support or pose an obstacle to enable the leaders to leverage that knowledge to influence behavior (Rahman, 2010). Stakeholder engagement depicts a broad, more embracing, and continuous process between the firm and the people who are most likely to be impacted and involves various activities and approaches, covering the entire life of a project (IFC, 2007). The government would benefit more if it engaged strategically with its stakeholders concerning operational issues, as various industry knowledge, experience, and expertise reside with such persons (Weiss, 1995).

Conceptual Framework for the Study

Based on the preliminary understanding that various factors influence compliance, which includes, economic factors (comprising tax rates, penalties, and audit rates), institutional factors (comprising the role of the tax authority, simplicity of tax returns, and probability of detection), social factors (comprising of ethics, attitudes, perceptions of equity and fairness, and changes in government policies and referent groups), and individual factors (comprising of tax knowledge, and personal financial constraints), all of which could influence an individual's compliance decision. Decisions, either to evade or not to evade taxes are heavily dependent on taxpayers' judgment (Mohani,2001). Stakeholders' engagement is therefore likely to influence tax compliance goals, through regular collaboration, tax education, and tax assistance programs, prompting the design of the conceptual framework for the study to adopt a multi-stakeholder engagement approach (Fig.4) . Engagement with a wide range of stakeholders in priority-setting is an ideal example of active interaction, with high potential impact. The conceptual framework anticipates a high reliance on tax collaboration and cooperation, employing regular and continuous tax education and enlightenment to influence taxpayers' attitudes toward building a positive tax culture among the citizens. As personal norms relate to individuals' beliefs that guide behavioral responses, it has a lot to do with individual motivation to influence tax payment culture and compliance with tax obligations. Other considerations such as simplifying tax forms, improving tax services, and regular engagement with taxpayers are known to influence people's attitudes towards complying with tax obligations.

Figure 4:

Conceptual Framework on Stakeholders' Engagement to Promote Voluntary Tax Compliance



Note: The Researcher's Vision of the Conceptual Framework for Compliance Improvement

The conceptual framework seeks to ensure harmony in the interaction between tax policy, tax law, and tax administration. In this process, all the good features of the Fiscal and Social-Psychology models will be pooled together to produce a sensible, workable strategy by the Project team, which is comprised of selected key stakeholders with deep knowledge of the phenomena of study and running the strategic engagement as a project with timelines and defined deliverables. Supporting the process with regular tax education and enlightenment programs for different taxpayer groups, including tax collection agents should be able to strengthen social norms among the population's generality and help create tax awareness among the people. The combined effect of these strategies would build the citizens' tax morale, encourage the Government to begin to demonstrate quality governance, fulfill the social obligation to the people, and uphold accountability and transparency in government business. This new friendly approach to governance by the government will lead to an improvement in citizens' tax morale and ultimately pave the way for widening the tax net, help build a reliable taxpayer database, and improve voluntary compliance. These actions would optimize tax collection and deliver a higher tax/GDP ratio of at least 15%, achievable within three (3) years of implementing the suggested stakeholders' engagement intervention. Social norms refer to customary behavior codes within a group or a larger cultural entity and embracing acceptable practices within the group.

From a social norm perspective, tax compliance determinants relate to the taxpayers' willingness to comply with tax laws in response to other people's behavior and social environment (i.e., the government, friends, and family members) (Torgler, 2007). But, Kirchler (2007) took this step further by describing social factors to include the taxpayer's psychology, in which case the perception of equity and fairness, changes to current government policies, and referent groups are to be recognized. The taxpayer's perception of the tax system as fair and equitable can influence the intention to evade tax (Jackson & Milliron, 1986; Richardson, 2008). Empirical studies also show that government decisions and policies based on countries' economic and political situations often strongly impact compliance. For example, a government decision to increase tax rebates would improve taxpayer compliance (Hasseldine & Hite, 2003; Ajzen & Fishbein, 1980). The referent groups are known to influence an individual's intentions and behavior. Also, the pervading influences of family members and friends can impact an individual's decision on whether or not to comply with tax payments, thus explaining why regular tax education and public enlightenment are essential. Engagement with notable trade associations, professional bodies, and other social organizations through town hall meetings would go a long way to improve tax awareness and facilitate the widening of the tax net.

Empirical studies have shown that tax knowledge positively correlates with taxpayers' ability to understand tax laws and regulations and comply (Singh & Bhupalan, 2001). However, this strategy would need reinforcement with regular tax enlightenment programs, simple tax form design, and a tax code that provides clarity and comprehensiveness. Tax authorities must understand that tax collection optimization requires a multi-faceted approach that emphasizes enforcement action and is supported by a broader range of motivations that encourage people to pay taxes. The approach would improve the tax-paying culture and promote the development of a reliable taxpayer database for effective tax administration.

Field / Industry of Study

This study seeks to evaluate the role of stakeholder engagement as a strategy to encourage tax compliance, suggesting that taxation study belongs to the legal discipline; and, in particular, given that taxation does not inherently exist without the existence of rules, duly enacted, imposed, and enforced on members of the society. However, in recent years, taxation has emerged as a field of study, attracting significant teaching and research interests from many disciplines. Consequently, it should not be surprising that taxation is a specialization taught within the legal field; thus, taxation is a social construct that can be viewed through different disciplinary lenses. Taxation, however, does not formally sit within a single discipline, although there have been several debates on whether taxation can be recognized as a discipline in its own right. We must not underestimate the influence of taxation on society, reflected in the comment made by Justice Jackson in Dobson vs. Comm. of Internal Revenue that "no other branch of the law touches human activity at so many points, as does tax law." Assuming that we accept the continuing relevance of Justice Jackson's statement, in that case, taxation influences almost every form of economic and social activity and people's behavior. This comment explores the likely places taxation could sit within academia as a discipline or study field. The choice of the research topic titled "Stakeholder engagement as a strategy for optimizing voluntary tax compliance: A case study of the Nigerian tax administration" was motivated by the iterative strategic considerations of the Nigerian taxpayers constantly interacting with other tax administration stakeholders.

Stakeholder Engagement Process

Since the concept of stakeholder theory has found its way into several management disciplines (Freeman et al., 2010), there has been an urgent need to explore the various contexts within which organizations could engage their stakeholders for optimum results. Sachs and Ruhli (2011) presented research findings on cases where the firms have developed and implemented stakeholder engagement (SE) in real-life experience. The researchers were able to document a few good practices for management use to deepen stakeholders' engagement practices. A few pieces of literature on stakeholder theory state that organizations exist to create more value for their owners (Frow & Payne, 2011; Voyer et al., 2017; Zhang et al., 2015). Two (2) types of stakeholders, primary and secondary stakeholders are known to directly or indirectly affect the firm's performance, or vice-versa. Primary stakeholders include the firm's employees, suppliers, customers, community, and shareholders while the secondary stakeholders include the government, competitors, and advocacy groups (Cova & Salle, 2008; Drummond et al., 2018; Torvinen & Ulkuniemi, 2016).

This chapter briefly discussed the importance of establishing moral codes needed to monitor the actions of top management while supervising stakeholder engagement activities, along with the decision-making surrounding it. Reference is made to two emerging trends, which examined the concepts of moral discourse and ethical strategy as they may affect engagement. The relevance of morality to the discussion on stakeholder engagement is probably to remind the top management of its corporate social responsibility, noting that besides the firm's shareholders, they equally have a duty to all the other stakeholders connected to the firm. They must not compromise their moral obligation, given the existing power differences. The other group, ‘ethical strategists,’ argued that stakeholder engagement is linked to the firm's corporate strategic plan. This group further suggested that the dichotomy between ethical strategy and morality discourse might not be necessary, given that a good strategy usually encompasses all those issues typically regarded as moral concerns. As appealing as the argument from the moralists' group to the discourse, it was agreed that the ethical strategists' view seems more attractive in the light of the logical agreement between conceptual concerns and realities.

Trends in the Stakeholder Engagement Process

Stakeholders represent individuals, organizations, or communities directly interested in the process and outcomes of a project research or policy endeavor (Deverka et al., 2012). By extension, an engagement is "an iterative process of actively soliciting the knowledge, experience, judgment, and values of individuals selected to represent a broad range of interests in a particular issue, for the dual purposes of creating a shared understanding, making relevant, transparent, and effective decisions" (Deverka et al., 2012, p.5). In the last couple of years, when the theories on stakeholders started to garner more research interest in ethics and management literature, a few controversial issues arose and begged for an explanation. For instance, scholars have been debating issues such as the requirements for qualification as a significant stakeholder, what should be the precise nature of the firms' duties and obligations to the stakeholders, and who should possibly have precedence between the shareholders and other persons or groups with a stake in the firm. However, little attention is given to the firms' engagement with their respective stakeholders. Many executives have taken these engagements for granted, assured that once an organization has discharged its obligations to the stakeholders, it can be assumed to have satisfied the minimum test for moral behavior. Greenwood (2007) noted that "most reports of stakeholder activities focus only on the attributes of the firms, or the stakeholders, rather than emphasizing the relationship between the firms and stakeholders."

However, in recent times, empirical evidence shows that more interest is gathering around discussing the nature of the engagement interaction between businesses and their stakeholders and evaluating the benefits to both parties (Johnson-Cramer et al., 2003). They emphasized that when considering those actions that firms must engage with, there is a need to analyze the relationships that firms keep with their stakeholders, should they desire to achieve moral standards. As stakeholders are increasingly concerned about the social and environmental impacts of organizations and their activities, it is expected that organizations would demonstrate commitment to tax sustainability, social justice, diversity, and inclusion in matters of tax compliance. Organizational leaders and managers often benefit from the analytical work of Jurgen Habermas (2002), who suggested that any engagement between a firm and its critical stakeholders should be free from undue motivation if the process is to enjoy moral legitimacy.

Stakeholder Engagement as a Crucial Element of Regulatory Policy

The stakeholder engagement strategy helps ensure that regulations are made in the public's interest, facilitated by the involvement of those individuals affected by enacting the rules that may affect the citizens, businesses, civil society, and community members. Stakeholder engagement strengthens the process of making regulations. Also, it ensures the quality of the outcome by gathering initial ideas, expertise, and evidence from stakeholders about policy issues and possible solutions proffered. The approach enhances policy inclusiveness by consulting all affected parties and promotes a sense of ownership of such rules. The process facilitates trust-building, builds respect for the government, and strengthens social cohesion. Stakeholder engagement activities are now freely conducted across the board, in different disciplines. Three (3) principles that tend to influence the design of a stakeholder engagement are - organizational, values, and practices. It is well-reasoned that these principles help plan any stakeholder engagement activity and monitoring and evaluation purposes. These principles are discussed hereunder:

Organizational principle

Recognizing the principles helps to express the goals of the stakeholder engagement, identify the resources needed for the activity, put strategies for organizational learning, and realize the potential of some stakeholders to play leading roles. The basic principles of the organization include logical division of work, clear lines of authority, a limited span of control, unity of command, a true delegation of responsibility, and authority, with attendant accountability, and coordination of efforts through training and communication. Communicating with stakeholders is critical, and therefore, the project sponsors should endeavor to first gather relevant information on all the key stakeholders. Early and regular consultation will help them negotiate and reach an agreement with most of them.

Value principle

This principle helps to promote a shared commitment to the values and goals of stakeholder engagement within the project team while encouraging members to appreciate that the meeting is more important than any individual consideration. It strengthens commitment to the project's continuity and sustainability.

Practice principle

This principle states that a stakeholder engagement plan is a part of regular research work and flexible enough to facilitate engagement and subsequent outcomes. It explains how to gather helpful information to meet stated goals and how the input would be analyzed and utilized.

Role of Stakeholders in Tax Administration

Stakeholders are interested in engaging with and influencing the political process to protect their economic interests, avoid negative externalities, or maintain political power (Fidrmuc & Noury, 2011). Recognizing that opposition to new changes is usually unavoidable, particularly when embarking on a tax reform exercise, engaging key individuals and interacting with the various lobby groups is crucial for successfully negotiating with them (Sarker & Whalan, 2011). When a policy is approved through due consultation with relevant stakeholders, it tends to enjoy legitimacy. Therefore, the sponsors should always strive to engage with stakeholders on operational issues, given that some might possess industry experience and expertise (Weiss, 1995). The National Tax Policy document for Nigeria (revised in 2017) has identified five (5) categories of stakeholders in the country's tax administration, and they include:

a. The government, comprises all Ministries, Extra-Ministerial Departments, and Agencies, including the Legislature and Judiciary.
b. The taxpayers, comprising individuals, groups, or entities ordinarily subject to taxation. They should consider taxation as a foremost duty and responsibility.
c. The Revenue Authority has full responsibility for tax administration and collection of taxes for the three-tier government.
d. Professional bodies include tax practitioners, accountants, lawyers, and agents acting under a professional code of conduct and ethics.
e. The Media and Advocacy Group promotes tax awareness, education, reform agenda, and protecting and advancing taxpayers' rights.

Identifying Key Stakeholders

In identifying a significant stakeholder in any project, Mathur et al. (2007) stated that attention should be on the under-listed persons:

- People who have responsibility for the success of any project and related components may include the financiers, senior officers from other government agencies, tax administration officials from the various States' Internal Revenue Services (SIRS);
- Intended users or beneficiaries, including persons or groups that the project could impact but who might not be in a position to make such a declaration:
- People who could disrupt or threaten the implementation of the project by way of opposition to the project or non-cooperation, including those who can protect the people's interests, even if they are unable to be present, for whatever reasons; and
- Individuals may possess relevant knowledge and have some experience related to any aspect of the project.

From a list of likely stakeholders, the project leaders should select the major stakeholders, persons, or groups of individuals possessing significant influence over the program or who would be adversely affected by the project, and this stage should be completed at the early stage of the project, to make the members feel a sense of ownership and prevent any unforeseen conflict in the future.

Need for Stakeholder Engagement

The basic philosophy of stakeholder engagement is that critical stakeholders in any project should have the opportunity to be part of the decisions being taken. They should freely apply their unique knowledge and experiences to influence decisions. This differentiates engagement from communication, which merely shares and discusses decisions already made (Smart.org, 2006). The objectives of stakeholder engagement include:

- Hearing what stakeholders have to say by raising concerns that affect them most;
- Developing a common position and agreeing on the best approach to dealing with matters that affect them as a group; and
- Improving decision-making and accountability, involving stakeholders, especially during the planning, implementation, and monitoring stages, and ensuring continuity and sustainability.

Through this process, significant stakeholders can identify common areas of concern and agreements and work towards developing common goals to appreciate the project's positive impact. There should be an efficient communication skill for the members to ensure the participation of all stakeholders, including those who may be marginalized. There must be joint ownership of all projects to avoid misunderstanding between the implementing agencies, user community, and stakeholders.

Choosing an Appropriate Stakeholder Engagement Approach

The choice of a stakeholder engagement approach is influenced by the nature, scale, and resources available for the project. Each process is an acceptable option for conducting stakeholder engagement, though different methods are available for different stakeholder engagement types. The pull communication type is usually a one-way direction and compels the stakeholders to access the information posted. The partnership engagement approach demands full shared accountability within the team, including decision-making, learning, and actions, being jointly coordinated. In between these two approaches are other engagement approaches, as presented in Table 2 below.

Table 2

Choosing a Stakeholder Engagement Approach

s/n	Engagement Approach	Description
1.	Partnership	Demands shared accountability and responsibility. The two-way engagement course promotes joint learning, decision-making, and collaborative actions.
2.	Participation	Some stakeholders are engaged to perform some tasks or assigned responsibility for specific duties. It is a two-way engagement system with a prescribed limit of responsibility.
3.	Consultation	Stakeholders can be involved but not responsible for driving the project and may not necessarily possess any influencing power outside of consultation boundaries. A limited two-way engagement allows the organization to ask questions while stakeholders provide the answers.
4.	Push Communication	A one-way engagement course in which the firm broadcasts the required data and information to target groups using multiple channels, e.g., e-mails, letters, leaflets, webcasts, videos, etc.
5.	Pull Communication	A one-way engagement, where information is made available, and the stakeholders choose whether or not to participate or be involved, e.g., webpages, construction hoardings, etc.

*Note***:** Adopted from Gisclad-Blondi, H. (2021), Published by Appvizer, USA

Stakeholder engagement process under the BSR agreement.

The Business for Social Responsibility (BSR) group believes that a just and sustainable world would emerge when all sectors' specialized skills and resources - business, civil society organizations, and government- align towards a similar goal. The group defines corporate social responsibility (CSR) as "achieving commercial success in ways that honor ethical values and respect people, communities, and the natural environment." The group's recommendation for the implementation of stakeholder engagement is a five (5) -step approach that includes strategizing, mapping, preparation, attention, and the action plan, as explained hereunder:

i. Engagement strategy involves setting the project's vision, agreeing on the achievable goal, and reviewing previous engagements.
ii. Stakeholder mapping defines the essential criteria to guide the identification and prioritization of the key stakeholders while also selecting engagement mechanisms.
iii. Preparation for engagement with stakeholders requires an intense focus on the long-term goals to implement the engagement approach adopted while determining the necessary logistics and setting the rules of engagement.
iv. Engagement covers the actual conduct of the meeting and ensures equitable stakeholders' participation to mitigate tension while keeping an eye on priority areas.
v. The Action plan covers all aspects of project monitoring and evaluation. It identifies the opportunities from feedback to determine possible subsequent actions and revisit the goals (see the 5-step cycle in Figure 1).

Identifying and Mapping Stakeholders

Representation of all stakeholders in a multi-stakeholder project is a priority consideration. The key stakeholders are usually selected based on their relative influence in decision-making, daily operations involvement, or community representation. Generally, some less apparent stakeholders are not involved in everyday decision-making processes. But this option is often not helpful and must be avoided to avoid potential conflict in the future. It is necessary to ensure that all the identified stakeholder groups have a voice and air their views. The exclusion of any group can lead to unsuccessful project implementation, and their status would not improve. A systematic approach is required to identify the key stakeholders early. Stakeholder mapping is the systematic identification and analysis of the characteristics of significant stakeholders, their relationship to each other, their level of interests, and the roles and responsibilities relative to each person or group's powers. Mapping out the levels of interest, vis-à-vis the interest or power held by stakeholders, greatly helps determine who would be a key stakeholder. The relative power and interests can be categorized into four (4) groups as follows:

a. Individuals/groups who may have high interest but possess little power;
b. Individuals/groups who have high interest and also maintain high power;
c. Individuals/groups who have low interest but possess high power; and
d. Individuals/groups who have low interest and little power.

As defined, each of the identified groups is important, and different strategies would be needed to cater to the needs of the various groups to achieve a successful project implementation (DFID, 2003). The appropriate method to adopt in each case varies, depending on several factors, including their involvement in the project. For example, with the less engaged stakeholders (those with low interest and no power), regularly printed leaflets or other methods of providing information might suffice. In contrast, mediated discussions with service providers would be appropriate for the users and beneficiaries (people with high interest and high power).

Challenges for Stakeholder Engagement

It is essential to involve all stakeholders in the planning and execution of the project, as this step can ensure its success and sustainability. However, executing the plan may be laden with challenges that must be understood and overcome. Often, problems arise from a lack of coordination, reaching out to low-income households, and working across boundaries. The absence of project coordination can result in duplication of efforts, contradiction, or inconsistency. Occasionally, there could be gaps in the communication exchange with stakeholders, as some individuals may be left out of the planning and knowledge-sharing interactions during the preparatory stage. Communication and collaboration should always be emphasized when conducting a stakeholder engagement project. Engaging with low-income urban and peri-urban communities can sometimes be challenging and complicated.

Lastly is the challenge of working across boundaries, even though this may have some advantages too. Combining diverse perspectives and experiences brings about diverse thinking and approaches that would result in a successful endeavor. The exercise aims to recognize team members' differences in skills, preferences, and knowledge, work with them, and ensure that all voices are listened to, and the rights of stakeholders are protected. Cross-disciplinary engagement is all about systemic collaboration, as in teamwork, requiring individuals to bring different skills to the discussion table and appreciate issues from different perspectives.

In conceptualizing how stakeholder engagement can help influence tax non-compliance, consideration is given to the relevance of the stakeholder theory, conceptualized as "a set of relationships among groups that have interests in the activities of a firm" (Freeman, 1984; Jones, 1995; Walsh, 2005). Stakeholders' engagement focuses on the strategic interactions between the government, tax authorities, different categories of taxpayers, tax professionals, and the media to promote compliance with tax obligations. The goal is to create value for the benefit of stakeholders ultimately. It is the sole responsibility of the top executives in government services to shape this relationship, encourage value creation for stakeholders, and manage the distribution of the value created (Freeman, 1984). Where the stakeholders' interests conflict with executive interests, the top executives must find a solution so that the needs of the stakeholders can be looked into jointly. The achievement of the goal would result in more value for them (Harrison, Bosse & Phillips, 2010).

The tax compliance theories adopted for general use shape a country's tax system. These theories determine the nature of tax policies and laws and the direction of the fiscal administration. Against this background is the intervention of the stakeholders’ engagement, supported by the theory of planned behavior (TPB), which is combined effectively to yield improved tax awareness, increased tax knowledge, and a positive change in tax culture. Voluntary compliance is achievable through the influence of some mediating factors, such as quality public governance, transparency, and accountability, fulfilled government social obligations, tax socialization, and tax education. The issue of tax non-compliance has become a concern because it continues to hamper domestic revenue mobilization capability. Giulia et al. (2014) and Ahlerup et al. (2015) have argued that most developing countries currently collect a lower proportion of their Gross Domestic Products (GDP) in taxes (less than the 16% projected by the World Bank, though they have potential to mobilize more taxes to finance development.

As obtained in other developing countries, Nigeria faces numerous challenges in raising tax revenues to the tax/GDP level of 15%, which is needed to achieve economic growth. The reasons for the low revenue collection performance are associated with the tax non-compliance attitude of the different groups of taxpayers and poor tax administration (IMF, 2015), another strong reason for choosing the theory of planned behavior or theory of reasoned action to back the stakeholder theory in finding a lasting solution to the problem of low tax compliance generally. The theory of planned behavior is a psychological theory that links beliefs to behavior and can be relied upon to predict and explain specific behavioral patterns. Both the theory of reasoned action and the theory of planned behavior have suggested that a person's intention to perform a behavior (behavioral intention) is determined by: (i) individuals' attitude towards the behavior; and (ii) subjective norms concerning the behavior. The usefulness of the theory of planned behavior lies in the ability to interpret the effect of non-economic factors on compliance. The non-economic factors include individuals' attitudes to tax, personal norms, and perceived fairness of the tax system on the individual tax compliance behavior, including other social variables, such as institutional factors, referent groups, and government policy changes impacting tax compliance.

Generally, a positive attitude supported by positive subjective norms would result in greater perceived control and increase the likelihood of intentions governing changes in behavior. The intervention strategy required to achieve the goal of higher tax compliance should be evident through tax education, made available to small groups of classes, and using teach-back methods. Another practical approach is increasing tax knowledge through pamphlets and other publications from the tax authorities. The publications would greatly help modify individual attitudes, beliefs, and behaviors, using the theory of planned behavior as a guide. For taxes to be efficiently collected, taxpayers should demonstrate the ability and willingness to settle assessed taxes without encumbrances.

The study evaluated the stakeholder's theory and borrowed ideas from the theory of planned behavior (TPB), which is linked to the early theory of "expected utility" although characterized by additional variables, such as tax morale and fairness, tax information, tax awareness, trust in government, etc., to explain the various forms of individual behavior. The study explored the role of some constructs, such as tax knowledge and quality public governance, and assessed the likely effect on compliance. The study tried to determine whether these constructs could help improve taxpayers' understanding of tax rules. The focus group interaction also facilitated the knowledge of whether broad-based personal taxes would be appropriate in a situation where the majority of the country's taxable adults are unable to read or write, and if the reform efforts could elicit the expected response from the tax authorities by being able to recover all assessed taxes quickly and with the least cost (the ease of tax administration). The result of the study has contributed to both the literature and practice. It has also provided future direction to tax administrators on how to effectively interact with their taxpayers in optimizing tax collection and achieving voluntary compliance. The study has devoted significant attention to the Federal Inland Revenue Service (FIRS) activities from 2015 to 2020 and evaluated the agency's tax modernization programs and general operation.

Nigeria's Fiscal Arrangement and Tax Administration System

Taxation is a valuable tool for promoting economic growth in all countries. Nigeria once operated a regional fiscal administration system before the military took control of the governance and administration in 1966, destroying the old, region-based political systems and centralized authority (Offiong, 1999; Arowolo, 2011). The trend toward a more centralized governance arrangement manifested when the military government adopted the fiscal federalism approach (Ewetan et al., 2020; Ola, 2019). Within a federal system lies the division of power between the central government and the sub-national, giving each level a relatively substantial responsibility, with a delegated expenditure function commensurate with its authority (Herber, 1979). In practice, specific revenue responsibilities are assigned to each tier of government based on the power to impose and collect a particular type of tax or levy (Sagay, 2008). Thus, national and subnational governments administer specific expenditure responsibilities and related revenue sources (Kayode, 2014).

Taxation derives its authority from the theory that government is necessary and cannot function without the resources to finance its expenditure (Olusanya et al., 2012). For this reason, it is expected that all levels of government would collaborate and work together to make the nation's fiscal system achieve a robust tax system. Such a regime should engender a broad tax base with improved tax revenue potential to enhance compliance and promote a tax-friendly environment for businesses (Ihenyen and Mieseigha, 2014). An effective fiscal decentralization system needs to be supported by an autonomous revenue authority at the sub-national level, which is vital for understanding which taxes should be allocated, thereby introducing the 'tax assignment problem' (Martinez-Vazquez et al., 2006). Therefore, the government at all levels must compel citizens and properties within their jurisdiction to contribute to finance development. The basis of this responsibility is the reciprocal duty of protection and support between the government and citizens so that the citizens can enjoy the benefits of an organized society (Hansjurgens, 2000), the basis of the "benefits received theory."

Nigeria's Fiscal Arrangement

Under the current statute, tax collection involves the three tiers of government, each functioning under appropriate laws and regulations, as provided in the Nigerian Constitution (Enahoro & Jaiyeola, 2012). Tax administration in Nigeria is arranged to give the central government the authority to administer the primary sources of taxation. In contrast, the sub-national and local governments are left to scramble with less-yielding revenue sources (Odoko & Nnanna, 2009). Nigeria has provided powers for the states' tax agencies, but their performance is far from satisfactory (Bello-Imam & Agba, 2004). The standard rule allows authorities at the sub-national level to raise their funds within the marginally permitted areas and operate within tight budget constraints, meaning revenue sharing and grants should represent only mere additional funding sources (McLure, 1998). Adequate revenue autonomy is a crucial gauge for sub-national governments' borrowing capacity and creditworthiness. Empirical evidence shows that a higher revenue autonomy at the sub-national level is associated with more robust macroeconomic stability (Martinez-Vazquez & McNab. 2006). The sub-national authorities and local councils collect internally generated revenues (IGRs), mostly from revenue sources for which the central authority determines their bases and rates (Babalola, 2015). Other minor taxes, rates, or levies are left for the state or local authorities to oversee alone (Ewetan et al., 2020). The subnational administers tax collection through the respective States' Internal Revenue Service. The Personal Income Tax Act (PITA) 1993 established a Joint Tax Board (JTB), comprised of members from the 36 States' internal revenue authorities and chaired by the chief executive of the national tax agency. Committees administer the collection of levies, rates, and other revenue sources assigned to the councils (Ahmad et al., 2016). The JTB adjudicates double taxation matters and promotes uniformity regarding income taxation on persons and trades within the states (PITA, 2004).

The states' tax authorities often lack reliable systems to track revenues, update the master list of taxpayers, and properly distribute their staff (Aigbepue & Augustine, 2011). Even though there is currently a centralized tax identification numbering system, most subnational tax agencies do not understand how they can maximize the potential of the database to widen their taxpayer base (Alm & Boex, 2012). The fiscal arrangement gives the subnational government vast autonomy in tax administration but limits its power to determine the rates and tax structure (Nasir, 2011). They are allowed some tax policy discretion on administering those taxes that the national government has adopted. In comparing tax administration efficiency across subnational units, the only noticeable difference is in their respective style of administration, not through a more transparent tax base or rate variation. Anyadyba (2006) observed that the organizational capability of tax authorities in Nigeria to administer tax collection efficiently seems to be very low compared with the demands of administrative autonomy. This weakness explains the everyday challenges of low tax compliance, systemic corruption, poor remuneration, inadequate working materials, poor record-keeping, and a weak internal control system. The central tax authority in Nigeria is responsible for administering significant taxes for the benefit of the three-tier government. The taxes emanate from companies, including corporate entities withholding taxes on contracts and supplies. Other supervised taxes are Capital gains taxes, Stamp duties, Petroleum profit tax, and Value Added Tax (FIRS Report, 2018).

In contrast, the subnational authorities collect personal income taxes (PIT) on individuals, self-employed persons, or entrepreneurs conducting business within their respective tax jurisdiction, along with other taxes, such as capital gains tax (CGT) from individuals, stamp duties on personal documents, land rents (in urban areas), business premises or registration permits, development levies, and road/gaming taxes. Local governments collect rates, levies, and fees on personal, social, and commercial activities. The powers and duties of the three-tier government are explained under the ‘Taxes and Levies (Approved List for Collection) Act of 2004.’ The States' Internal Revenue Service (SIRS) and the FIRS must strengthen collaboration for effective tax administration. With the current low engagement, the country is unlikely to attain a high level of voluntary compliance. At best, what seems to be obtainable today is a conspicuous lack of coordination and goodwill regarding the relationship between the central tax authority and those at the respective state or local government level (Chukwuemeka & Amobi, 2010).

Tax System Arrangement

Alfredo Collosa (2017) considers a country's tax system to represent different taxes in operation at any particular time, time and further stated that the idea of a ‘system’ suggests harmony between the various taxes and the fiscal, including extra-fiscal objectives of the State (CIAT, 2017). The Nigerian tax system combines direct and indirect taxes (Kiabel, 2014). Currently, there are over 60 taxes, levies, fees, and charges listed in the Schedule to the Amendment Order of 2015 (9 in Part I, 25 in Part II, 21 in Part III, and 6 in Part IV, resulting in additional 22 taxes and levies (Edori et al., 2017). The tripod legs of a tax system include tax policy, law, and administration. Each component must interact with the others regularly to achieve an efficient tax system (Dike, 2014). This fact prompted Tanzi (1987) to explain that tax administration is crucial in determining the tax system. Bird (1991) noted that “a policy change without administrative change is nothing to emphasize the importance of the interaction between the three components." In a way, "tax administration is synonymous with tax policy" in developing countries (Casanegra de Jantscher, 1990, p.179). The tax administration implements tax laws covering tax assessment, collection, and accounting for the revenues collected (Okauru, 2012). The effective interaction of tax policy, law, and administration in the system will protect business interests, and ensure that the business environment is promising for the growth of all businesses. The three (3) components of the tax system are explained hereunder:

Tax policy

Tax policy sets out the guidelines, principles, and objectives to be accomplished through taxation (Okauru, 2012). It addresses what taxes the government should levy, what rate to charge, and whom to impose the taxes. It also covers how much tax to collect to satisfy government expenditure needs and the effect of taxes on the general level of economic activities (Price Waterhouse Coopers, 2010). In short, tax policy deals with the issue of tax fairness (Edori et al., 2014). A poorly designed tax system with ambiguous, complicated, and unpredictable rules may impede investment and create economic uncertainties (Odhiambo & Olushola, 2018). The taxation policy in Nigeria is that Nigerian residents are taxed on their worldwide income, while non-residents are taxed only on their Nigerian-source income.

Tax legislation

Tax legislation is a codified system of order describing the legal implications of taxation based on the rule of law, thereby providing well-defined legal backing to the tax administration agencies. At its heart, taxation deals with the relationship between citizens and the state. The rule of law is the main principle regulating how the state uses its coercive power to raise funds from citizens to spend on public goods. Edori et al. (2014) define tax legislation as the act of enacting tax laws and the manner of rules guiding the interpretation and administration of the law. All powers to impose taxes are derived from enacted laws (National Tax Policy, 2012).

Tax Administration

The role of a tax administration is to administer all taxes reasonably and efficiently with lower costs for the benefit of the taxpayers and the organization (IMF/FAD, 2016). Therefore, a tax administration must guide the taxpayers on complying with the basic tax rules and provide adequate resources to support the administration's efforts, such as having a well-trained workforce and IT-enabled staff supported by a sufficient budget (Edori et al., 2017). Nigeria has over sixty (60) different taxes and levies, characterized by complexity, multiplicity, distortion, and arbitrary laws (Enahoro & Jaiyeola, 2012). There is scant evidence of strategic cooperation between Nigeria's national and subnational tax agencies, except for their quarterly meetings that produce meaningless communique while the tax administration suffers.

Taxpayer Categorization and Behavior

The IMF (2015, p. 6) noted that "improving compliance is a core development objective, both to enhance revenue and as essential to building strong, trusted public institutions." However, ample evidence shows that tax non-compliance is a common factor among all taxpayers in Nigeria (Nigeria: Joint Tax Board, 2016). The major taxpayer groups are:

a. Wealthy/ High net worth persons, Individuals in paid employment, and self-employed
b. Partnerships, professionals, and non-governmental organizations (NGOs);
c. Companies are categorized into large, medium, and small entities (local and foreign).
d. Ministries, Departments, and Agencies (MDAs) of government are categorized as "tax agents" to withhold taxes on behalf of the three-tier government.

Tax compliance can be impacted by taxpayer education and cooperation (Gitaru, 2017). Educating taxpayers on their tax obligations and how to fulfill them can help them understand tax regulations, including tax operations and processes (Gotra & Samuel, 2018). With a well-coordinated stakeholder engagement, taxpayers would be more inclined to comply, voluntarily fulfilling their tax obligations and paying taxes to the government (Gitaru, 2017).

Wealthy/High Net Worth persons, Employed Individuals, and Self-employed.

Stightz (2018) noted that with increasing income inequality common in most economies, many scholars question whether the rich adequately contribute to financing economic development in their respective countries. It is common knowledge that wealthy individuals in the country do not sufficiently contribute to funding public services (Nigeria: Joint Tax Board, 2016). Various research findings have shown that the problem of the Nigerian tax administration could be traced to the numerous tax avoidance schemes used by wealthy individuals who continuously fail to contribute their fair share of taxes towards financing economic development (Piketty, 2014). The situation is similar to most informal businesses, which also avoid tax payments (Monye & Abang, 2020). The problem is particularly revealing when their annual tax payments are analyzed rather than their numerous social and philanthropic contributions (Bregman, 2017). When this trend is juxtaposed with the response of wealthy individuals in developed economies, a different pattern of behavior is noticeable. For them, wealthy individuals contribute substantially to the treasury. For instance, the top 2.7% of taxpayers in the United States (USA) account for 51.6% of aggregate income taxes; in Germany, the top 5.6% of taxpayers contribute 43.25% (Desilver, 2016). However, in Nigeria, tax evasion is rampant among Nigeria's wealthiest citizens (Oyedele & Erikume, 2019). In 2018, the Joint Tax Board (JTB) statistics showed that only 214 of the wealthiest persons in Nigeria paid more than N20 million (the equivalent of $55,600) in tax. The situation is not different compared to their contribution to the VAT account, knowing that the temptation to indulge in tax evasion or avoidance often increases as wealth grows (Hofmann, Voracek, Bork & Kirchler, 2017).

Individuals in paid employment are subject to taxation based on their annual income declaration under personal income tax laws. Employees earning remuneration above the minimum wage threshold must submit yearly income tax returns to the relevant tax authority (PITA/ PAYE Regulations, 2002). However, the low wage structure encourages most individuals in employment to engage in other trading activities. Still, incomes from these sources are hardly reported to the tax authorities or taxed because they arise from a subsistence source or vocation (Wang, 2020). The self-employed comprises traders, artisans, and micro-scale businesses, mainly casual market operators, who conduct business through cash and hardly maintain necessary records and accounts. Operators in the informal market remain unorganized, and tax enforcement seems too relaxed to harness the country's total economic potential as the sector is not usually tax-compliant (Giles & Caragata, 1999). Lack of tax education and sensitization on their tax obligations hampers poor record-keeping and tax filing requirements (Prescott and Hooper, 2009). A considerable proportion of their operation is cash-based, carried out outside the banking environment, making audit trail difficult. (Obara and Nangih, 2017). This absence of tax compliance affects revenue mobilization objectives adversely in most developing countries (Kira, 2017). From experience, businesses in this sector are generally not sufficiently literate to manage their tax filings and payments (Evans et al., 2005; Engstom et al., 2006). Many of them also cannot afford the services of professionals to sort out their tax matters (Swistak, 2015) as they are not even aware of their regular tax obligations. Atawodi & Ojeka (2012) noted that complex tax rules and complicated filing requirements are the major challenges that often discourage tax compliance in the informal sector. Most household businesses operate in the unorganized business environment to avoid the glaring eye of the taxman, knowing well that activities within the informal economy fall outside the purview of government oversight (Suresh, 2006). One striking feature of the informal sector is that it is permeated by under-regulation as it lacks government control and supervision (Olaitan, 2016).

The Partnerships, Professionals, and Non-governmental Organizations (NGOs).

This group of taxpayers primarily operates in a semi-formal business environment, although many are spread within the informal business environment (Okafor, 2012). Empirical studies show that apart from the failure to truthfully declare the income/profits for distribution to individual members, taxes withheld on behalf of employees and service providers often do not promptly get to government coffers. According to Ololade (2017), partners are taxed in Nigeria, not the partnership. However, the partnership arrangements affect the computation of the tax liability of partners (section 1 (a) and (b) of PITA, LFN. 2007). A partner is liable to pay tax in the state where he is a resident before the assessment year (PITA, 2007: Schedule 1). In practice, the professionals are formed like small and medium enterprises (SMEs), often requiring a lower start-up capital than large companies (Akinsulire, 2010). Non-governmental organizations (NGOs) are accorded statutory tax exemptions on their incomes and gains, provided their earnings are unrelated to commercial or trading activities (FIRS: Circular No 3/2021). However, they must render annual tax returns in compliance with applicable tax laws and maintain accurate accounting records (Banwo & Ighodalo, 2021). As such, incomes or profits liable to tax include proceeds from selling goods or merchandise, provision of consultancy or professional services for a fee, and other investment incomes (Banwo & Ighodalo, 2021). From available records, only a paltry 9% of the businesses in this group pay income taxes, while only 12% comply with the VAT rules (Atawodi & Ojeka, 2012). Similarly, the published statistics show that 99% of small businesses are unregistered for VAT operation. Sarker (2011) suggested that taxpayers in this group would benefit from a multi-way collaborative engagement with the tax authority, where learning, decision-making, and actions are exercised together (OECD, 2011).

Corporate Entities (including foreign entities).

The Companies Income Tax Act (CITA), 2004 LFN defines a Nigerian company as "any company incorporated under the Companies and Allied Matters Act (CAMA), or any enactment replaced by that Act" (Sect 105 of CITA, LFN, 2004). Nigerian companies are liable to tax under different tax laws. The current taxes include the company income tax (CIT), Value added tax (VAT), Withholding taxes (WHT), Capital gains tax (CGT), and Stamp duties (SD), along with a few other dedicated taxes or levies, e.g., Education tax (EDT), and Information technology levy (ITL)collected on behalf of certain agencies of government for specific purposes (Sakurai & Braithwaite, 2008). Nigerian companies are segmented into three categories for effective management based on annual turnover figures (FIRS Annual Report, 2016). The categories are large, medium, and small & micro-businesses, as follows:

i. Large companies that report annual turnover figures of N1.0 billion and above.

ii. Medium companies have an annual turnover of between N500 m and N1.0 billion.

iii. Small and Micro enterprises with an annual turnover figure of N500m and below.

Within the medium and large companies' categories are pioneer companies typically enjoying tax exemption (investment incentives) under the Industrial Development (Income Tax Relief) Act, CAP 17, of 2004 LFN. However, some companies are known for tax abuses and evasion practices (Price Waterhouse Coopers Bulletin, 2017). According to the Industrial Development (Income Tax Relief) Act, 2007 LFN, a company holding a pioneer certificate can enjoy a tax holiday for three (3) years in the first instance. The relief is a complete exemption from income taxes during the period stated on the pioneer certificate (Okoriekwe, 2020). If the supervising agency, NIPC, is satisfied with its performance, it would be eligible for an additional two (2) years. The affected companies sometimes abuse the incentives, claiming reliefs for five (5) years at a stretch and failing to limit the exemption to corporation taxes only. Instead, they interpret the exemption to cover all taxes, including withholding taxes and value-added tax (LeLaw Barristers & Solicitors, 2020). This significant administrative lapse is currently being resolved between the Nigerian Investment Promotion Council (NIPC) and the Federal Inland Revenue Service (FIRS) (Nigeria: Statement by the Minister of Finance, 2017).

Also, a small number of non-resident companies are among the medium and large companies, so described because of their ownership structure and association or connection to other foreign companies. Section 105 of CITA, 2004, LFN defines a foreign entity as "any company or corporation (other than a corporation sole) established by, or under any law in force, in any territory or country outside Nigeria." This group of businesses represents a significant tax contribution to the government, as they appear to be more profitable than domestic firms, suggesting that they should be paying higher taxes. But in practice, these companies are known to be inclined towards shifting their incomes to other low-tax jurisdictions, using a variety of schemes, such as transfer pricing or excessive levels of debts (thin capitalization). A senior tax consultant, Wale Ajayi (2017), has noted that by this action, Nigeria loses a substantial fraction of the tax base through ‘income-shifting.’ With the growing use of the digital space, all businesses relying on the internet, such as online advertising, cloud payments, e-commerce, etc., which were once outside Nigeria's tax net, would now become a focal point of taxation (FIRS Guidelines, 2021). Henceforth, profits derived from technical, management, professional, or consulting services (TMPCs) would be subject to taxation in Nigeria, subject to the approved threshold (Price Waterhouse Coopers, 2020). Therefore, the new rule has changed the method of levying an assessment based on ‘deemed profit,’ a practice that permits the FIRS to estimate 20% of a non-resident company's annual turnover as profit and allows 80% as operating expenses. The allocated profit of 20% is taxed at the companies’ rate of 30%, implying an effective tax rate of 6% (Tax-Aide, 2021).

About 75% of businesses in the Nigerian economy comprise SMEs, which are a significant part of the country's economic achievements (Ocheni, 2015). The other major category of companies in Nigeria is micro and small businesses, a source of job creation, constituting the engine of the economy's growth (Adebisi & Gbagi, 2013). The Central Bank of Nigeria 2010 guidelines describe an SME as “a business entity with a capital or asset base of between N5m and N500 million and an employee capacity of between 10 and 300 persons.” (Ajide et al., 2014). As SMEs contribute to the country’s GDP, they should also contribute to the revenue generation of the countries where they operate (Obara and Nangih, 2017). The tax administration has an arduous task of managing the tax non-compliance of the SMEs because of their low tax awareness (Kayode & Ilesanmi, 2014). Strategies such as using information technology for operation, partnering with regulatory agencies, reducing the volume and frequency of tax filings, improving communication with SMEs, and using third-party information can help boost tax compliance among them (OECD, 2010). According to Fischer et al. (1992), some non-economic factors could also hinder the SMEs' tax compliance, such as taxpayer attitude, the perceived fairness of the tax system, and the opportunities created not to comply. Atawodi and Ojeka (2012) noted that no government could afford to overlook the importance of this critical sector because of its contribution to the economy. Also, Akinsulire (2010) stated that apart from the sector's employment potential, it helps to check rural-urban drift, offers help in international trade, provides services and logistic support to large corporations, and lastly, helps in the diversification of the economy (Hanukah et al., 2002).

Ministries, Departments, and Government Agencies (MDAs)

Under the current tax regulations, government ministries, departments, and agencies at the two-tier level are appointed as withholding agents for the deduction and remittance of taxes arising from rent, profit/income derived from contracts, professional, technical, and consulting services at the prescribed rates of taxes (CITA Withholding tax regulations, 1995). They must also deduct taxes from the payroll under the PAYE scheme and remit all such tax deductions directly to the relevant government accounts at the two-tier level. The relevant statute empowers the accountant-general of the Federation (AGF) at both the national and sub-national levels to deduct at source from the regular statutory allocation of any erring Ministries or agencies of government the unremitted amounts, plus interest at the prevailing commercial rate. The widespread withholding practice, not limited to traditional items, is dangerous. Although the intervention is beneficial in strengthening collection, such a general withholding system requires constant monitoring to ensure that the appointed delivers the amount withheld to the state treasuries (FIRS: Collection Report, 2019). Casanegra de Jantscher & Bird (2002) observed that withholding is necessary for a well-administered income tax regime. However, withholding taxes would not be sufficient until the administration can control the withholding agents and taxpayers subject to the withholding tax regime. Empirical studies have also revealed that the withholding tax regime is a veritable and reliable revenue source for the two-tier government in Nigeria (KPMG, 2017), hence the need to continuously improve and strengthen the collection process. Tax authorities must not allow these agents to hold withheld funds beyond the period permitted by the statutes (Tax-Aide, 2018).

Prospects for Improved Compliance Among Different Taxpayer Groups.

Most governments that pursue decentralization reform tend to ignore the "completeness" of a decentralized system by focusing on revenue decentralization alone. The consequence of such an action reflects in the failure to capture the benefits of devolution but share the central government deficits and macroeconomic instability (Burki, Dillinger & Perry, 1999). A more efficient approach would be establishing expenditure responsibilities before assigning the revenue functions, agreeing with the dictum that "finance should follow function" (Bahl & Linn, 1992). This narrow focus could explain why tax administrations experience challenges, ranging from the diversity of taxes, poor tax administration, and the lack of reliable databases, touting, the complex tax system, and enactment of tax laws and regulations without due and proper consideration for the taxpayers' rights (OECD, 2015). As a remedy for increasing tax collection, there is a need for a broad-based tax strategy, focusing on critical tax functions with measurable outcomes (IMF, 2016). The tax authorities can benefit more when they invest in purposeful capacity-building programs to improve their employees' skills. The tax authorities should also cultivate the practice of regular collaboration with all groups of taxpayers, developing different tax awareness and enlightenment programs to improve tax education and regular interaction with taxpayers (Gasper & Selassie, 2017).

Taxation as a Tool for Stimulating Economic Growth and Development

Taxation is a fiscal instrument used by governments to mobilize domestic resources and promote economic growth and development (Adereti et al., 2011). Effective domestic tax mobilization can reduce countries' reliance on external flows, which are highly volatile (UN. Report, 2015). Generally, the interactive effects of taxation policy determine the growth and development of any country's economy (Nwaorgu et al., 2016). Nigeria aspires to be one of the largest twenty-strong economies in the world by 2030. This vision continues to guide its tax policies and strategies in investing so much capital resources in the critical areas of security and infrastructural needs. The aspiration is necessary to promote the country's economic growth and the citizens' well-being (Nwadialor and Ekezie, 2016). A robust tax structure would assist the government in shifting focus from reliance on crude oil to other areas to boost the economy (Oyewo, 2013). All countries require taxes to finance their implementation of sustainable development goals, which would bring enormous improvement to their people's well-being and stimulate the growth of their respective economies. The Nigerian government packaged and approved the SDGs implementation plan in June 2020 (United Nations Report, 2020), with extensive support from some United Nations development agencies. The detailed action points for the governments at all levels, including stakeholders, to actualize the vision of the SDGs, covering policies and measures to improve the welfare of the citizens (VNR, 2020). The challenge of low tax revenues in most developing countries has been ascribed to inefficient tax administration, which may be a euphemism for corruption and distrust in the system and sufficient utilization of tax revenue (Bird, 2015). Yet, taxation remains a crucial source of sustainable revenue for all countries and an indicator of economic growth (Besley & Persson, 2013). Therefore, all governments must develop strategies to end extreme poverty, reduce hunger and wants, and promote good health and well-being, relying on taxation to promote growth (The U.N. 2030 Declaration). It is an implicit acknowledgment of organizational failure in the tax system of any country when the tax administration system does not function optimally, resulting in distortion of the purpose of the tax laws (Pellechio & Tanzi, 1995). However, the imperatives of information and communication technology and changes in macroeconomic policies and legislation have compelled fiscal reforms to complement economic, trade, and investment policies (Silvani & Baer, 1997) to stimulate economic growth constantly.

Harelimana (2018) opined that a strong economy must have the tools to promote investment and wealth creation. This revelation implies that only a tax-friendly environment can create the necessary potential to actualize its vision. A continuing, spiraling fiscal deficit threatens macroeconomic stability and economic growth (Okafor, 2012; Deckery, Ezeabasili, & Herbert, 2012), and enlarging the revenue base can help to trim the fiscal deficit risk expansion. This desired outcome requires massive taxation funding, enabling the economy to stimulate investment and use tax policies to attract foreign investors (Auray & Dantine, 2010). The accruing tax revenue should be sufficient to fund the government's social infrastructural needs, thereby emphasizing the importance of revenues from taxation as the most reliable and efficient funding source for governments (Konrad, 2014).

Taxation as a fiscal tool involves the transfer of resources from private endeavors for utilization by the people in government for the ultimate accomplishment of desirable social objectives (Apere, 2003). It is a veritable tool often used to measure and control the economy, including the enormous informal sector that dominates most economies (Wambai & Hanga, 2013). Taxation is a reliable tool for stimulating economic growth and promoting the citizens' well-being (Budryte, 2005). However, since tax policy and administration often do not interact well in Nigeria, it might be quite challenging to determine the impact taxation should have on the economy (Dladla & Khobai, 2018). The generality of citizens believe that the country's ineffective tax collection machinery, coupled with corrupt practices within the staff of the tax agencies, currently hinders the efficiency of the tax administration (Olaoye et al., 2019).

With the fiscal imbalances that characterized the country's public sector, the government must constantly adopt tax policies to ensure improved revenue collection to the treasury (Etim & Nweze, 2015). There is a general feeling among the taxpayers that when the authority expends tax revenues to provide social infrastructure and security, economic growth and development will gradually be achieved, particularly when they use tax policies to create an enabling environment for national expansion (Satope & Akanbi, 2014). Nigeria continues to face some fundamental challenges and seeks to justify public spending through taxation to guarantee the political survival of those making policy decisions (IMF/FAD, 2016). However, if the national government strategically and judiciously applies tax revenues to purposeful socio-economic projects, the action would translate into a higher citizens' living standard (Bird, 1982).

The Concept of Tax

Tax is "a levy on the income of individuals or profits of enterprises or firms" and a form of imposition by the government on the citizens to contribute and augment the cost of governance (Adekoya, Oyebamiji, & Lawal, 2019). Policy analysts often regard taxation as a social contract requiring that individuals contribute taxes to the government in exchange for the provision of social facilities like security, infrastructure, maintenance of laws, and order to ensure the well-being of the people (Chigbu & Njoku, 2015). The Concise Law Dictionary defines tax as "a compulsory exaction of money by a public authority for public purposes, enforceable by law, and not a payment for service rendered" (Aiyar, 2009). Having a 'good' tax in place conveys the idea of an efficient tax system (Moore, 2008), which later became recognized as the canons of taxation by Adam Smith (1776). Contemporary authors have since built on the initial taxation principle and further espoused that a good tax must possess some primary attributes, including simplicity, equity, ability to pay, efficiency, certainty, flexibility, and neutrality (Kath Nightingale, 2001).

Theories of Taxation

Besides providing revenue, taxation helps perform other objectives, such, as resource allocation, income distribution, economic stability, promoting full employment, and sustainable growth (Bamidele, 2020). Pursuing these objectives prompted two fundamental economic principles that form the basis of modern taxation, viz., ‘the benefit received’ and the ‘ability-to-pay’ theories (Dessai et al., 2004). The benefit received principle, also known as “vertical equity,” states that a person is liable to tax depending on the benefits he has enjoyed from the government through social services (Kiabel & Nwokah, 2014). It is easy to determine the tax amount because the person affected would pay taxes in proportion to the benefits received, suggesting that whoever benefits the most pays the most tax. Under this approach, tax constitutes a cost, and the public services become the benefits (Lyndom & Paymaster, 2016). A later version of the 'benefit received' principle is the 'voluntary exchange' theory (Giersch, 2007), with its advantage lying in the direct relationship between revenue and expenditure budgets because it could predict market behavior through the allocation process (Lyndon & Paymaster, 2016). However, it is doubtful if implementing the principle can achieve equality between taxes paid and benefits received in a real-life setting (Bamidele, 2020).

In contrast, the 'ability-to-pay' principle separates government revenue from expenditure and can determine the tax payable by reference to an individual's ability to pay, suggesting a no-quid pro quo" situation (Macek, 2014; Matthew, 2014). This principle, known as 'horizontal equity,' promotes the achievement of tax objectives, such as income distribution and price stability (Mba et al., 2013). Despite the advantages of this principle, it is not without flaws. One of the flaws is that the criterion for "ability to pay" has been adjudged to be unclear (Macek, 2014; Matthew, 2014; Nzotta, 2007). Taxes paid by the individual are considered a sacrifice, raising the question of the degree of sacrifice and measurement methodology (Mba et al., 2014).

`Another related theory is the "cost of service" principle, which is based on the understanding that the revenues collected by the government through taxes must be applied to solve societal problems as a whole (Ogbonna & Appah, 2012). The principle suggests that the cost incurred by the government in providing public goods to satisfy social wants should be regarded as the basis of taxation. Thus, tax is payable as per the cost of public goods enjoyed by the citizens. A related principle is the "theory of expediency," built on the understanding that a new tax should always be tested for suitability or practicality in determining its efficiency to satisfy its final adoption (Ogbonna & Ebimobowei, 2012). The authors demonstrated the relevance of the principle by focusing on the pattern and size of government expenditure and concluded by recommending the implementation of lower tax rates by governments not to dampen the incentive to work (Samuel & Tyokoso, 2014).

Classes of Tax

Public finance experts classify taxes into direct and indirect taxes, depending on who pays or bears the burden, and the difference between these taxes lies in the ease of shifting the tax burden (Mill, 2007). A taxpayer cannot pass the burden of a direct tax to someone else, but an indirect tax can shift to someone else (Prest, 2009).

Direct taxes

Direct tax is generally focused on individuals or businesses. It is based on a person's ability to make a tax contribution, often measured by earnings, consumption, or net wealth (Taylor, 2012). A few examples of direct taxes are:

i. Income taxes levied on the taxpayer's total income above a stipulated minimum and charged at a graduated rate; and

ii. Taxes imposed at the time of death could be through inheritance taxes, which tax the legacy in the beneficiary's hands, and estate tax, which levies charges on the estate's fair market value (Taylor & Richardson, 2012).

A direct tax is one that the taxpayer pays directly to the government, and its burden cannot be shifted to any other person or group.

Indirect taxes

An indirect tax is imposed on goods and services produced or consumed, including imports and exports (Kelly, 1999). Examples are general sales taxes (GST), value-added taxes (VAT), stamp duties, and customs/import duties. Prest, A. R. (2007) noted, "Over a wide range, direct and indirect taxes are alternative methods of achieving any particular redistribution of income on which the government of the day may be inclined."

Proportional, Progressive, and Regressive taxes

Taxes may also be classified based on their effect on the distributed income (Richardson, 2012). Professor Taylor (2012) defined proportional, progressive, and regressive taxation as follows "A proportional tax applies the same tax rate to all income groups. It is a flat tax, affecting low, middle, and high-income earners. A progressive tax demands a higher tax contribution from high-income than low-income groups and imposes a higher tax burden on higher-income individuals than low-income earners. In contrast, a regressive tax imposes a heavier tax burden on lower-income earners than the high-income groups. It has a lower tax impact on wealthy individuals than on lower-income individuals. Thus, a progressive tax will seek to reduce the inequalities in income distribution, whereas a regressive tax will often increase the imbalances." The popularity of progressive taxation lies in the understanding that individuals earning more income will be taxed at a higher level (Hyman & David, 1990). Most modern economies favor the adoption of progressive taxation because of its numerous advantages (Mill, 2007), including equity, productivity, economy, elasticity, and the ability to pay (Oyedokun, 2020).

Principles of Taxation

The National Tax Policy (2012) adopted by the Nigerian government defines tax as "a financial charge or levy imposed upon an individual or legal entity by a state or an authority of the state; it is a pecuniary burden laid upon individuals or property to support government expenditure." (NTP, 2012). Also, Appah (2004) defines tax as a compulsory levy paid by an individual or business to the government without expecting any corresponding benefit. The primary purpose of taxation is to raise public funds, along with other objectives of income redistribution, price stability, overcoming externalities, and resource allocation (Chigbu & Njoku (2015). It should also support economic growth (Stoilova & Patonov, 2012). Moore (2008) views taxation as an objective measure of the power and rights of the state, given that it provides an opportunity for political negotiations among the country's stakeholders. The idea of the interaction between economic and social phenomena to result in taxation was mooted by some scholars, who advocated the need to formulate some basic principles to guide the mode of tax regimes (Belshaw & Livingstone, 2002). These principles form the foundation upon which most tax regimes have built different tax systems. Notably, they include:

i. The principle of 'fiscal equity' states that each citizen must participate in funding government spending, as demanded by reasoning (Dritsakis, 2003. This principle seems more aligned with the progressive tax system (Luigi, 2019; Bamidele, 2020).
ii. The principle of 'certainty' states that the amount of taxes owed by a taxpayer must be specific, not arbitrary;
iii. The principle of 'convenience' emphasizes the methods of tax payment based on agreeable terms and ways to facilitate payment (Dessai et al., 2004); and
iv. The principle of 'tax efficiency' suggests imposing the lowest form of taxes and ensuring collection with minimum cost (Bamidele, 2020). This guide indicates that the structure for designing and collecting taxes should not be too expensive. Also, operating the tax arrangement must not limit taxpayers' economic and social activities or direct them away from their occupations (Luigi Popescu, 2019, citing Talpos, 1966). Judging from the citizens' constantly changing socio-economic conditions, achieving the earlier requirements in practice may not be easy.

The Role of Taxation

Taxation serves several purposes, notably revenue mobilization and income redistribution. Some studies have analyzed the nexus between taxation and economic growth with different findings (Soyode & Kajola, 2006; Tosun et al., 2005). A key conclusion in all the studies is that taxation strongly impacts economic growth (Bamidele, 2020). The United Nations General Assembly (UNGA, 2005) had beckoned on political leaders in developing countries to improve their domestic revenue mobilization through taxation. Empirical studies have often associated taxation with economic growth, demonstrating the tax's dependability in promoting economic growth and development (Popoola, 2019; Lyndon & Paymaster, 2016; Ogbanna & Appah, 2016). A robust tax system is driven by equity consideration (Oyedokun, 2020). Horizontal equity requires that individuals in similar situations pay equal taxes, and vertical equity implies that those in unequal circumstances should pay taxes differently (Dritsakis, 2003). This distinction between the two concepts builds confidence in taxpayers and helps to encourage them to fulfill their tax obligation when they view the tax system to be fair and equitable (Macek, 2014). The tax levied must not be burdensome on any individual and must be within their financial limits (Lyndon & Paymaster, 2016).

Similarly, the cost of compliance should not be higher than the revenue yield (Luigi, 2019). On certainty, the tax scope must be unambiguous, and the tax should be specific and not arbitrary. The requirement for ‘certainty’ demands that a tax should be enforceable because easily evaded taxes could cause resentment, with a possible decline in taxpayer's morale (Bird, 2005). A tax system should be flexible to guarantee stability, and be neutral to prevent distortions in the market (Vacarel, 1992). Research findings reveal that taxation positively impacts economic growth and development (Ude & Agodi, 2014) while increasing tax yields often reflects on complexities around a country’s economic, political, and institutional factors (Besley & Perssons, 2013).

In Nigeria, taxation remains the second, most significant source of revenue for the three-tier government, aside from crude oil, which is acknowledged as the primary revenue source (Bamidele, 2020). All the levels of government rely on taxation to finance education, health, security, and social infrastructure. It is, however, a serious concern that poverty continues to ravage the entire country’s landscape, creating a wide gap between the rich and poor, thereby resulting in a high unemployment rate, worsened by poor health among the generality of the citizens (Chigbu & Njoku, 2015). This kind of situation could result in unfavorable performance situations concerning some critical development metrics, such as living standards, improved health, and access to education (Santos & Alkire, 2010; Belshaw & Livingstone, 2002).

Concept of Economic Growth and Development

'Economic growth' and 'economic development' are two (2) different terms that are often used interchangeably. Economic development is defined as the process by which a country's Gross National Product (GNP) per capita significantly increases concerning the quality and quantity of life over a very long time (Harelimana, 2018). According to Satope and Akanbi (2014), economic development involves increasing output and reviewing the production's technical and institutional arrangements. It is often explained that economic growth is a part of economic development, and no nation can attain development without first achieving economic growth (Olaoye et al., 2019). In simple terms, the concept of development combines economic growth and other factors that can positively impact a country's cultural, social, educational, political, and economic changes (Mick, 2007). Economic development is viewed as a complex phenomenon that involves diverse social and economic processes, occurring differently, although could be impacted by regions and weather (Wyngaard, 2006). Various research studies have identified likely determinants of a successful tax regime and economists are always quick to cite "per capita income" as the measure of success (Todaro & Smith, 2015), based on the understanding that economic growth leads to an additional increase in public expenditure (Tanzi, 1987). The normal approach to understanding taxation and development would be to focus on how economic changes influence the evolution of a tax system (Besley & Persson, 2013) through consistent growth in tax revenue. Brautigam (2008) noted that the introduction of any new taxes could usher in critical investments towards mobilizing domestic resources, thus fueling a higher need for infrastructure, and redistributing revenues and expenditure, according to the social expectations of the citizens (Lindert, 2004; Musgrave, 1969).

Economic development is often defined as "the sustained increase in income of all members of society, and freedom from material want" (Manuel, 2004). This definition agrees with the views of Belshaw and Livingstone (2002), who viewed economic development as the "sustained progress toward improving peoples' livelihood, facilitating access to education, and healthcare for the majority of the country's population." Both researchers argued that growth increases output and could expand the economy as well, whereas economic development involves a structural change that would lead to equal income and wealth distribution (Carnahan, 2015). In recent years, research studies seemed to have shifted attention away from Gross National Product (GNP) and per capita income measurement as indices of economic development to new proxies of development, such as the inequality-adjusted human development indices linked to per capita income (Alkire & Foster, 2010), comprising of simple measurement metrics, such as improved living standards, improved health, and citizens' well-being (Todaro & Smith, 2015). In measuring economic development, Thomas (2000) cautioned that a country must first pursue the achievement of all that is viewed as "generally accepted goods and services" for society to be accepted as a developed nation. What most economists now consider as determinants of real development is a mix of some social indices, such as improvement in income, health, access to knowledge, and elements of the physical quality of life, which includes health, education, clean water, high nutrition, and sanitation (Moris, 1978).

Critical Requirements for Economic Development

A World Bank Group Report has emphasized the need for a country to achieve a revenue level of at least 15% of a country's gross domestic product (GDP) as the critical condition for real growth and poverty reduction (World Bank Group: IBRD/IDA 2018 Report). Relying on available economic data from some selected countries, Gaspar, Jaramillo, & Wingender (2016) explained that any country with a tax/GDP ratio below the 15% projected as the tipping point would have to first increase its domestic resource level to achieve the set developmental goals required to facilitate an impactful outcome. Attaining the projected level of 15% tax/GDP ratio is very critical to achieving an adequate level of revenues to fund new investments in health, security, education, and infrastructure (IMF/FAD 2015 Mission Report on Nigeria). The conditions for achieving appropriate and adequate funding for development also include fair, efficient, and effective tax collection processes put in place by the government (Bird, 2002). The reported yearly low tax yield from taxation in Nigeria is often attributed to the failure of the government to vigorously enforce tax provisions (Onakoya et al., 2017), thus underscoring the point being made, that no matter how carefully conceived a tax provision is, it cannot prevent intentional fraudulent collaboration between tax officials and taxpayers (Bird, 2002; Chigbu & Njoku, 2015). One major condition for tax optimization would be to put in place an efficient tax administration, consisting of persons of high integrity, all working in concert to effectively exploit the taxation potentials of the country (Adudu & Simon, 2015). The ability of the tax authority to capture new and additional taxpayers into the tax net, raise taxes on high-net-worth individuals, and minimize tax evasion among the different taxpayer groups would, to a large extent, determine the tax administration's efficiency (Onakoya et al., 2017). Also, the ability to generate sufficient taxes to finance the country's developmental programs and being able to distribute income from the higher to the lower-income groups will ultimately help the government to reduce poverty and income inequality (Fagbemi et al., 2010).

Applying Taxation to Stimulate Growth and Development

Public finance experts generally acknowledge taxation as a major tool that governments rely upon to stimulate the economy toward the path of achieving macroeconomic goals (Thom, 2018). The macroeconomic goal might be expansionary, or contractionary, aimed at reducing the rate of unemployment or slowing down the economy by reducing the money supply and fending off inflation. Either of these two objectives will help the government to stimulate the economy by expanding investment through the fiscal incentives provided (Olaoye et al., 2016). When high tax rates are reduced, tax liability on individuals and investors will become minimized, and more funds will be available for investment purposes (Wyngaard, 2006). In the end, unemployed people would become gainfully employed, and poverty would be reduced, thus showing a pattern that soon becomes a signal for economic development. Olakunri (2000) noted that taxation facilitates the redistribution of income and wealth, constituting the primary tool for achieving socially desirable goals. Several empirical findings have emerged from research on the impact of taxation on economic growth and development, showing that the two variables are positively and directly related. However, the extent of the relationship often differs. The survey conducted by Wambai & Hanga (2013) on taxation and economic development in Nigeria through a study titled ‘Tackling Kano's Underground Economy’ revealed a strong relationship between the two (2) variables. However, the researchers later submitted that the government's approach to taxation would need some improvement and they concluded that only a tax system that adopts the principles of simplicity, certainty, and neutrality in its tax policy design has the potential to stimulate economic growth and progress. Olusanya et al. (2012) also investigated the impact of taxation on income distribution among civil servants in Lagos state, using Spearman’s rank correlation coefficient method. The research findings revealed a direct, positive correlation between tax and income distribution. Also, Worlu & Emeka (2012) examined the impact of taxation on economic development using the 3-stage Least square estimation technique. The study findings established that taxation has the potential to stimulate economic growth and can also facilitate infrastructural development. A study by Nwakanma & Nnamdi (2013) that examined the relationship between taxation and economic development, using the Least square method, based on the linear logarithm model of the human development index also showed a strong linkage between the two variables. The results indicated that taxes generally correlate positively with economic development, although when the human development indices are compared with corporation taxes, an inverse relationship was observed, which may be explained by the huge amounts of tax incentives and exemptions being granted to pioneer companies, often resulting in zero taxes.

Many other empirical findings have offered strong evidence that taxation does support economic growth in all countries, including Nigeria (Ihenyen & Mieseigha, 2019). This conclusion underscores the need for governments to take additional measures to ensure taxpayers do not avoid their statutory obligation to pay or evade tax if the authority achieves a fair income distribution. Providing adequate infrastructure could help establish a firm foundation for progress, prosperity, and development (Etim et al., 2020). In a normal situation, financing public projects aims to develop an enabling environment to promote local and foreign investments, increase trade, improve tourism, increase agricultural production, and encourage small-scale industrial output (Stoilova & Patonovi, 2012). These economic actions would, in turn, generate more gainful employment and quicken economic growth and development (Feldstein & Vaillant, 1994). It might be challenging to analyze the Nigerian economy's growth rate without looking closely at the rate of capital formation to develop the country's economy. This position aligns with the knowledge that capital formation is critical in determining economic growth (Fagbemi, Uadiale, & Noah, 2010). Empirical findings show that economic development is strengthened when the authority judiciously applies tax revenues to fund essential public services rather than depending on transfer payments (Helms, 1985; Lareto, 2016).

As articulated in the National Tax Policy (2012), a primary objective of the country’s tax system is to promote economic growth and development through taxation by growing investments and not stifling entrepreneurship and productivity (Nigeria: National Tax Policy, 2012). Sustainable economic growth makes the potential for improving citizens’ well-being more manageable. Therefore, the tax system should not be designed to dampen investment initiatives or discourage the inclination for massive savings (Cardia, 2007). It should not be burdensome but proactive to stimulate economic growth and development (Gale & Orszag, 2004).

Comparing Economic Growth Indices with Nigeria's Tax Collection Performance

The summary of the computed indices presented in Tables 8 and 9 showed the nexus between tax revenues and economic growth during the years of observation. In absolute terms, tax collection indicates an increasing trend between 2015 and 2020. Still, in real terms, the quantum of tax revenues had worsened due to the continuous adverse foreign exchange rate fluctuations, which have reduced the value of the country's currency. Despite the reported yearly increases in revenue, the performance remains far from the World Bank and IMF/FAD projected 15% Tax/GDP ratio, projected as an ideal level for promoting growth and development. Table 8 shows that tax collection did not move along the increasing trend of the country's GDP figures, even with higher yearly GDP figures. Yet, the per capita income, evidence of the citizens' well-being, has remained static for many years. Table 8 has summarized aggregate taxes collected by the FIRS only, isolating customs/import duties and the internally generated revenues (IGR) from the sub-national governments. The data presented in Table 9 did not show any better picture of improved growth and development. Instead, it underscored the need for Nigeria to strengthen its domestic resource mobilization capabilities through interaction with the various groups of taxpayers operating in the country (Kaufmann & Shams, 2016; Huggins & Thompson, 2015).

Realizing that the primary goal of all tax administrations is the achievement of voluntary tax compliance, the tax authorities must continuously engage with taxpayers through town hall meetings, and tax enlightenment workshops, while also recognizing the rights and obligations of the citizens who pay tax (Gautam, 2017). As a matter of utmost urgency, the government should prioritize the benefits of stakeholders' engagement by implementing the engagement strategy as a positive step toward increasing tax awareness among the citizens (Daegu, 2015). How the authorities interact with taxpayers and other citizens would reflect the tax system's perception and their willingness to comply with normal tax obligations (OECD-CTPA, 2011; Arnold, 2011). Individuals who understand their rights and maintain a good relationship with the authorities based on their perception of the system as fair and efficient would be more inclined to comply with tax obligations (Good Governance Africa Report, 2017), particularly when citizens know their rights and expectations of fair and efficient tax delivery services. Tax obligations are embraced when the tax system’s rules and processes are clear, simple, and “user-friendly” (GGA Report, 2017).

Tax Reform Objectives of the Nigerian Tax System

Tax reform is a fundamental change in the structure of one or more taxes or countries' tax systems to improve their functioning and achieve the objectives (Herbert et al., 2018). Reform has been a regular feature of the Nigerian tax system since the early 1970s, partly due to its weak structure, which Anyanwu (1997) noted as complex and inefficient and unable to promote elasticity, equity, and fairness. However, reforming a country's tax system is crucial to those concerned with increasing revenue yields to restore macroeconomic balance and those involved with tax policy and the benefits that would likely impact the economy (Fjeldstad, O-H, 2012). Tax administration reform implicitly acknowledges observed deficiencies in the current system (Mckerchar & Evans, 2009). Tax reform has, over time, become a necessary step to identify and remediate any observed deficiencies inherent in an inefficient tax regime (OECD, 2015). Nwaorgu et al. (2016) noted that changing a tax system is conceptually a tax policy designed to enhance a country's fiscal administration system. It is a framework to strengthen the structure of a country's tax policy, law, and administration and be responsive and accountable in public governance. As taxation is a connecting thread within a fluctuating economy, the system cannot afford to be static and must constantly change (Tax Reform Commission of Australia, 2015). In the views of Nwosu et al. (2016), the main reasons for tax reform are to expand the tax base, limit the tax burden on individuals, repose confidence in the system, and engender improved tax compliance. However, the Nigerian tax system's complex nature, inelasticity, inequity, and unfair structure have made tax reform imperative (Omesi et al., 2014).

The World Bank stated that "the primary reason for tax reform, whether in developing or developed countries, is to reduce or cancel financial imbalances through a strategic redesign of the tax system, mobilize more revenues, or improve tax elasticity" (IBRD/IDA Report, 2018). So, reform is a deliberate plan to enhance revenue, strengthen efficiency, and achieve equity. Broadly, the IBRD offered the main reason for tax reform, which is said to be two-fold as follows: "First, as part of the restructuring, it is aimed to minimize distortions in the use of tax incentives and the resultant weaknesses and inequities in resource allocation; and second, as part of economic stabilization, it is necessary for mobilizing domestic revenue in a manner that does not distort the economy, but instead promoting equity sustainably, although in tandem with cuts in public expenditure" (IBRD,2011). But the political, economic, and social terrain through which tax reform must pass could be challenging (Bird, 2004). Therefore, caution would be required when such reform measures are considered by policymakers (Ernst & Young: Tax Insights, 2015). Leading tax reform experts have noted that

> "When reforming tax systems, policymakers must weigh the different goals the current systems try to achieve. They need to balance tax reform's efficiency and growth-oriented objectives with their distributional impact to determine the impact of the reform on revenues, tax avoidance/evasion, tax compliance, and analysis of enforcement costs. The impact on the sub-national governments, the transitional costs of changing tax systems, and complex timing issues should also be factored in, including the different administrative, institutional, and political environment factors" (Brys, Matthews, & Owens, 2011, p. 9).

Following the above, the government must focus on the country's tax policies and, more importantly, its reforms because these play crucial roles in influencing the economy (Ezejiofor & Nwaliosa, 2015). Tax reform involves "reviewing and changing the government's administration and collection of taxes to boost state's revenues on the one hand, and provide significant and better socio-economic benefits, on the other hand." (Olaoye & Ekundayo, 2019). The outcomes would likely determine the increase or decrease in savings, investments, production efficiency, and the labor force (Nwadialor & Ekezie, 2016). The process involves restructuring and realigning specific processes in the current tax administration and modalities for tax collection to boost the state's revenues and provide citizens with better public services and economic benefits (Rao, 2014). Similarly, Pereira et al. (2013) stated that tax reform is, among others, aimed at designing tax incentives and structures that would focus on the issues of (i) introducing new measures to the current system; (ii) unlocking revenue potential to achieve more benefits of growth and development; (iii) improving tax processes to promote voluntary compliance and optimize tax collection; (iv) improving tax delivery services and communication, and (v) foster organizational transparency and accountability by applying modern tools to tackle the challenges associated with tax prudence, stress, integrity, and citizen accountability.

Many authors have stated that tax reform helps address the challenges of low tax receipts in developing economies (Taliercio, 2004; Ogbonna & Ebimobowei, 2012), just as tax reforms have taken place in other countries to improve their tax regimes. For instance, Germany initiated a fiscal reform program in early 2002 that professionalized its workforce, thus increasing aggregate revenues collected (OECD, 2009). Also, Spain's tax reform experience affirmed that a solid and efficient tax system would yield higher income to the authority (Mackenzie et al., 2007). Specifically, using the revenue's powers to enforce, prosecute, and carry out tax audits vigorously increased the number of registered persons from 1.7 million in 1988 to 2.8 million within three years (Hogue et al., 2000). From all indications, Nigeria's over-reliance on oil revenue sources picks her out as an excellent example of a country requiring constant tax administrative reform (Aminu & Eluwa, 2014). The urgency to improve Nigeria's tax system and other tax initiatives is based on the revelation that Nigeria is currently adjudged one of the countries reporting the lowest tax/GDP ratio (IMF/FAD Report, 2004). This much was admitted by a former Minister of Finance, Kemi Adeosun, during the USA's 2017 Spring Meetings of the IMF & World Bank. With the low level of non-oil receipts, driven mainly by the inefficiencies of the country's tax administration, Adeosun (2017) agreed that the country must address the critical situation of low revenue capacity in Nigeria (Nwaorgu et al., 2016). In the last three decades, the government has executed several reform programs to strengthen the tax system through more attractive tax policies and implement sound regulations and legislation to deliver efficient tax administration (Gbeke & Nkak, 2021).

Objectives and the Rationale for Tax Reform

Tax reforms aim to improve tax collection machinery, boost compliance among different taxpayer groups, and make the environment investment-friendly (Joseph & Omodaro, 2020). It is implemented to strengthen tax administration efficiency and optimize the economic and social benefits achievable through the tax system (Ironkwe & Agu, 2019). The current thinking of tax policy experts in the developed world is that the 'best' tax administration does not eulogize itself by the high level of revenue it collects, as collecting taxes is of equal importance (OECD, 2010). A poorly designed tax administration may report huge tax collection from well-organized formal sectors, such as the employment source, while unable to enforce taxes on the informal faceless companies, professionals, and self-employed individuals (Herbert et al., 2018). Therefore, reliance on the level of tax collection is an unfair index for measuring the effectiveness of a tax administration (IMF/FAD, 2016). In addition to taxation being a source of revenue for the government, emerging literature has explained its relevance in stimulating growth, imperative for state-building, and reducing income distribution inequality (IBRD/IDA, 2018). The current view on tax reform centers on the visible gains of reform, the tax mix needed to realize the goals and objectives (Samuel & Chika, 2018), and whether priority should be given to tax administration at the local, national, or international levels (Price Waterhouse Coopers, 2018).

Tax reform efforts impact differently on the overall objectives. For instance, a move towards progressive taxation could minimize inequality, but there are also pieces of evidence that it can compromise economic growth (Perasan, Shim & Smith, 2010). There have been debates on which tax level deserves more attention to improve domestic tax resources (Asaolu et al., 2018). Some advocates argue that tax systems should focus on local taxes. The source is often overlooked as a potential source of revenue and a remedy to improve government-citizen relationships. Bhartia (2009) noted that "there are criticisms regarding the abuse of tax incentives granted to pioneer companies as the use of tax incentives has been ineffective and undermining revenue collection. Some continue to argue for a greater focus on taxing the informal sector, even though they perceive that it is unlikely to contribute significant revenue to the treasury but can provide knock-on benefits for firms and support economic growth." There are also concerns about illicit financial flows, paving the way for tax evasion (OECD, 2014).

Other areas of concern include using tax havens to undermine revenue continually and frustrating governance efforts to correct economic anomalies in almost all developing economies, thus encouraging criminal behavior and tax evasion practices (ActionAid, 2013; Schjelderup et al., 2009). There are indeed some adverse reports on the complex operations of multinational enterprises (MNEs) in a tax system designed for physically present businesses in a country (Anyanfo, 2006). Why can't we have a uniform tax system that would regard such corporations as single businesses rather than a collection of separate single entities? (Picciotto, 2014). Nigerians recently joined other countries that have adopted the practice of "narrowing the compliance gap" as a more accurate index for measuring the effectiveness of the tax administration (Nigeria: Ministry of Finance, 2016).

Tax reform aims to effectively reposition the tax administration and improve the well-being of the citizens (Byamma, 2004). There has been an increasing interest in developing countries, notably Nigeria, concerning their domestic revenue mobilization strategies, particularly from income taxes (Mascagni et al., 2014; Fjeldstad, 2014). Currently, there is an awareness of the role of taxation in state-building to enhance government capacity and promote state-society interactions (Okafor, 2012).

Tax reform tends to minimize tax evasion and can facilitate a more efficient tax collection drive to fund infrastructure and social goods and services (Koren & Stiassny, 1998). It can provide sustainable revenue sources and offer freedom from foreign aid and oil resource revenues (Gilis, 1998), thereby fostering economic growth and eliminating the problems of inequality through income redistribution and attitudinal reform (African Development Bank, 2015).

The Reform Process

By definition, tax reform involves reviewing the structure of the current tax system or adding one or more taxes to strengthen the system's functioning in the overall efforts to achieve a stable and efficient tax system. At the commencement of any tax reform, specific considerations must be made to guarantee its successful implementation (Ezeabasili, Tsegba & Herbert, 2012). Firstly, the tax reform exercise must describe the ideal tax system, clearly stating what the reform is to achieve and the extent of the program. In this regard, the current system must be correctly diagnosed (Ekeocha et al., 2012). Then, they have to compare the current system and the one the reform exercise hopes to achieve, then examine the suggested steps toward achieving the desired tax system (Kandil, 2002). It is important to note that tax policy experts should identify the causes of tax non-compliance and evasion in managing the reform process. Most tax doctrines suggest that achieving a desirable tax system is an ideal goal, but what we often experience in many countries today are tax regimes characterized by uncertainty, permanent change, and reforms solely for tax collection (Ekocha et al., 2012). Instead, tax authorities should pursue a reform that seeks to entrench the principles of equity, neutrality, simplicity, certainty, and economy in its tax laws (Giles, 2014).

Several studies have attempted to examine the different aspects of reforms and their effects on countries' development. For example, earlier studies conducted by Adereti, Adesina, & Sanni (2011), Ogbonna & Ebimobowei (2012), and Aminu & Eluwa (2014), all on the influence and effects of tax reform on the economy. Other research efforts include Oriakhi & Ahuru (2014); and Nwaorgu et al.

(2016), on the impacts of tax reform regarding revenue collection and changes in Nigeria's tax structure. The studies showed that tax reforms can significantly impact macroeconomic growth performance (Engen & Skinner, 1996; Nwaorgu et al., 2016). Other authors also noted that countries with a high capability to mobilize revenues and robust administration and enforcement or prosecution mechanisms report high growth rates and economic stability (Ekeocha et al., 2012). They perform better than countries with a lower capacity to mobilize revenue, worsened by poor assessment and inefficient collection mechanisms (IMF / FAD Report, 2013). Tax reform should be able to help address some of the challenges posed by non-compliance. By making the tax system more efficient, revenues can be better directed to where they are most needed. Most tax policy experts now utilize tax reform to improve tax efficiency within the system, and to support the drive toward achieving sustainable economic growth and development.

Issues in Developing Countries' Tax Reforms

Most developing countries began to implement a series of significant tax reforms in the 1980s and 1990s at the prompting of the International Monetary Fund (IMF) (Islam, 2001), which had since triggered the urge for tax reforms based on known domestic and external factors (ADB Report, 1993). Factors that have inspired wholesome tax reforms included the determination to promote international competition as an increasing number of developing nations began to seek participation in global activities (Islam, 2001). Before the 1990s, tax systems were majorly relied upon to enable multiple objectives and employed to mobilize resources to finance government expenditures (Granger, 2003). At that time, taxation became a reliable policy instrument performing the "dual role of securing resource transfers to the public sector, and inducing the private sector to operate in conformity with planned objectives." (UN-ESCAP, 1983, p 405). However, there is now a new thinking on the role of tax reform (Byanima, 2014), which seems to have assigned a much narrower role to the tax system, with more focus on domestic revenue mobilization (Fjeldstad, 2014). This contemporary idea is now gradually gaining wider acknowledgment in academic and international circles.

Nigeria's Tax Reform Before 2004

Nigeria became independent on 1st October 1960 as a federation of three provinces (Northern, Western, and Eastern) under a parliamentary system of government. Each region was granted a little autonomy under the then Constitution (Odusola, 2006). Shortly before the independence in 1960, the Raissman Commission had begun to review the regions' taxing powers and revenue-sharing formula between the center and regions, which at the time, was already brewing some controversy (Nwaorgu et al., 2016). The commission's deliberation eventually recommended that the central government should have exclusive taxing power over corporations/companies, and non-residents (Nwaorgu et al., 2016), and clarified that only the central government should handle double taxation agreements with other countries. The regional authorities later metamorphosed into States (sub-nationals) and were accorded the powers to impose taxes on persons, self-employed individuals, traders, partnerships, clubs, trusts, and unincorporated associations (Somorin, 2012). The conclusions of the commission's deliberations gave rise to the Income Tax Management Act (ITMA), 1961, which created the Federal Inland Revenue Department (FIRD) and assigned the responsibility for the taxation of companies (Ogbonna & Appiah, 2012). In 1978, another study team was constituted and chaired by Shehu Musa, whose deliberations led to the promulgation of the Companies Income Tax Decree (CITD) No 28 of 1979, and repealed ITMA 1961 (Somorin, 2012). The new decree introduced the withholding tax system that introduced a 2.5% turnover tax on all buildings and construction-related activities to buoy up revenue sources of the government (Ogbonna & Appiah, 2012). Further in 1979, another decree, CITA, 1979 established the Federal Board of Inland Revenue and vested the administration of the new regulation and all other existing tax legislation on the FBIR (Somorin, 2012). There were a few other study groups between 1990 and 2002 on the review of the Nigerian tax administration system.

In 1991, one task force was headed by Professor Emmanuel Edozien (Ekeocha et al., 2012), whose deliberation led to the promulgation of the Finance Miscellaneous Taxation Decree 1993, which established the Federal Inland Revenue Service (Sanni, 2016; Somorin, 2012). In addition, that committee's recommendation created another team on indirect taxation, chaired by Dr. Sylvester Ugoh, whose committee's work birthed the Value Added Tax (VAT) scheme in 1993 (Somorin, 2012). In 2002, another team on the Nigerian tax administration was constituted, chaired by Professor Dotun Phillips, with a mandate to realign the country's tax system for higher efficiency (Ogbonna & Appiah, 2012). The committee's report has provided the basis for the various ongoing tax reforms that have taken place within the country in the last two (2) decades.

A Comprehensive Reform of the Nigerian Tax System

Nigeria has witnessed several tax reforms since 2004, in a more comprehensive economic reform program to improve tax compliance, increase growth, and achieve macroeconomic stability (Olajide & Associates, 2013). The FIRS management team first developed an ambitious three-year plan (2004-2007) to reform and modernize the FIRS's organization and processes (FIRS Annual Report, 2014). The tax administration reform and modernization strategy were focused on ten key elements built on a sound governance structure with a reporting line to the Ministry of Finance, and promoting a function-based organization with strong headquarters and integrated field offices. The program design led to the establishment of a full-service Large Tax Office, including other key plans, such as proper financial autonomy, revamped HR regime, and comprehensive training program, as well as the realignment and rationalization of staff, along with re-engineering of business processes, extensive IT support, and the development of a comprehensive taxpayer services program, as well as a modern tax operation, supported by a tax procedures code (FIRS Reform Progress Report, 2010). From that time, project management had become a part of the FIRS culture essentially. Given the scope and magnitude of the reforms, a full-time project team soon became imperative, reporting directly to the FIRS leadership (FIRS Report on Modernization Progress, 2010). The tax reform program of the FIRS witnessed an increase in aggregate tax collection, which grew from N1,195B in 2004 to N5,321B in 2018. However, the growth in revenues did not correspond with the growth in the yearly GDP figures (FIRS: PRS Annual Report, 2020). Table 10 presents the summary of revenues from 2000 - 2020, showing aggregate tax receipts from 2004 - 2014 exceeding government projected revenues (FIRS Annual Report, 2015). The 2004 tax reform had a significant linkage to the country's National Economic Empowerment and Development Strategy (NEEDS), 2004, which was aimed at strengthening the machinery for tax collection and supporting the sub-national and local authorities to be able to generate higher levels of taxes, rather than depend on statutory allocation from the federation account or borrowing from the capital market (Oriakhi & Ahuru, 2014). In the short to medium term, "the strategy was aimed at addressing six (6) key issues, which included the structure of the tax system, sustainable revenue mobilization, the efficiency of collection, tracking and responding to comparative and international standards, investment promotion, and coordination of tax administration" (NEEDS, 2004, p. 20).

Earlier in the reform was the issue of the multiplicity of taxes levied at the federal, state, and local government levels (Sanni, 2012). The tax reform attempted to streamline the taxes that each level of government could collect, to avoid multiple taxes and conflicting collection methods (Herbert et al., 2018). The Joint Tax Board (JTB), using the peer review mechanism under the strategy, would help achieve a more harmonized tax system and ensure tax coordination and improved compliance (Okauru, 2012). The tax reform exercise prompted the development of the National Tax Policy, which was approved by the government in 2012, as the responsibility for tax policy functions lies with the Federal Ministry of Finance (MoF), with FIRS playing a supporting role (Ebi & Ayodele, 2017). Despite the modest successes during the tax reform years, Nigeria continues to report a low tax-to-GDP ratio. Some of the areas covered during the tax reform are discussed below:

FIRS Human Resources (HR) and Financial Autonomy

Before 2007, the nature of the FIRS organization presented a significant problem, and its human resources management (recruitment, staffing, remuneration, promotion, and discipline) was identified as a substantial impediment to modernization (Sanni, 2012). However, with the FIRS (Establishment) Act of 2007, the organization began to enjoy human resources and financial autonomy (Okauru, 2012). The FIRS Establishment Act, 2007, LFN empowered the organization to engage its personnel directly and manage their careers based on current HR guidelines. Since 2007, FIRS has been granted authority to recruit, retain, and headhunt skilled professionals into its workforce. It can also determine its capital and recurrent budget yearly and adequately fund its training plan because it could keep the cost of collection at 4% of non-oil tax collection (CITN, 2012). The sub-national tax authorities have powers under the Personal Income Tax Act (PITA), CAP P8, LFN, 2004 to enjoy financial autonomy, determine their capital and recurrent budgets, and manage their HR transformation efficiently (Izendomi, 2011).

Governance and Legislative Framework

The FIRS now has a governance structure for tax administration with a clear reporting line to the Ministry of Finance, which currently leads and coordinates the tax policy function (Oti et al., 2016). The approved governance framework of the organization is one having an executive chairman of the Board, who is also the head of FIRS, and to be appointed by the President, subject to the approval of the National Assembly (Onwelumadu & Onuora, 2021). Other members of the Board are six (6) representatives from the geo-political zones of the country and eight (8) other government officials appointed by their position (Sec. 3 (i) - (iii) of FIRS Act). A technical committee (comprised of FIRS members) considers all tax-related matters and guides the Board (Sec. 9 - 10 of the Act). However, the autonomous Board is subject to the Minister’s authority, direction, and control.

Other Tax Modernization Priorities

The FIRS established a function-based organizational structure with strong headquarters guidance and fully integrated field offices in the last decade (Alli, 2009). It has successfully re-engineered its business processes with extensive automation, including acquiring an integrated computer system for tax administration (Asaolu et al., 2015). However, a few other initiatives are still in progress, e.g., the comprehensive taxpayer services and the tax operations system (FIRS Sensitization, 2019). The taxpayer population in Nigeria is segmented into five distinct categories, viz., the Large Taxpayers Office (LTO), the Medium Taxpayers Office (MTO), the Micro & Small Taxpayers Office (MSTO), the Government Businesses Taxpayers Office category (GBTO), and the Individuals & Enterprises' Taxpayers Office (IETO) [(FIRS Annual Report, 2012)]. Tax agencies are encouraged to build active partnerships with their respective authorities and external stakeholders to establish inter-departmental cooperation and strong collaboration for promoting voluntary tax compliance (IMF/FAD Mission Report, 2014). The FIRS must also develop linkages across projects in the modernization programs that support the self-assessment tax regime and employ multi-functional and segment-focused taxpayer compliance strategies to optimize tax collection generally (FAD Report, 2016).

In June 2017, the FIRS, in collaboration with the Ministry of Finance, introduced the Voluntary Assets and Income Declaration Scheme (VAIDS) by signing an executive order by the government (Onwelumadu & Onuora, 2021). The tax amnesty offered a 12-month window for the affected taxpayers (individuals and corporations), at home and abroad, to voluntarily report previously hidden assets and income and to pay accrued tax liabilities that might have arisen between 2010 and 2015 (FIRS Sensitization, 2018). The order granted a waiver of payment of accumulated interests, penalties, and immunity from prosecution. Although the program yielded less than 10% of the target of at least $1 billion, it boosted government revenues and increased tax awareness and compliance (FIRS: Collection Report, 2019).

At the expiration of the VAIDS program, the government introduced another scheme, the Voluntary Offshore Assets Regularization Scheme (VOARS), which required Nigerian taxpayers to disclose all their offshore assets and pay the appropriate tax on them (Joseph & Omodero, 2020). The scheme offered relief of a one-time levy of 35% on such assets to protect against legal prosecution against defaulters. In the experience with VAIDS, some concerns about the scheme made it unattractive (FIRS Sensitization, 2018). Also, in 2018, the FIRS took an unusual step by directing the banks to freeze the accounts of over 6000 firms that defaulted on tax payments (Ironkwe & Agu, 2019). Within a few months of its introduction, the FIRS generated over N23 billion from suspended corporate bank accounts of some taxpayers, particularly from about 3000 taxpayers who had deducted VAT and WHT on behalf of the FIRS but failed to remit them to the Treasury (FIRS Sensitization, 2019). Each country's tax reform experiences offer a different lesson, depending on how they have coped with their tax reforms (Bird, 2004). Ebieri & and Ekwueme (2016) concluded that the more robust tax reform is, the more efficient the tax system and structure would be and the higher the tax yield from business activities.

Tax Innovations to Promote Voluntary Compliance

Nigeria predominantly depends on oil revenue (averaging 40% of total revenue during 2016-2020), although non-oil tax revenue has improved significantly during the same period. Non-oil revenue as a percentage of GDP, projected to increase to 10% in 2017, is still low by regional and international standards. The contribution of the various tax heads is also relatively low. Nigeria's National Tax Policy (2012) recognizes the need to diversify the revenue base and optimize revenue collection. The separate Fiscal Tax Administration (FAD) technical assistance missions in 2015 and 2017 have identified some challenges facing the FIRS and recommended some remedies, most of which have been implemented. The mission visits have developed a detailed roadmap for improving revenue collection and strengthening taxpayer compliance. It advocated a strong partnership with stakeholders, particularly industry and professional groups, to enhance voluntary tax compliance (IMF/FAD, 2016). The partnership should involve dialogue and obtaining external input as the FIRS designs new processes and works to improve voluntary tax compliance (Marshall, 2009).

Specific innovative initiatives likely to promote tax compliance

The attainment of a sustainable balance in an economy is the goal of every government (Chouinard et al., 2014), and this explains the continuous drive by governments to search for new streams of revenue sources through which more taxes can accrue for additional expenditure toward achieving set goals for their countries (Kwanga, 2017). A combination of complementary investments in enforcement, facilitation, and trust factors, can encourage voluntary tax compliance, generate sustainable political support for reform, and create conditions likely conducive to building a more robust fiscal contract (Prichard et al., 2019). A significant challenge for all governments is to find the right combination of these three (3) measures: enforcement, facilitation, and trust, to achieve higher revenue and broader development goals (Cobham & Jansky, 2017).

Nigeria has embarked on several reform actions to strengthen the tax administration, most of which took place under unfavorable macroeconomic circumstances, such as rising inflation and unemployment, which might have necessitated changes to the tax structure and tax rates to stabilize the economy (Dom, 2019). Frequently, tax administrators are made to cope with a barrage of tax reforms, interspersed with several ad hoc changes in rates, exemptions, and remittance dates, introduced primarily to raise revenue collection (Moore, 2014), worsened by bouts of high inflation. This occurrence could complicate the efforts of tax officials because of the likely changes required to ameliorate the impact and effects of inflation on compliance (Bird & Zolt, 2008). Despite the apparent challenges, Nigeria has managed to enhance the quality of its tax administration during the first decade of the tax reform program, spanning from 2002 to 2012 (FIRS Report, 2016). The achievements have proved that, given the right conditions, efficiency can be significantly improved

(Silvani, 2010). However, the achievements have not diversified the country's economy (Sanni, 2012). Nigeria's weak economy cannot absorb pressure (Adamu, 2015), and therefore, the authorities should keep experimenting with other tax policy options. Despite the perennial challenges confronting the tax system, empirical evidence has shown that taxes accruing to the central account are rising (Abata, 2014). However, even with the yearly increases in tax efforts, the country's tax/GDP ratio still falls short of the IMF's estimated ratio of 15% (Olusanya & Mekuyi, 2018), which is the primary reason for the frequent tax reform initiatives (Abdul-Rahman & Joshua, 2013).

The reported achievements of the country during the 2004-2014 tax reform years have encouraged other neighboring African countries to consider similar tax administration reforms to embrace the more extensive tax reform and modernization programs for developing countries (Prichard et al., 2019). The tax reform achievements have been linked to three main factors that focus on the simplification of the tax system, the packaging of the reform as a strategic plan, and a focused commitment to tax reform at the top executive and managerial levels (Somorin, 2012).

Taxation is an instrument for income distribution and economic readjustment (Tax Policy: Nigeria, 2016). A reliable tax regime would attract investment and foster economic growth. A robust revenue collection is an integral component all modern states or nations must have to render social benefits to their citizens (Abata, 2014). When tax administration is improved, it leads to sustainable revenue achievement. At the same time, it will diminish the inequalities in wealth through adequate enforcement of taxes across different taxpaying groups (Silvani, 2010). Although there have been significant achievements to date, the government must still do more to reform and modernize the country's tax administration system (IMF/FAD, 2013). This sub-theme has examined specific critical issues deserving attention to correcting FIRS operational concerns. Valuable ideas have been thrown up in this section to guide the thinking of the various tax authorities, as summarized here under:

Performance Indices Relevant to Tax Administrations

The proper design of performance indicators for tax administrations continues to be a significant challenge for most tax officials, requiring considerations beyond routine inspection, tax collection, and taxpayer services (IMF/FAD, 2013). For effective comparisons, there should be an understanding of the standard methodology and transparent statistical information between countries (Sabatini & Jimenez, 2012). However, most tax authorities in developing countries rely on aggregate tax collection to measure performance rather than focusing on each function's roles or work within the organization (Attila, Chambas, & Combes, 2008). From such clearly defined activities, appropriate measurement indices would then emerge. While revenue is one of the critical measures of a tax agency's effectiveness, over-reliance on revenue targets as the principal indicator of every unit's performance could be detrimental to improving business results over the long term and has other risks (Gordon & Li, 2009). Focusing on revenue alone can lead to overly aggressive and inconsistent enforcement actions (Schneider, Buehn, & Montenegro, 2010), leading to an under-assessment of tax liabilities to get the taxpayer's agreement. High-performing tax agencies use balanced measures that focus on the real work of each function (Keen & Lockwood, 2010). Pressures to meet short-term revenue targets permeate every facet of the FIRS performance; even the performance bonus due to staff is tied to meeting revenue targets only (IMF/FAD, 2013). Surprisingly, revenue targets are proposed for critical functions, such as Legal and Prosecution and Tax Investigations and Special Enforcement departments, whose role typically focuses on indirectly supporting or enhancing revenue (IMF/FAD, 2013). These functions thus resort to easy targets as this is the only way to meet short-term revenue targets (Everest-Philips, 2008). Regular monthly reports prepared by the field offices and submitted to the headquarters mainly report revenue performance vis-à-vis the targets and other measures not reported uniformly (IMF/FAD, 2015). The management information system (MIS) data is questionable, and little analysis is done outside the assessment of revenue trends

(IMF/FAD, 2015; Keen, 2011). When there is an over-emphasis on revenue targets, the organization's ability to innovate and develop products and services is diminished (Adams & Bevan, 2005).

At the moment, a sophisticated tool commonly used and supported by the IMF is the Tax Administration Diagnostic Assessment Tool (TADAT), which provides an objective, standardized performance assessment of a country's system of tax administration, including insights into tax policy impacts on tax administration (Brockmeyer et al., 2019)). The framework for TADAT helps to assess performance across the nine (9) critical performance outcome areas (POAs), viz., tax registration, risk management, compliance support, timely tax filing, online tax payment, the accuracy of tax returns, the protection of taxpayers' rights, improving tax accounting, and embracing transparency and governance accountability (Dabla-Norris et al., 2019). The functions prescribed by TADAT have inspired innovation and promoted risk management practices, including compliance-based processes (Nyanga, 2021).

The FIRS must strive to break down its activities to determine the critical factors contributing to revenue mobilization while managing the performance of each of the TADAT-defined functions and processes to optimize tax receipts. For example, taxpayer service, registration, filing, collection, debt recovery, audit, and appeal functions are known to impact aggregate revenues and costs of collection (Gordon, 2010). If the functions are managed carefully, the emphasis on achieving annual revenue targets would be minimal (Cottarelli, 2011). What is urgently required now, is to improve the quality and timeliness of management data (Gordon, 2010) and the measurement indices to manage revenue collection in the short term, with possible long-term improvements to increase taxpayers' compliance.

Fiscal Decentralization and Revenue Assignments to the Subnational Governments

Revenue assignment aims to secure adequate funding levels so that sub-national governments can implement their planned budgets (Ter-Minassian, 2012). Sub-national governments require revenue autonomy to enhance political accountability (Purohit, 2012). Evidence shows that higher revenue authority assigned to sub-national entities is associated with more robust macroeconomic stability (Martinez-Vazquez & McNab, 2006). But how much tax autonomy should the sub-national governments need? The generally accepted rule is to raise their funds as provided in the law while they operate with hard budget constraints (Brun et al., 2010). Fiscal decentralization promises to strengthen democratic representative institutions, increase the public sector's overall efficiency, and improve social and economic welfare (Davis, 2011). It is often believed that fiscal decentralization deserves some revenue autonomy at the regional and local levels of government, making it imperative for policymakers to rationalize which taxes should be allocated to the different levels?" (Martinez-Vazquez, McLure & Vaillancourt, 2006).

A common occurrence among countries adopting decentralized fiscal reform is to overlook the "completeness" of a decentralized system and embrace a different form of decentralized system that allows the central government to share revenue with the other levels of government (Martinez-Vazquez & Bird, 2011). The consequence is the inability to enjoy the benefits associated with power devolution. It might also result in deficits for the central government while it creates macroeconomic instability at the same time (Burki, Dillinger & Perry, 1999).

In Nigeria, the sub-national authorities have persistently clamored for full implementation of fiscal federalism, to allow them to administer some of the taxes under the federal government's control (Bird, 2012). This arrangement seems to limit the powers of the subnational authorities. For example, the agitation for VAT collection by the sub-national government was, at a time, contested in the courts, although was partially resolved by the Supreme Court in favor of the central government. Also, personal income taxation is currently assigned to the sub-national level as Section 2 (1) (a) of the Personal Income Tax Act (PITA) No.104 of 1993 states that "tax of an amount determined under the Sixth Schedule, shall be paid for each year of assessment on the total income of every individual or corporation sole, or body of individuals, deemed to be resident for that year, in the relevant state under the provisions of the Act." However, from experience, most of the sub-national tax authorities do not have adequate capacity and competence to administer personal income taxation as efficiently as may be desired (Afonso & Arajuo, 2008). It will, therefore, benefit the country better, if the taxation of persons or individuals is centralized and managed by the central government. However, the revenue accruing from this source should be reserved for sole use by the subnational government, subject to the deduction of a token amount to cater for the cost of collection (Werneck, 2008). This suggestion becomes necessary given that income distribution is an economic objective for the central government, as a result of the incessant mobility of the taxpayers (Smart & Bird, 2012). Another reason for the recommendation is that progressive income taxes act as automatic economic stabilizers (Weingast, 2009; Oates, 2008), the functions of which can only be effectively managed centrally. Empirical evidence suggests that progressive personal income taxes are not a good choice for tax assignment to the sub-national government (Martinez-Vazquez, 2007). Also, corporate income tax is another example of taxes that should not be assigned to sub-national authorities (IMF/FAD, 2015). Such a tax can be more appropriately handled centrally because of its link to other macroeconomic stabilization objectives. To the extent that rich people own corporations, the tax can affect income redistribution (Ainsworth, 2007).

Another poor choice of taxes for assignment to the sub-national government is the Value Added Tax (Bird, 2012). The main difficulty here is that the VAT debiting and crediting systems are likely to occur in different sub-national jurisdictions, suggesting an arbitrary apportionment of VAT revenues across those jurisdictions (Hunter & Van Reyneveld, 2008). Even though the sub-national governments currently administer personal income taxation, there are compelling reasons why their administration should be vested in a single tax authority for uniform application of the law and to take advantage of the benefits of economies of scale (Mochida et al., 2012). Given that the SMEs (sole proprietors and partnerships) are registered with the FIRS for VAT operation, it will be appropriate for the affected taxpayers to continue their interaction with only one agency from a compliance perspective (IMF/FAD, 2013). Similarly, private and public sector employers must withhold personal income taxes from employees' salaries under the Pay-As-You-Earn regulations. They must deal with various states' services wherever their employees reside (Gilbert, 2010). Subject to serious discussion on federal-state constitutionality, consideration should be given to assigning the administration of PITA entirely to the FIRS, as the central tax authority in Nigeria, while the accruing tax receipts from the respective tax jurisdictions would flow directly to the states for sole use, subject to a mutually agreed percentage as cost of collection (IMF/FAD, 2015).

Extensive Use of Withholding System to Improve Compliance

The Nigerian tax system uses withholding mechanisms to collect indirect and direct taxes (Kiabel & Nwokah, 2009). Most countries resort to this step for wages and salaries and those with tax compliance issues (Lubian & Zarri, 2011). The withholding of business income is particularly common in developing countries, where governments lack the resources and capacity to measure accurately and tax firms' activities (Slemrod, 2008; Brockmeyer & Hernandez, 2019). This collection mechanism relies on government agencies, financial institutions, and large firms to collect taxes from other firms in their commercial network (Kagan, 2021). Its use has increased over the last two decades, but little is known about its implications (Garriga, 2021). Sometimes, the government may waive the obligation to withhold taxes from taxpayers with a history of compliance or other mechanisms to collect the tax, mainly where the taxpayer or the transaction details are verifiably known to the tax authorities (IMF/FAD, 2016).

The WHT tax regulation defines a person liable under the order as "a body corporate and unincorporated, government ministry, department and agency, local government, a statutory body, public authority, and an institution, organization, establishment, and enterprise which operates the pay-as-you-earn (PAYE) system." (FIRS Circular, 2006). The regulation specified the rates at which tax is to be deducted from various services. The withheld amount is treated as credit in favor of the taxpayer's account. If excess tax is deducted, it results in a tax refund; if less amount is deducted, the taxpayer would owe taxes to the tax authority (FIRS, 2018). All government agencies in Nigeria are obliged to play a significant role as tax agents in withholding VAT, CIT, and PIT on contracts, including salaries and wages (Azzez, 2009). The justification for the arrangement is that only a few agents are involved, and their compliance should generally be good (Rotberg & Gisselguist, 2009). However, empirical studies show that this assumption is no longer valid, given that most government agencies and institutions at the three-tier level of government currently constitute the largest debtors (Quadri, 2010). They deduct taxes from payments to various contractors but fail to promptly remit the deductions to the relevant tax authorities, as the regulation prescribes (FIRS Annual Report, 2016).

The dependence on withholding taxes in Nigeria is quite extreme and reflective of faults in the design of the VAT regime, ranging from the absence of a registration threshold, the weak state of tax administration, and a culture of non-compliance (Somorin, 2012). The IMF had suggested that while it could be risky to dismantle the current withholding system prematurely, a gradual relaxation should be considered for business income withholdings as the administration strengthens. The culture has now shifted to more voluntary compliance (IMF, 2013). Empirical evidence indicates that companies in the building and construction sector and those engaged in manufacturing activities are affected mainly by this complaint. They have often reported their concerns to the government concerning tying down their capital through withheld taxes, the refund of which could take several months or years to claim.

Cost-of-Collection (Efficiency cost) in Tax Administration

In the pursuit of achieving sustainable development, Norman Williams (2021) posited that it is essential for each country to have its resources and management capacity. The tax authorities interpret and enforce the tax laws (Dohrman & Pinshaw, 2009). Until recently, there has been little systematic information on how "efficient any tax administration may be in using administrative inputs (e.g., personnel, materials, information, laws, procedures) to generate "output" (Alm & Duncan, 2014). The more effectively they apply their financial resources, the more efficient the tax administration is (Sabatini & Jimenez, 2012). As treasury officials manage to consolidate government finances, stricter controls are placed on the funds available to tax authorities due to the growing caution to increase efficiency and reduce costs, even where the tax agencies would provide better services to the taxpayers (Sabatini & Jimenez, 2012). Improvement in tax efficiency is determined by how well a tax authority designs its organizational structures, allocates its funds to meet modern or new initiatives, utilizes ICTs and e-government programs to reduce costs, and determines the remunerations and mix of the staff (Samaniego Breach et al., 2009). Inter-country comparisons of tax administration performance are based on tax efficacy and efficiency. Economists often use the concept of "cost-of-collection" when comparing tax administration efficiency. This indicator generally measures the tax authority's overall efficiency, comparing the agency's total spending with total tax collection in a given period (Pecho, 2011). Although the current data has some limitations, they are still used in research examining tax agencies (Robinson & Slemrod, 2012). The term ‘collection efficiency’ also refers to the resultant level of revenue attributed to all the efforts of the tax authority to encourage taxpayers to comply with tax laws, such as tax delivery services, tax registration, helping to complete tax forms, audit inspection, various collection activities, and protecting the government's interests (Samaniego Breach et al., 2009). If observed over time, a downward trend suggests a decline in relative costs (i.e., improved efficiency) or improved tax compliance (improved effectiveness). The Nigerian tax authority has performed well in this area of cost management. However, a lot still needs to be done to reduce the cost of collection, as pieces of evidence abound accusing the FIRS of spending money on frivolities that are not associated with the task of revenue collection. The average efficiency scores indicate that countries should collect their current revenues with approximately 10-16% fewer inputs (Alm & Duncan, 2014).

Another performance indicator commonly used to assess revenue agencies is the aggregate cost or expenditure as a percentage of GDP, which remains unchanged in most OECD countries today. In 2010, a low rate of 0.25% of GDP was approved as the average cost incurred on tax administration in the OECD. The computation of this ratio of cost efficiency should always be carried out with caution, given the disparity in tax burden, differences in the range of taxes in the stable, the impact of the more critical economic conditions on tax collection, and cost differences emanating from institutional arrangements (e.g., multiple agencies involved in revenue management). The factors mentioned earlier could influence the calculation of efficiency ratios. The present experience with the FIRS appears reasonable as the organization currently enjoys 4% of total non-oil tax receipts monthly as a cost of collection, duly approved by the National Assembly (NASS). The computed indices for 2014 - 2020 indicate that FIRS is operating below the 0.27% level, the average within the OECD (see Table 11). However, as the Nigerian tax system is not as organized as applicable within the OECD, it might be possible to further reduce the current efficiency rate to guide against frivolous spending, including expenditure heads relevant to tax administration in any material respect.

Recognizing Taxpayers as Customers

"Customer is King" is an old business concept that reflects the importance of customers or consumers in everyday business (Rai, 2017). Essentially, it is a statement supporting the promise to provide good products or services with emerging technology. Modern tax administrations now shift focus from a hostile (antagonistic) climate where coercive power prevails, with taxpayers working against tax authorities (Kirchler et al., 2008). In a business, the firm is expected to give the customers the best service, give them some power, and improve their lives. An enabling tax regime is imperative for collecting taxes required by the government to catalyze the economy. However, funding the provision of public goods and services through taxation usually presents a social dilemma. The short-term interest in reducing tax payments is at variance with the long-term collective interest to ensure adequate tax revenue to finance public goods and services (Balliet & Van Lange, 2013). Therefore, documenting the taxpayers' rights in a tax charter is crucial in recognizing taxpayers as customers. Fostering the perceptions of trust, fairness, and transparency in the tax administration would promote voluntary tax compliance. In a hostile climate, there is a feeling that tax authorities are interested in punishing taxpayers. Aside from the costs associated with a tax audit, when a taxpayer is non-compliant, he might develop opposition and reluctance (Braithwaite, 2009; Kirchler, 2007), causing tax behavior and collection instability.

There might be a need to combine some measures of coercive power, like audit visits and penalties, to change a hostile climate into a service climate. With legitimate power established, reasoned trust will likely increase, implying that a service climate is achieved through voluntary tax cooperation (Van Vugt & De Cremer, 1999). Tax authorities can improve power legitimacy through service improvement, e.g., comprehensible tax procedure code supported with web-based telephone services, to be perceived as motivated, competent, and benevolent (Alm & Torgler, 2011). A unit known as the Taxpayer Advocate Service in the United States protects taxpayers' rights and ensures the tax authority's accountability. Greater attention to tax authorities' accountability would help build trust and ensure compliance (Dash & Kaur, 2020). Like an individual's legal right, taxpayer rights protect taxpayers from exploitation. Only a taxpayer charter would offer such protection and the taxpayers' obligations. The process will be enhanced and supported with specific tools, such as taxpayer feedback surveys, to protect the accountability clause, promote trust, and strengthen compliance. There might be references to publications listing FIRS's endeavors to deliver efficient tax administration and encourage voluntary tax compliance in Nigeria. The documents will also enumerate service delivery standards, outline taxpayers' expectations from the authority, and provide an appeal or grievance mechanism. However, no evidence suggests that such proclamations were ever defended, nor are taxpayers' rights ever addressed. In the researcher's view, enshrining taxpayer rights in the statute would allow them to recognize sanctity, visibility, and enforceability.

The existence of a service climate in tax administration promotes tax efficiency. It is based on legitimate power and reasoned trust, likened to a ‘service and client’ attitude, implying that taxpayers and tax authorities collaborate based on defined rules and standards (Wahl et al., 2010). Tax authorities regard taxpayers as clients expecting professional, fair, and supportive services (Hoffmann et al., 2014). Taxpayers reciprocate the gesture by contributing their tax share towards development. Those who perceive the tax authorities as helpful and professional tend to cooperate voluntarily (Kirchler & Wahl, 2010), thereby viewing payment of taxes as an obligation and necessity without which the state cannot provide public goods to its citizens (Kirchler & Wahl, 2010; Wahl et al., 2010). This assumption has received empirical support, indicating a strong relationship between legitimate power, service climate, and voluntary cooperation (Hoffmann et al., 2014). Over time, a service climate develops into a confidence climate, and the collaboration slowly changes to cooperation, given the stable, friendly experiences (Verplanken, 2006). Partnership firmly based on trust, initially based on careful consideration of personal risks and others' intentions, becomes automatic with repeated friendly experiences (Castelfranchi & Falcone, 2010). These recounted pleasant experiences implicitly expect the other party to respect the agreed rules and standard practices. Accordingly, reason-based trust decreases in the long run, while implicit trust increases over time (Castelfranchi & Falcone, 2010). A climate of confidence is achieved when, for instance, the tax authorities establish a strong relationship based on fair play with compliant taxpayers (Adler, 2001; Alm & Torgler, 2011; Ouchi, 1979). Also, establishing appropriate rules in the taxpayer relationship guarantees mutual trust-based collaboration (Schepers, 2010).

Summary of the Chapter

Chapter 2 of this dissertation began with a restatement of the research purpose: to study the relationship between stakeholders' engagement as a strategy for promoting voluntary tax compliance. The research sources for the writing of the chapter included Google Scholar, Semantic Scholar, Science Direct, and a few other sources, which were all relevant to my library databases. The most frequent search terms during the review were tax compliance, cost efficiency, tax non-compliance, stakeholder engagement, stakeholder management, tax reform, tax gap, tax puzzle, fiscal federalism, economic growth, and development.

Tax non-compliance has continued to pose a general concern for governments and tax authorities in developing countries, and has continued to attract the keen attention of most researchers in economics, sociology, psychology, and public finance (Ross & McGee, 2012). It is an important phenomenon that affects both developed and developing economies (Hendriks & Weber, 2008), although the trend is notably worse in developing countries (Mas'ud, Aliyu & Gambo, 2014). The available records on countries' tax potentials have suggested that a country, with the size and structure of Nigeria's economy, with a similar low per capita income level, should attain a non-oil tax capacity of at least 16% (IMF, 2015). However, the haphazard nature of the Nigerian tax administration system has not improved the tax compliance situation; hence, the continuously low tax collection results in a meager 6% tax/GDP ratio (Murphy, 2019).

The study of tax compliance lies within the taxation discipline, with a linkage to the study of economics and accountancy (Andreoni et al., 1998). Extant tax compliance literature states that different factors can explain individuals' compliance decisions. These factors are grouped under five (5) major compliance theories, including the deterrence/economics theory, the social psychology theory, and the fiscal exchange theory. The comparative treatment theory and the political legitimacy/trust in government (McKerchar & Evans, 2009; Fjeldstad et al., 2012). The grouping is based on the literature review of the OECD Forum of Tax Administration (OECD, 2015). The World Bank/IMF had projected a 15% tax/GDP ratio as crucial for countries desirous of economic growth and poverty reduction. Gaspar, Jaramillo & and Wingender (2016) observed that the IMF projected ratio of 15% represents the 'tipping point.' This study seeks to determine the extent to which stakeholders' engagement can help promote tax compliance in Nigeria. This multi-stakeholder platform (MSP) provides a forum for dialogue and mutual learning to inform decision-making. It represents an important element of effective stakeholder participation in the design, implementation, and assessment of policies.

Empirical evidence on stakeholder engagement has revealed that stakeholder engagement (SE) can yield better decision-making, increased social learning, and more precise stakeholder communication (Hinchcliff et al., 2014). The process should promote a culture of empowerment, trust, and equity and represent the stakeholders' interests. It should emphasize participation rather than securing a social license or reducing conflict (Butler & Adamowski, 2015). In firms, two types of stakeholders can directly or indirectly affect the firm's activities and performance. These are the primary and secondary stakeholder groups. The primary stakeholders comprise the employees, suppliers, customers, community, and shareholders, while the secondary stakeholder group represents the government, competitors, influential advocacy groups, and other interest groups, including the media (Drummond et al., 2018; Torvinen & Ulkuniemi, 2016).

The National Tax Policy (2012) for Nigeria identifies five (5) categories of stakeholders in the country's tax administration, including the government, taxpayers, revenue agencies, professional bodies, and the media and advocacy groups. Each group is assigned specific tasks and responsibilities to implement the statutes and sustainable development of the country's tax system (Sanni, 2016). The philosophy of stakeholder engagement is that the critical stakeholders in a project should have the opportunity to be part of the decision-making process (Nystrom et al., 2018). This fundamental understanding differentiates stakeholder engagement from communication management, an activity that only shares and discusses decisions already made (Rasche and Esser, 2006). In conceptualizing how stakeholder engagement can promote tax compliance, consideration should be given to the relevance of the stakeholder theory, defined as "a set of relationships among groups that have interests in the firm's activities” (Freeman, 1984; Jones, 1995; Walsh, 2005). The proposed conceptual framework adopted a multi-stakeholder engagement approach. Engagement with a wide range of stakeholders in priority-setting is considered the ideal form of interaction with high potential impact (Voko & Cheung, 2016). This proposal anticipates a firm reliance on tax education and massive tax enlightenment among the different taxpayer groups to influence individual attitudes toward developing a positive tax culture towards all taxpayers.

A precursor for an efficient tax administration is a taxation regime reflecting the canons of a good tax (Patzold, 1999). This condition guarantees cooperation and regular interaction between the state and its citizens (Dubs, 1998). Nigeria once operated a regional fiscal administration system before the military took control of the governance and administration in 1966, destroying the old, region-based political systems and centralized authority (Offiong, 1999; Arowolo, 2011). The trend toward a more centralized administration manifested by adopting the federal fiscal approach (Ewetan et al., 2020; Ola, 2019). A federal system of government provides for the division of power between the central authority and the sub-nationals, giving each level a relatively substantial responsibility with a delegated expenditure function commensurate with its authority (Herber, 1979). Under the relevant statute, the tax collection system involves the three tiers of government, each functioning under appropriate laws and regulations, as provided in the Nigerian Constitution (Enahoro & Jaiyeola, 2012). The constitution of Nigeria has provided powers for the sub-national tax agencies, but their overall performance is far from satisfactory (Bello-Imam & Agba, 2004). The idea of a system suggests harmony between the taxes and fiscal objectives, prompting Collosa (2017) to postulate that a country's tax system represents the regular interaction between different taxes in operation at a time (CIAT, 2017).

Nigeria's tax regime combines direct and indirect taxes (Kiabel, 2014). Currently, over 60 taxes and levies are listed in the Schedule to the Amendment Order of 2015 (9 in Part I, 25 in Part II, 21 in Part III, and 6 in Part IV, as a result of additional 22 taxes and levies recently added to the list (Edori et al., 2017). The tripod legs of a tax system include tax policy, law, and administration. All the components must regularly interact to achieve efficiency and effectiveness in the tax system (Dike, 2014). The IMF (2015, p. 6) noted that “improving compliance is a core development objective, both to enhance revenue and as essential to building strong, trusted public institutions." However, ample evidence shows that tax non-compliance is a common factor among all the taxpayer groups in Nigeria (Quadri, 2010; Nigeria: Joint Tax Board, 2016). Major taxpayer groups in Nigeria are the wealthy/rich individuals, partnerships and professionals, corporate entities, and government agencies (FIRS Report, 2012).

With an adequately coordinated stakeholder engagement, most taxpayers would become compliant, fulfill their tax obligations, and pay taxes to the government (Gitaru, 2017). Empirical studies have shown that taxpayer education and cooperation can promote voluntary tax compliance (Gitaru, 2017). As a remedy for increasing tax collection, there is a need to have a broad-based tax strategy, focusing on critical tax functions with measurable outcomes (IMF, 2016; Raczkowski, 2015). Extant literature suggests that a sound tax system promotes economic growth and development (Gravelle, 2014). Taxation is a fiscal instrument used by governments to mobilize domestic resources and promote economic growth and development (Adereti et al., 2011). Effective domestic tax mobilization can reduce countries' reliance on external flows, which are highly volatile (UN. Report, 2015). Generally, the interactive effects of taxation policy determine the growth and development of any country's economy (Nwaorgu et al., 2016). Nigeria aspires to be one of the largest twenty-strong economies in the world by 2030. This vision continues to guide its tax policies and strategies by investing so much capital resources in the critical areas of security and infrastructural needs. The aspiration is necessary to promote the country's economic growth and the citizens' well-being (Nwadialor & Ekezie, 2016).

An efficient tax regime could help the government shift focus away from reliance on crude oil to other economic areas to boost the economy (Oyewo, 2013). All countries require taxes to finance their implementation of sustainable development goals, which would bring enormous improvement to their people's well-being and stimulate the growth of their respective economies. Pursuing these noble objectives prompted two fundamental economic principles that form the basis of modern taxation, viz., ‘the benefit received’ and the ‘ability-to-pay’ theories (Dessai et al., 2004). The benefit received principle, also known as ‘vertical equity,’ states that a person is liable to tax depending on the benefits he has enjoyed from the government through social services (Kiabel & Nwokah, 2014). Direct tax is imposed on individuals or businesses. It is determined by an individual’s ability to make a tax contribution, often measured by earnings, consumption, or net wealth (Taylor, 2012). An indirect tax is imposed on goods and services produced or consumed, including imports and exports (Kelly, 1999). Prest, A. R. (2007) noted, "Over a wide range, direct and indirect taxes are alternative methods of achieving any particular redistribution of income on which the government of the day may be inclined." Richardson (2012) suggested that taxes may also be classified based on their effect on the distributed income. Taylor (2012) defines the forms of taxation as follows: "A proportional tax applies the same tax rate to all income groups.” A progressive tax demands a higher contribution from high-income than low-income groups (Horton, 2021). A regressive tax imposes a heavier tax burden on lower-income earners than the high-income groups. It has a lower tax impact on wealthy individuals than the lower-income group (Uradu, 2021).

Taxation, as a tool, serves several purposes, which include domestic revenue mobilization and income redistribution (Ray, 2014). The nexus between taxation and economic growth was examined, resulting in different findings (Soyode & Kajola, 2006; Tosun et al., 2005). However, a significant conclusion from all the studies is that taxation positively impacts economic growth (Bamidele, 2020). Despite the reported yearly increases in tax collection, the performance remains far from the expected 15% tax/GDP ratio projected by the World Bank/IMF missions as the 'tipping point' for promoting growth and development (CITN., 2010), even with occasional increases in tax collections. This fact may explain the reluctance of policymakers to dismiss the possibility that taxes positively affect economic growth (Wasylenko, 1997). Also, the per capita income, evidence of the citizens' well-being, has remained static for several years. For this reason, the government must continue focusing on regular tax reform as a major strategy. Tax reform is a fundamental change in the structure of one or more taxes or countries' tax systems to improve their functioning and achieve the objectives (Herbert et al., 2018). Reform has been a regular feature of the Nigerian tax system since the early 1970s, partly due to its weak structure, which Anyanwu (1997) noted as complex and inefficient and unable to promote the principles of elasticity, equity, and fairness. Tax administration reform is a tacit admission of the failure of the existing system (Mckerchar & Evans, 2009).

Tax reform has, over time, become a necessary step to identify and remediate any observed deficiencies inherent in an inefficient tax regime (OECD, 2015). Many authors have suggested that tax reform could help address the challenges of low revenue collections in developing countries (Taliercio, 2004; Ogbonna & Ebimobowei, 2012). Tax reforms have taken place in other countries to improve their tax systems. Tax reforms aim to improve tax collection machinery, boost compliance among different taxpayer groups, and make the environment investment-friendly (Joseph & Omodaro, 2020). It is typically undertaken to strengthen tax administration efficiency and optimize the economic and social benefits achievable through the tax system (Ironkwe & Agu, 2019). At one time, economists viewed taxation as a reliable policy tool, performing the "dual role of securing resource transfers to the public sector and inducing the private sector to operate in conformity with plan objectives." (UN-ESCAP, 1983, P.405). But today, new thinking has emerged on the role of tax reform (Byanima, 2014). The view gaining acknowledgment in academic and international circles is to assign the tax system a much narrower role, focusing on mobilizing domestic revenue (Fjeldstad, 2014). Since 2004, Nigeria has witnessed several tax reforms in a more comprehensive economic reform program to improve voluntary tax compliance, increase growth, and achieve macroeconomic stability (Olajide & Associates, 2013).

The current tax reform of the Nigerian tax administration focuses on ten (10) major areas, which include a sound governance structure, a function-based organization, taxpayer segmentation, financial autonomy, and a strong HR backed by intensive training. Other focus areas are functional/ organizational realignment and staff rationalization, re-engineered business processes, extensive IT support, and comprehensive taxpayer services to a modern tax operation supported by an operational tax code (FIRS Report, 2012). The FIRS (Establishment) Act 2007 allowed the organization to enjoy full human resources and financial autonomy (Okauru, 2012). The more robust a tax reform is, the more efficient the tax system and structure and the higher the tax yield from business activities (Ebieri & Ekwueme, 2016). Despite the various challenges to the Nigerian tax administration, its quality has considerably improved. Recent achievements have shown that under the right conditions, efficiency is significantly impacted in a relatively short time (Silvani, 2001).

The last sub-theme under Chapter 2 raised some tax issues requiring FIRS intervention and government support urgently. One of the issues is the approach being adopted for the evaluation of tax administration performance. Most tax authorities in developing countries rely on the overall level of tax collection as the performance measure rather than focusing on the roles or work each function performs within the organization. Therefore, all governments would continue searching for potential revenue streams to generate higher taxes in countries' quests to achieve a sustainable balance in their economies (Chouinard et al., 2014). Appropriate measurement indices would emerge from describing the different activities (Adams & Bevan, 2005). However, tax administration performance measurement is more than meeting revenue targets (Silvani et al., 2010; Castro et al., 2009). It might be true that revenue is a critical measure of a tax agency's effectiveness. Still, over-reliance on revenue as the primary indicator of every unit's performance could be detrimental to improving business results over the long term and could diminish the organization's ability to innovate and develop products and services (Keen, 2011). The TADAT is a tax performance assessment tool in everyday use, and it assesses the outcomes achieved across nine (9) critical performance outcome areas (POAs), ranging from taxpayer registration to safeguarding taxpayers' rights (Dabla-Norris et al., 2019). The literature shows that high-performing revenue authorities often use balanced measures that focus on the real work of each function (IMF/FAD, 2013).

Another contentious issue for tax administration is the revenue assignment to sub-national governments in Nigeria. Sub-national governments require revenue autonomy to enhance political accountability among their officials (Purohit, 2012). Evidence shows that higher revenue authority vested in the sub-national entities is often associated with more robust macroeconomic stability (Martinez-Vazquez & McNab, 2006). But how much tax autonomy should the sub-national governments require? Fiscal decentralization helps to improve democratic representative processes, promote public sector efficiency, and enhance social and economic welfare for countries adopting the system (Davis, 2011). Given the abundance of skill and tax information at its disposal, it is in the country's interest to assign the administration of personal income taxes to the central taxing authority. When taxes are collected on behalf of the subnational governments, such collections would later be released to them for their regular use after deducting a token amount for the cost of collection (Werneck, 2008).

There is also the issue of the pervasive use of the withholding system in the Nigerian tax administration to correct the challenges of tax non-compliance or poor tax compliance. Nigeria's dependence on the withholding system is quite extreme and reflective of faults in the VAT design, ranging from the absence of a registration threshold, the weak tax administration, and the culture of non-compliance (Somorin, 2012). While it might be risky to prematurely dismantle the current withholding system, a gradual relaxation of the system should be granted to large establishments with a physical presence in the country (IMF/FAD, 2013). The withholding tax system levied on business income is standard where a government authority lacks the resources and capacity to tax the firms' activities (Slemrod, 2008; Brockmeyer & Hernandez, 2019).

Another issue is the determination of appropriate cost-of-collection to make FIRS effective. As all governments attempt to consolidate their finances, strict controls are placed on the funds available to the tax authorities due to the imperatives of increasing the efficiency of tax administrations to reduce costs while providing better services to taxpayers (Sabatini & Jimenez, 2012). Until recently, the absence of comparable data across countries on tax administration has made the comparative analysis of tax agencies impossible (Alm & Duncan, 2014). Efficiency boost would depend on how well a tax authority designs its organizational structures, allocates approved budgets to finance new initiatives, utilizes modern technology, builds on e-government initiatives to control costs, and determines remunerations and workforce mix (Samaniego Breach et al., 2009). Although the existing data in circulation has some limitations, they are applied in research that examines efficiency-related outcomes in tax agencies (Robinson & Slemrod, 2012).

The concluding concern is the need for all tax administrations in Nigeria to treat taxpayers as customers in promoting voluntary compliance. "Customer is King" is a concept recognizing the importance of customers in all aspects of the business (Rai, 2017). Essentially, it is a pledge to provide good products or services with emerging technology. In satisfying the customers, the firm should give the consumers the best, improve their lives, and give them some power. An efficient and effective tax administration enables the collection of domestic taxes needed to grow the economy. Therefore, as a first-step priority, the government must develop a tax charter that recognizes the rights of all taxpayers. This step will ensure the authority's accountability and help build trust and secure voluntary compliance (Dash & Kaur, 2020). The tax authorities should treat taxpayers as clients who expectedly deserve professional, fair, and friendly services (Hoffmann et al., 2014). This tax cooperation reflects the understanding of taxpayers that paying taxes is an obligation and a necessity, without which the state cannot provide public goods to its citizens (Kirchler & Wahl, 2010).

CHAPTER 3: RESEARCH METHODOLOGY

Introduction

The challenges of tax non-compliance in Nigeria have been attributed to the continuing failure of institutional governance at all levels, thus creating public distrust and declining confidence in government activities (Natufe, 2006; Abati, 2006). This apparent concern continues to challenge governments in developing countries (Torgler, 2003), limiting the capacity of revenue authorities to mobilize resources for even development and meet recurrent expenditure objectives. The trend of tax non-compliance behavior among the citizens largely explains the country’s low tax/GDP ratio of less than 6% when most countries within the African sub-region have achieved high-performance ratios of 15-20%. Oyedele (2014) asserted that following the rebasing of Nigeria's GDP in 2013, the non-oil tax/GDP ratio has significantly reduced to become one of the lowest in the world, and indeed the weakest among the emerging economies, comprised of Brazil, Russia, India, China, and South Africa. With the rebased high GDP figures and improved economic growth reports, which put Nigeria's financial data as the highest in the continent (OECD, 2014), it remains a paradox that the country has not translated the high figures into additional tax revenue yields needed for development.

Furthermore, empirical evidence shows that Nigeria's capacity to tax its citizens effectively is weak, even among the Economic Community of West African States (ECOWAS). Oyedokun (2015) also noted some inherent challenges plaguing the country's tax administration, which have continuously hindered the efforts of the citizens to fulfill their tax obligations. The challenges account for the poor tax collection and are primarily responsible for the low tax/GDP ratio of 6% (Adeosun, 2017). The ideal tax/GDP ratio projected by the World Bank/IMF for developing countries is 15%, as the minimum tipping ratio, canvassed as a measure for any country desirous of managing and controlling its resources and wealth (World Bank/IMF, 2016). Increasing domestic resource mobilization is imperative to achieving economic growth and development goals for any country reporting a tax/GDP ratio of less than 15%. Attaining this minimum ratio of 15% would help countries generate sufficient resources to invest in health, education, and infrastructure (Gaspar, Jaramillo & Wingender, 2016).

Most researchers have attributed the challenge of low tax compliance in Nigeria to ineffective tax administration, partly due to reliance on crude oil revenues to the detriment of taxes from other revenue sources and the non-availability of credible data (Oyelade, 2016). The government's previous tax reform programs seemed to have merely scratched the problems on the surface without any significant impact. In addition, the government had conspicuously failed to engage with all the key stakeholder groups to improve tax compliance. However, empirical evidence has shown that strategic communication with key stakeholders could produce economic benefits (Sarker, 2011). Various studies suggest a strong correlation between taxpayer education and compliance (Gitara, 2017); similarly, stakeholder communication improves the effective tax policy-making process (Sarker, 2011), thus suggesting a positive correlation between stakeholder engagement and tax compliance. Resting on the same trend is the proposition that stakeholder engagement would promote voluntary compliance, which is the goal of all stakeholders in the tax administration.

Adopting a Mixed Methods Research

The mixed methods research approach involves the collection and analysis of both qualitative and quantitative data in a single study, in which the data are collected concurrently or sequentially, and also involves the integration of the data at one or more stages in the research process (Gutmann & Hanson, 2002). This approach helps the researcher answer questions that cannot be answered using either qualitative or quantitative methods alone. Mixed methods research provides a more complete picture by noting trends and generalizations, as well as in-depth knowledge of participants' perspectives. The quantitative aspect of the study should require the testing of research hypotheses, which necessarily informs the need for model specification to guide the selection of variables to be included in the study model.

Model Specification for the Quantitative Method.

Model specification in research is the process by which variables are selected for inclusion in a quantitative study model (MacCallum, 1995). The variables appearing in a model, will expectedly, drive what research questions would need to be answered, and which conclusions are to be drawn from the results. In analyzing the data collected, appropriate descriptive and inferential statistics are applied to summarize, visualize, and explore the data, which measures the relationship between stakeholders' engagement (independent variable) with voluntary compliance/tax optimization, tax awareness, and development of a positive tax culture (as dependent variables). Descriptive statistics, which include measures of central tendency, variability, and distribution, e.g., mean, and standard deviation, will be applied to explain the characteristics of the quantitative data collected while inferential statistics will be used to test the comparability of the variables to make informed decisions and conclusions. The researcher administered a Likert 5-scale questionnaire containing various compliance questions to gather the relevant data. Likert scale data can be analyzed as interval data, i.e., the mean is the best measure of central tendency. To help analyze the data and make useful conclusions, the null and alternative research hypotheses stated along with the research questions in Chapter 1 of the dissertation would need to be compared with the data, an action that requires the calculation of a test statistic and a p-value (probability value). The test statistic is a numerical value that measures how far the data are from the null hypothesis, while the p-value is the probability of obtaining the data or more extreme data if the null hypothesis is true. Usually, the smaller the p-value, the more unlikely the null hypothesis is, and the more evidence for the alternative hypothesis. Deciding whether to reject or fail to reject the null hypothesis, would normally require the setting of a significance level, which is a threshold for the p-value. The significance level is usually 0.05 or 5%, and the null hypothesis is successful or retained, only if the p-value is greater than 0.05. relation to the research

In analyzing the data for hypothesis testing, the researcher has used the Partial Least Square Structural Equation Modeling (PLS-SEM), which is one of the most widely used methods of multivariate data analysis. The method has multiple applications, such as Smart PLS and Warp PLS. The PLS-SEM is also known as PLS Path Modeling and it helps researchers to simultaneously analyze relationships between observed and latent variables in a complex model and could be used to perform multiple robustness assessments (i.e., endogeneity test) in considering the measurement error inherent in the evaluation of abstract concepts (Hair & Sarstedt, 2019; Sarstedt et al., 2016). Often, researchers use PLS-SEM for data analysis in their studies. In Smart PLS, users can graphically build a PLS path model and conduct estimation with their data, using basic PLS-SEM (Lohmoller, 1989; Wold, 1982), weighted PLS-SEM (Becker & Ismail, 2016; Cheah et al., 2020a), consistent PLS-SEM (Dijkstra, 2014), and sum score regression algorithms (Hair et al., 2022). The software provides additional algorithms that are useful for understanding and modeling composite-based models, such as advanced bootstrapping (Aguirre-Urreta & Ronkko, 2018; Hair et al., 2022). Additionally, it offers state-of-the-art modeling capabilities and model result evaluation, such as discriminant validity assessment, using HTMT (Henseler et al.,2015), measurement invariance assessment (MICOM; Henseler et al., 2016), comprehensive descriptive statistics (Hair et al., 2022), the goodness of fit criteria (Lohmoller, 1989), and Bollen-Stine bootstrapping-based model fit test (Dijkstra & Henseler, 2015), higher-order models (Cheah et al., 2019), and non-linear relationships (Hair et al., 2018a). SmartPLS provides results in well-organized tables and partly in informative results graphics, enabling users to export the results or reports in Excel, HTML, and R formats, which can be saved for later use. In addition to being able to perform explanatory and predictive PLS-SEM research analysis, SMART PLS fully supports conducting a confirmatory composite analysis (Hair et al., 2020).

Mixed Methods Research (MMR) Approach

In the study, the qualitative approach is first applied, gathering data through open-ended inquiries, interviews, and focus groups from the participants on specific issues associated with the inefficiencies of the tax administration, and the possibility of correcting the obvious reported lapses by experimenting with the suggested stakeholders' engagement strategy. The qualitative study seeks to understand the causes of tax non-compliance from the participant's point of view (Leedy & Ormrod, 2001, p. 157) and explore what specific key tasks or activities would be appropriate as an intervention to help reduce the problems of tax non-compliance. The qualitative approach allows the researcher to obtain as much information as possible from participants in sharing their experiences (Creswell, 1994). The method is an adequate model, occurring naturally and enabling the researcher to develop details from being highly involved in the actual experiences (Creswell, 2003).

The study is an exploratory sequential design, where qualitative data collection and analysis occurs first, followed by quantitative data collection and analysis. This research design is used to first explore initial questions and develop hypotheses. The quantitative data can later be used to test or confirm the qualitative findings. The benefits of mixed methods research (MMR) include the following:

i. "Best of both worlds" analysis; combining the two types of data means that the researcher is benefitting from both the detailed, contextualized insights of qualitative data and the generalizable, externally valid insights of quantitative data. The strengths of one type of data can mitigate the weaknesses of the other. Qualitative studies are not usually generalizable, only reflecting the experiences of participants; so, adding quantitative data can validate the qualitative findings.

ii. Method flexibility: Mixed methods studies are less tied to disciplines and established research paradigms. They offer more flexibility in designing the study, allowing the researcher to combine aspects of different types of studies to distill the most informative results. Mixed methods research can also combine theory generation and hypotheses testing within a single study, which is unusual for standalone studies, be it qualitative or quantitative.

Qualitative research is less structured in its description because it formulates and builds new theories while relying on inductive rather than deductive reasoning (Leedy & Ormrod, 2001).

In contrast, quantitative research focuses on quantifying the collection and analysis of data. It is formed from a deductive approach which allows emphasis on the testing of theory, shaped by empiricist and positivist philosophies. Aliaga & Gunderson (2000) describe the quantitative study as a phenomenon that collects numerical data that are analyzed using statistical approaches. The investigator employs strategies of inquiry, such as experiments and surveys, and collects data on predetermined tools that yield statistical data (Creswell, 2003). The greatest strength associated with a quantitative study is that its methods produce reliable and quantifiable data that can potentially be generalized to a large population (Marshall, 1996). In addition, it is suitable to test and validate already constructed theories about how and why a phenomenon occurs through testing hypotheses that are constructed before the data are collected. In this study, the quantitative method is applied to confirm or refute the central research questions and other separate specific research questions as follows:

i. To what extent can stakeholders' engagement promote voluntary compliance?

ii. Can stakeholders' engagement improve tax awareness and elicit a positive tax-paying habit among the citizens?

iii. Should stakeholders' engagement be supported with tax education and enlightenment activities to be effective?

The study procedure involves the distribution of survey questionnaires to 1,172 respondents, selected from the whole population of defined stakeholders, and complementing the study with direct interviews, and focus groups to help understand participants' understanding concerning the causes of tax non-compliance. However, the difficulty of the qualitative approach is that the researcher usually has a connection, experience, or stake in the situation, so bracketing (setting aside all prejudgments) would become necessary.

The research design phase considers the data collection, measurement, and analysis tools. The study explores answers to the "what" and "how" issues of tax non-compliance and tries to address and predict the research results as expected from the quantitative aspect of the study. It involves defining a central question that states the objective or the problem, having a pre-set procedure or sequence to answer research questions, and reviewing the generated data. The research design combines grounded theory with phenomenology for the quantitative phase while adopting analytical descriptive and inferential statistics for the quantitative phase. This type of research design can run with a small number of samples for the interview and focus group, and inferential statistics for the survey data given the large and diverse population sample.

The study recognizes the ethical research issues associated with protecting the subjects' dignity and the research information's publication, covering issues of participants' informed consent, beneficence, respect for anonymity, and confidentiality, including respect and privacy. As expected, ethics deals with the decision-making dynamics concerning right and wrong, as is typical with all human actions, where scientific research activity is determined by social values developed by individuals and communities. These values often conflict with the participants, communities, and society's values, creating tensions and dilemmas (Clarke, 1991). A research participant should voluntarily support participation in a research undertaking (Armiger, 1997). Before data collection is commenced, all ethical issues must be considered and approved by the relevant ethics committee. The ethical issues of informed consent, risk of harm, confidentiality, and anonymity, including conflict of interest, must be considered and presented with a plan for resolving any ethical challenges.

The study procedure represents the research study's aspects that describe the various methods used to collect research data. It explains how data collection was managed and whether the methods used were replicable and trustworthy. It includes all research-related activities to help achieve the study's objectives and offers viable solutions to any arising problems. The process involves the administration of the survey questionnaires, conducting semi-structured interviews, including focus group discussions, and how the collected data would be analyzed and processed to create meaning in support of the research questions. The research methodology aims to evaluate the impact of stakeholder engagement as a strategy for optimizing voluntary tax compliance. Adopting the appropriate research methodology is vital in choosing the research strategy and must consider the research context, research questions, and the researcher's capability. The research methodology must align with the research's purpose and research questions.

Research Approach and Design

Introduction

In its simplest form, research searches for knowledge and the truth. It is "a task that people undertake to find new things to increase their knowledge systematically" (Saunders et al., 2003). It is a plan for selecting subjects, research sites, and data collection procedures to help answer the research questions. A sound research design aims to provide credible results (MacMillan & Schumacher, 2001). The research approach refers to the plans and procedures for research that encompass the steps from broad assumptions to detailed data collection, analysis, and interpretation methods. The philosophical beliefs of the researcher often dictate the overall decision on a study's approach, the inquiry procedures (research design), the chosen approach, and the specific research methods for data collection, analysis, and interpretation as guided by the research design. These definitions show that research is planned to establish new facts and information about a particular phenomenon.

The research process begins with identifying appropriate methods to examine the research problem. Saunders et al. (2003) illustrate the range of choices, paradigms, strategies, and steps that can be taken by a researcher during the research process with the research ‘onion’ (see Figure 6). The illustration summarizes the critical issues that must be considered and reviewed before research begins. The different layers of the onion serve as a base to explain the researcher's philosophical orientation and the research approach adopted, the appropriate research strategy, the research timelines, and the data collection techniques to be employed.

The study seeks to investigate the effect of stakeholders' engagement in promoting voluntary compliance among the generality of the Nigerian population. Other benefits include improved tax awareness and the cultivation of a positive tax-paying culture. It seeks to explore the process of stakeholders' engagement for promoting compliance and to hear the perspectives of the participants directly on why tax non-compliance persists and whether the suggested stakeholders’ engagement could help in promoting compliance.

Components of the Research Approach

A research approach has three essential components: philosophical worldview, research design, and research methods. A philosophical worldview originates from ontological and epistemological considerations, which determine a paradigm based on the researcher’s philosophical orientation. The research design refers to the overall strategy chosen to address the topic of investigation, requiring integrating different study components coherently and logically to ensure an efficient and practical solution to the identified problem. It constitutes the blueprint for collecting, measuring, analyzing data, interpreting, and reporting conclusions. Research methods represent the ways to obtain information from the samples. When a researcher describes his methods, he must state how the methods could help to answer the research questions. The methods should be described in detail to justify the choice and possibility of repetition by other researchers or in another similar situation. Normally, the research philosophy indicates the research approach and strategy, which in turn determines the techniques and procedure for data collection, analysis, and interpretation of data. At the simplest level, Saunders' research onion describes the different decisions that a researcher needs to make when developing a research methodology. While Saunders' research onion is certainly not perfect, it is a useful tool for thinking holistically about research methodology, and it helps the researcher understand what decisions he needs to make in terms of the research design and methods. The components of the research methodology are explained hereunder:

Research Philosophy

This is the foundation of any study, as it describes the set of beliefs which the research is built upon. It can be described from either an ontological or epistemological point of view. Ontology describes the nature of reality and what could be known and understood. It seeks to know if reality exists as a single objective thing, or if it is different for each person. Epistemology concerns itself with how knowledge can be obtained and understood. In other words, how can we figure out what reality is, and what are the limits of this knowledge? The most common philosophies are positivism, interpretivism, and pragmatism. These are further explained below.

- **Positivism research** - takes the view that knowledge exists outside of what's being studied, suggesting that what is being studied can only be done so objectively, and it cannot include opinions or personal viewpoints. Here, the researcher does not interpret; he can only observe. Positivism states that there is only one reality and all meaning is consistent between subjects. Knowledge can only be acquired through empirical research, which is based on measurement and observation, and not reliant on human reasoning but gained through research. For the positivist, knowledge can only be true, false, or meaningless. If something is not found to be true or false, it no longer holds any ground and is thus dismissed.

- **Interpretivism** - Interpretivism emphasizes the influence that social and cultural factors can have on an individual. This view focuses on people's thoughts and ideas, in light of the socio-cultural backdrop. With the interpretive philosophy, the researcher plays an active role in the study, as it is necessary to draw a holistic view of the participants and their actions, thoughts, and meanings.
- **Pragmatism** - Pragmatism highlights the importance of using the best tools possible to investigate the phenomenon of study. The main aim of pragmatism is to approach research from a practical point of view, where knowledge is not fixed but is constantly questioned and interpreted. For this reason, pragmatism consists of an element of researcher involvement and subjectivity, specifically when drawing conclusions based on participants' responses and decisions, an implication that words, pragmatism is not committed to (or limited by) one specific philosophy.

Research Approach

This represents the broader method that the researcher hopes to use for the study, either through an inductive, or deductive approach. It is important to identify the research approach as this will inform the decisions that one takes in terms of data collection and analysis for the study. There are different ways to examine and explain a study and its findings based on using numbers as a measure, a descriptive style, or a mixture of both. The three (3) approaches are quantitative, qualitative, and mixed methods research which are commonly used by researchers in various research studies. The inductive approach entails generating theories from the research data, rather than beginning the study with a theory as a foundation. In contrast, the deductive approach begins with a theory and aims to build on it (or test it) through research. Closely linked to the research approaches are the qualitative and quantitative study methods. Qualitative research focuses on textual, visual, or audio-based data, while quantitative research focuses on numerical data. The inductive approach is used within qualitative research, while quantitative research uses a deductive approach, usually informed by positivist philosophy.

Research Design

The research design describes how the whole research process is to be completed. It defines the framework which covers the research methodology being considered for adoption, including the way the respondents would be selected, and how the data collected would be analyzed (Flick, 2011). The most common research designs are:

- **Descriptive Research Design -** which reflects the experiences of respondents (qualitative), even though a quantitative framework could also be appropriate.
- **Explanatory Research Design** – focuses on how to explain the characteristics of a research topic, or a social phenomenon (Saunders et al., 2007). It is often effective, where the use of a quantitative framework allows the investigation of one variable over another to be established (Kothari, 2004).
- **Exploratory Research Design** – a study that explores an issue that takes place before enough is known to conduct a formulaic research study. It is often used to inform further research in a particular subject area (Newman, 2003).

Research Strategy

Research strategy discusses how the research will be conducted, whether it is experimental. Strategies could be action research, experimental research, interviews, surveys, case study research, or a systemic literature review. A common example is experimental research which involves the manipulation of one variable (independent) to observe a change in another variable (dependent), to assess the relationship between variables. The strategy adopted is based on the data required and the purpose of the study. The research design on which this study rests is a combination of phenomenology and grounded theory, both emanating from philosophy and psychology. Researchers call research design ‘inquiry strategies’ (Denzin & Lincoln, 2011), referring to the study's framework, outline, and structure. In deciding the research approach and design for this study, he also has to consider the critical philosophical assumptions surrounding the research topic, procedures of inquiry (research designs), and the research methods (data collection, analysis, and interpretation).

Grounded theory sets out to discover or construct theory from data, systematically obtained and analyzed, using comparative analysis. It attempts to unravel the meanings of people’s interactions, social actions, and experiences. Conversely, phenomenological research design explores what people have experienced and focuses on their phenomenal experiences. Grounded theory and phenomenology start methodologically with data collection and generally share a descriptive approach. They both deal with unstructured data undergoing continuous refinement and crystalizing central themes. However, there are a few differences where phenomenology investigates phenomena of lived experiences (Van Manem, 1990), and grounded theory is thematically open. Phenomenology strives to capture the ‘essence’ of individual experience, including what and how participants have experienced it (Moustakas, 1994). This objective differs from the goal of explaining the grounded theory phenomenon.

Phenomenology interprets experiences while grounded theory extracts themes from data. The bracketing out of the researcher’s experience to avoid bias is a major concern in phenomenology (Creswell, 2007), whereby grounded theory takes an objectified stance between researcher and data. The types of data in grounded theory can be broad, but in phenomenology, the predominant data collection is by in-depth interviews, although observation or documents are equally valid. Using interviews, a phenomenologist focuses on eliciting experiences, whereas a grounded theorist may move on to other data collection methods or structured interviews to saturate emerging categories (Wimpenny & Gass, 2000).

Research Choices

Saunders' research onion suggests mono-method, mixed method, and multi-method as possible choices for conducting research. The mono-method comprises only one method for the study. The mixed method is based on the use of two or more methods of research and commonly refers to the use of qualitative and quantitative methodologies. Finally, the multi-method uses a wider selection of methods. Each of the choices is briefly explained hereunder:

Mono-Method: This method is used when the research is focused either on quantitative or qualitative data gathering research, examples of which are:

- **Quantitative research -** this involves the collection and analysis of numerical data to describe, explain, predict, or control phenomena of interest. The analysis of numerical data is complex and must be systematically addressed. Quantitative research uses deductive reasoning to arrive at the results. When engaged in a quantitative study, surveys or questionnaires can be used. The survey is a quantitative research technique that involves collecting numerical data to test hypotheses or answer questions about the status of the subject of inquiry. Quantitative data is any data that is in numerical form such as statistics, percentages, etc. The researcher analyses the data with the help of statistics and hopes the numbers will yield an unbiased result that can be generalized to a large population.
- **Qualitative research -** this involves the collection, analysis, and interpretation of comprehensive narrative and visual data to gain insights into a particular phenomenon of interest. Qualitative research can be characterized as the simultaneous study of many aspects of a phenomenon and the attempt to study things as they exist naturally. This approach uses inductive reasoning to arrive at the study findings. The common techniques used in qualitative

studies include participant observation, interviews, and focus groups. Participant observation is used for collecting data on naturally occurring behaviors in their natural settings. Interviews are best for collecting data on an individual's history, perspective, or experience. Focus groups are very effective in collecting data on the norms of the group or issues faced by a group.

- **Mixed Methods Research (MMR)**

  This method combines elements of quantitative and qualitative research to answer the research questions, using both kinds of data in a single study. Mixed methods research allows the researcher to build on the relationship and strength that exists between the quantitative and qualitative research approaches. Mixed method research can help the researcher to gain a more complete picture than a standalone quantitative or qualitative study, as it integrates the benefits of both methods. It offsets the constraints of the use of a single method. This often allows for a better understanding of the phenomenon that is being researched.

Time Horizons

Time horizon refers to the time frame of the research, namely cross-sectional and longitudinal. Cross-sectional data is used when all observations are for a single point in time, such as in most surveys. In contrast, longitudinal data implies the observations for a particular variable that is available for several years, quarters, months, or days.

Research Methods

Research methods cover the data collection methods, data analysis techniques, sampling strategies, etc. It is used to explain the ways and purposes of the research conducted. The researcher is to choose between primary and secondary data and between qualitative and quantitative data obtained from various sources. Data is considered the central piece in the research onion framework. The research techniques and procedures often focus on:

- the nature of data to be collected and the methods to be used (whether to use a survey or direct interview).
- sampling methods to choose from (whether random sampling, convenience, or purposive sampling).
- the type of data analysis to employ in answering the research question (for example, content analysis, or correlation analysis).

The techniques and procedure need to be aligned with all the other layers of the research onion, i.e., research philosophy, research approach, research strategy, research choices, and time horizon. Each methodological choice consists of several specific methods, and within these methods are several alternatives for data collection and analysis. It is a helpful hint to consider the range of data collection possibilities and organize these methods using open-ended questions that focus on non-numeric data. The choice of techniques focuses on whether the intent is to specify the information required before the research or allow it to emerge from participants involved in the project. It is usually helpful to consider the full range of data collection possibilities and organize the methods using closed-ended vis-à-vis open-ended questioning and focusing on numeric vis-à-vis non-numeric data analysis. The research methods used for data collection in the study included survey/questionnaire, interviews, and focus group, each of which is explained below:

- The survey/questionnaire was designed with both close-ended and open-ended questions in a single questionnaire. The reason was to achieve a balance between breadth and depth and to triangulate or validate findings. All the questions were considered well-aligned with the research purpose. Both the quantitative (close-ended) and qualitative (open-ended) questions provide the researcher with valuable input to design his strategy for executing the study. In particular, using close and open-ended inquiries on a questionnaire provides both quantitative and qualitative data, so that the researcher can have the numerical data, including the stories that contextualize how people have answered.

- Semi-structured interviews, which are often open-ended and allow for flexibility in asking follow-up questions. Having less structure helps to detect patterns, while still allowing for comparisons between respondents. It provides comparable, and reliable data to answer the research questions.
- Focus groups, which like one-on-one qualitative interviews, can yield very detailed information, providing in-depth and rich insights, and are excellent for studying social processes, providing researchers with an opportunity to observe participants' body language, as well as their social interactions. Data gathering can take up a lot of time and resources.

The data analysis methods used for the study included:

- textual analysis, thematic/content analysis, and coding. The process involves examining the collected data (in transcripts) to identify broad themes and patterns. The interview and focus group transcripts were analyzed through a thematic approach, assigning codes to the texts, before grouping them into higher-level categories to facilitate the emergence of key themes. The themes were further examined to understand the participants' perceptions and motivations. The analysis and interpretation of the data collected could also be complex.

Numerical data was analyzed, using descriptive and inferential statistics to test the hypotheses

The Choice of Research Methodology for the Study

The study adopts a mixed methods research approach, aimed at exploring and understanding the general reasons behind the growing concerns of tax non-compliance in the tax administration, despite several strategic initiatives of the government to address the problem. and specifically, to examine the relevance and applicability of stakeholders' engagement in tax administration in promoting voluntary tax compliance. The research philosophy adopted interpretivism philosophy for the study which emphasizes the influence of social and cultural factors on an individual. With interpretivism, the researcher plays an active role in the study, as it is necessary to obtain a comprehensive view of the participants and their actions, thoughts, and meanings. It is anticipated that the positivist philosophy would be employed by using quantitative data (survey) to validate the qualitative findings. The qualitative phase of the study will use the inductive approach, which entails generating theories from the obtained data, while the deductive approach begins with a theory and aims to build on it (or test it) through the research.

The research design selected for this study is the exploratory sequential method, where qualitative data collection and analysis occurs first, followed by quantitative data collection and analysis. The design is used to first explore initial research questions and develop hypotheses. Thereafter, the quantitative data collected can be used to test or confirm the qualitative findings. The exploratory sequential design is used to inform further research in the subject area (Newman, 2003). In most literature, research strategies are often referred to as research designs because both terms represent the framework that explains the research methodology, covering the selection of the respondents and how the data collected will be analyzed (Flick, 2011). As purely qualitative studies are often not generalizable, but merely reflect the experiences of participants, it is predicted that the addition of quantitative data would help validate the qualitative findings. The strategy employed for data collection and analysis is a combination of grounded theory and phenomenology.

The research choices focus on the types of data to be used in the study from the three options available, among the mono method (either qualitative or quantitative), Mixed methods (making use of both qualitative and quantitative), and multi-method (using a wider selection of methods). For this study, in addition to data collected from the interviews and focus groups, a survey was conducted to collect quantitative data from about 1,000 respondents, while the results were analyzed statistically to strengthen the initial qualitative findings. As research techniques and procedures relate to data collection and analysis, the researcher is expected to choose between primary and secondary data, and between qualitative and quantitative data from different sources (Newman & Benz, 1998), given that data is considered the central piece in the research onion framework. Since there is a possibility of inadequate data on the primary phenomenon, qualitative studies often include a literature review to support the study. The research methodology for the study is briefly summarized below:

Description	**Options**	**Explanation**
Research Philosophy	Interpretivism / Pragmatic philosophy	A survey/questionnaire will be administered, under the quantitative phase to support the initial qualitative findings, thereby making the research conclusions generalizable.
Research Approach	Inductive (Qualitative)	The survey (Quantitative) component will rely on the deductive approach.
Research Design / Strategy	Survey, Grounded Theory & Phenomenology strategy	The exploratory sequential design would be employed.
Research Choice	Mixed Method	Solely qualitative, although supported by quantitative data to strengthen the study's conclusions and improve its generalizability.
Time Horizon	Cross-sectional	All observations are to be completed within a defined point in time, such as in most surveys.
Techniques / Procedures	Data collection through surveys, interviews, and focus groups, including data analysis through content/thematic analysis.	The qualitative data phase would be supported by quantitative statistical/inferential statistics.

Research methodology is, thus, an integral part of research, helping to ensure that one stays on track to meet the study objectives and answering the research questions, while using the most appropriate data collection and analysis tools, based on research design. Research Methodology allows readers to check whether the approach is accurate and dependable, thus increasing trust in the findings.

The Justification for Selecting Mixed Methods Research Approach

Qualitative research is generally exploratory and seeks to explain 'how' and 'why' a particular phenomenon or behavior operates as it does in a specific context. Qualitative research produces findings not arrived at by statistical procedures, incorporating multiple realities (Strauss & Corbin, 1990). Qualitative research attempts to “analyze subjective meaning or the social production of issues, events, or practices by collecting non-standardized data and analyzing texts and images rather than numbers and statistics” (Flick, 2014, p. 542). Qualitative research involves “an interpretive approach to its subject matter” (Denzin & Lincoln, 1994, p.2).

The research objectives are expected to be realized by adopting a survey (questionnaire), semi-structured interviews, focus groups, and reviewing existing documents. The qualitative research approach and methodology can be employed to achieve deeper insights into topics related to designing, administering, and interpreting language assessment (Chalhoub-Deville & Deville, 2008). It understands the human experience in specific settings because it could capture changing attitudes within a target group. In addition, it could understand different people's voices, meanings, and events. So, the source of knowledge in this context is the meaning of various events (Richardson, 2012).
In qualitative research, surveys (questionnaires), semi-structured interviews, focus groups, and literature reviews are employed to gather research data (Cohen, Manion, & Morrison, 2012). During the data collection exercise, researchers interact with the participants directly; consequently, data collection is subjective and detailed. Semi-structured interviews usually produce results that cannot be generalized beyond the sample group. Still, they provide a more in-depth understanding of the participant's perceptions, motivations, and emotions. Ultimately, the design can be constructed and reconstructed for a more significant event (Maxwell, 2012).

The phenomenological method, for instance, attempts to uncover, interpret, and understand the participants' knowledge (Wilson, 2014; Tuohy et al., 2013). In terms of research methods, a smaller sample size raises the issue of generalizability to the whole population of the study (Harry & Lipsky, 2014; Thompson, 2011), and data interpretation and analysis might be more difficult or complex (Richards & Richards, 1994). Some other valuable methods applied during the data collection included bringing personal values into the study, studying the context or setting of the participants, and collaborating with them. These simple strategies have helped to collect quality data to answer the main research questions of this research study.

Population and Samples in Research

Introduction

There are always some challenges when describing the population and sample of research studies and recruiting the study participants (Marks et al., 2017). Research studies are carried out on a selection of subjects rather than the whole population. The most challenging aspect of research fieldwork is drawing a random sample from the target population to generalize the study results. This generalization from samples to population, a feature of deductive or empirical research, can be full of pitfalls. To generalize research results, one must be able to infer or transfer research outcomes to the appropriate group. However, the grouping of individuals can be complex and unpredictable. Individuals may or may not want to be scrutinized, and the examined characteristics may change daily or even hour to hour (Hammersley & Mairs, 2004).

In qualitative studies, the objective approach is not always an effective way to understand complex issues relating to human behavior. Samples for qualitative inquiries tend to be small, and it is impossible to know the characteristics of the population under study. Usually, relevant data needed for a study will be gathered from a small sample, relying on words rather than numbers, which cannot truly represent human behaviors. Qualitative researchers recognize that some informants are "richer" than others and that these people are more likely to provide insight and understanding to the researcher. Human factors are often hidden from superficial examination, challenging the researcher to select an appropriate group to study. Researchers are constantly challenged to identify the characteristics of groups to be explored and then describe the boundaries, including features that determine one's inclusion and exclusion from the group in a relevant context (Porzsolt et al., 2019).

A population is a complete set of people with unique characteristics, and a sample is a subset of the population. A population is a group that is the main focus of a researcher's interest, while a sample is a group from whom the researcher collects data. The population and samples might be the same in some situations, but they are often not. Inference from a sample refers only to the defined population from which the sample has been selected.

Population of Interest

The population of interest for this study comprises the individuals, groups, organizations, or other entities identified as taxpayers, which the study seeks to understand, and for whom the results would become generalized. Population creates boundaries for a study's scope and provides environmental and context cues for the reader. The boundaries often allow the researcher to identify subpopulations, such as the target population, sampling frame, and sample, and ensure alignment between these groups within the research (Salkind, 2010). The Corporate Affairs Commission (CAC) reported 3.1 million registered companies as of December 2020. At the Joint Tax Board level, which manages the database of employed individuals and self-employed persons registered for taxation, the number has surpassed the initially projected figure of 35 million taxpayers. The population of interest for this study is quite large and diverse, including all taxable persons, given that businesses or firms are themselves taxable persons by law. It is from this large population that the target population is drawn.

Unit of Analysis

The fundamental building block of any population begins with the "unit of analysis." Identifying and describing the unit of analysis is one of the first steps of any research study. Together with clearly defined variables or phenomena of interest, the unit of analysis helps build the foundation for selecting a sample most representative of the population of interest to address the research problem adequately. Since the unit of analysis is the entity about which all variables apply and the entity described by the data collected, it is also necessary to consider the data source. The individual described or measured by the study variables represents the unit of analysis (Salkind, 2010). More specifically, the analysis unit is defined by the data collected and the study to be conducted. The concern of the data is to focus on the research problem and define the boundaries of what is examined or ignored within the survey (Rotella et al., 2020). The unit of analysis "is the most important part of any research as the study's success usually depends on the unit of analysis" (Khan, 2014, p.228). It constitutes the "key to developing concepts, empirically measuring, observing ideas, and using data analysis" (Neuman, 2013, p.69). In this study, the analysis unit represents the identified five (5) stakeholder groups within the Nigerian tax administration. In qualitative designs, the data are collected to explore the unit of analysis, which may be a phenomenon, lived experience (Dieumegard et al., 2019), case, individual, or group (Yin, 2014), depending upon the nature of the research design and the research problem.

Target population

The target population is the specific, conceptually bounded group of potential participants to whom the researcher may have access that represents the nature of the population of interest. It is a particular group of the population sharing similar characteristics and identified as the intended audience of the study. The target population must also be adequate to avoid having participants who do not represent the study's objectives or misrepresent the population of interest (Porzsolt et al., 2019). The target population must be a complete subset of the population of interest, and its boundaries must also describe its members. However, the target population would be further restricted such that the researcher may operationalize the boundaries for participation (Kalleberg et al., 1990). In the study's context, the target population includes all representatives of the major stakeholder groups in the Nigerian tax administration, selected to participate in both the qualitative and quantitative studies.

Samples

A sample is a set of units selected to represent the population of interest (Gravetter & Wallnau, 2017). The selection should represent that population of interest, a requirement addressed by prescribing the correct sampling frame using an appropriate sampling method. In a quantitative study, a representative sample is one in which every member of the population has an equal and mutually exclusive chance of being selected. Another improved method could be the stratified sampling method, where a condition is unevenly distributed in the population concerning groups, age, gender, or other variables. A different proportion of each group can then be selected as a sub-sample either by simple random sampling or systematic sampling.

In qualitative research, an appropriate sample size should adequately answer the research questions. As the study progresses, the number of required subjects becomes evident as new categories, themes, or explanations stop emerging from the data (data saturation). This process requires a flexible research design and an iterative, cyclical procedure for sampling data collection, analysis, and interpretation. This method differs from the stepwise method of quantitative studies, where every individual in the population has an equal likelihood of being included. Random sampling is the basis of all good sampling techniques and disallows any method of selection based on volunteering or the choice of groups of people known to be cooperative (Indrayan, 2008).

Sampling, consisting of sample size and design consideration, is critical in all qualitative research; such consideration would help qualitative researchers select sample sizes and designs most compatible with the research purpose (Onwuegbuzie & Leech, 2007). Many researchers have advocated rigor in sample size selection and techniques in qualitative research to improve the quality of research outcomes. Rigor is emphasized in research studies because it generally helps to determine the study's validity, the reliability of data generated, the extent to which results are representative, and the subjectivity of the study (Namanji & Ssekyewa, 2012). Perhaps it should be clarified that sample size and designs in qualitative research are as important as quantitative and mixed methods. The qualitative research method is more emphasized because it brings in qualities, such as warmth, humanity involvement, compassion, and commitment (Rubin & Babbie, 2001), that may be lacking in other methods. Generally speaking, if a population is homogeneous and the phenomenon narrow, the researcher should aim for a sample size of about ten (10) persons. However, if the population is varied or the phenomenon is complex, the researcher should aim for about 40 to 50.

A general idea about sample size in qualitative research is "saturation," closely tied to a specific methodology, but the term is inconsistently applied. Hence, "information power" is proposed to guide an adequate sample size for qualitative studies. Information power indicates that the more information the sample holds relevant to the research, the fewer the number of participants required. It could be argued, therefore, that the size of a sample with sufficient information power will depend on the aim of the study, the sample specificity, the use of established theory, the quality of dialogue, and the analysis of strategy. Qualitative study designs seek to uncover diverse opinions from the sample size, and one person's opinion is enough to generate a code (a part of the analysis framework). One important principle to keep in mind in all of these study designs is saturation, which suggests that new data collected does not give the researcher any additional insights into the topic of investigation. There is a point of diminishing returns with larger samples; more data does not necessarily lead to more information. It simply leads to the same information being repeated (saturation). The goal, therefore, is to have a large enough sample size in a qualitative study that allows the researcher to uncover a range of opinions but to cut the sample size off at the point where saturation and repetition begin to occur. The general recommendation for in-depth interviews is a sample size of thirty (30), and a minimum size can be as few as ten (10) participants, which assumes population integrity in the recruitment.

Sampling Methods

In a qualitative study, sampling is an area of considerable confusion for researchers experienced in the quantitative deductive model. This fact relates to the misunderstanding about the aims of the qualitative approach, where an improved understanding of complex human issues is more critical than the generalizability of results. In research undertakings, there are two types of sampling methods, grouped as probability and non-probability sampling methods, each of which is explained here:

Probability sampling methods: Simple random sampling is one of the techniques used in probability sampling. Random sampling is the basis of all good sampling techniques and disallows any form of selection based on volunteering or the choice of groups of people known to be cooperative. A sample may be random if everyone in the sampled population is equally likely to be included. Qualitative sampling techniques are often used in conjunction with qualitative non-probability sampling techniques to improve the quality of the research process. For the study, a stratified sampling method was adopted because respondents would be expected to be selected from the key stakeholder groups that comprise the tax administration.

Non-probability sampling methods: The non-probability sampling method is the same as the non-random sampling technique. This type of sampling method is more appropriate for qualitative research. It is a process whereby the researcher selects samples based on subjective judgment rather than random selection. It is a less stringent method and depends heavily on the researcher's expertise. In non-probability sampling, not all population members have an equal chance of participating in the study. Researchers use this method in studies where it is impossible to draw random probability sampling due to time or cost considerations.

For this study, two (2) frequently used methods of sampling techniques, often associated with qualitative research, viz.

Convenience sampling

This sampling technique is a non-probability sampling technique where samples are selected from the population only because they are conveniently available to the researcher. Researchers often choose convenience samples because they are easy to recruit and may not have considered the selection of samples representing the entire population. Ideally, testing a sample representing the whole research population is good. Still, convenience sampling techniques will generally apply to participants who would be served the research questionnaires, primarily due to the participant's geographic location and research resource to make participants' recruitment convenient. Each of the eight (8) research locations contributed at least five (5) participants to the sample size of 48 participants involved in the questionnaire survey segment. The main limitation of using convenience sampling is that it could suffer from under or over-representing particular groups within the population. It could also be that the sample is unlikely to represent the study population, thereby limiting researchers' ability to generalize the findings to a broader population (Creswell, 2007). However, researchers have explained that this argument is not always crucial in qualitative studies.

Purposive or Judgmental sampling

Also known as selective or subjective sampling, this technique relies on the researcher's judgment when choosing whom to ask to participate in a study. Qualitative researchers often use this technique to recruit participants who provide in-depth and detailed information about the phenomenon under investigation. It is highly subjective and determined by the researcher generating the qualifying criteria each participant must meet to be considered for the study. Here, researchers select the samples based purely on the researcher's knowledge and credibility. Judgmental or purposive sampling is not a scientific method, and the downside to this technique is that the researcher's preconceived notions can influence the results. It has the advantage of being time and cost-effective while resulting in various responses. However, in addition to volunteer bias, it is prone to errors of judgment by the researcher and the findings and may not necessarily represent the population. A recruitment criterion for the study is adequate knowledge of tax law and practice. This sampling method was relied upon to recruit the focus group's eight (8) participants and ten (10) participants for the in-person/phone interviews.

Justification for Choosing Non-probability Sampling

Non-probability sampling method applies when the researcher does not intend to generate results that will generalize the entire population. It is often used when the researcher has limited time to conduct research and when he believes that a particular issue requires in-depth analysis. The responses collected through non-probability selection are faster and more cost-effective than probability sampling methods, given that the researcher knows the sample. The reason for choosing non-probability sampling techniques (convenience and purposive sampling techniques) for this study is primarily based on their suitability for qualitative research. In particular, the convenience sampling technique is inexpensive in creating samples, coupled with the low budget for the research project execution. This technique was used to determine the selection of the 66 participants who took part in the interview and focus group sessions. Concerning the quantitative phase of the study, which involved 1,172 survey respondents, a stratified sampling method was used for the survey, recognizing that the process can facilitate quick data collection, and also generate results that would be generalizable to the population.

In a qualitative study, the guidelines for participant recruitment vary across the literature, with Marshall et al. (2013) reporting from six (6) to ten (10) participants for both the interview and focus group. Contact time with participants is usually more extensive within the phenomenology design. At times, interviews may last up to a minimum of 45 to 65 minutes; and it could be longer if fewer participants are interviewed. The rules for gathering sample elements seem to be the least complicated and will enable the data collection exercise within a minimal time. In particular, the method does not require going through any checklist to filter the members of an audience. By so doing, gathering critical information and research data becomes reasonably easy. The purposive sampling technique is extremely time and cost-effective compared to other methods and the use of the purposive sampling technique helps the researcher to squeeze a lot of information out of the people interviewed, to describe the significant impact of the research findings on the population. However, in a quantitative study, the random sampling technique removes all hints of bias because individuals who make up the subset of the larger group are chosen at random, and each individual in the large population set has the same probability of being selected.

Materials / Instrumentation of Research Tools

Introduction.

Research instruments represent fact-finding strategies and are the tools for data collection. The underlying need for data collection is to capture quality evidence that seeks to answer all the questions posed to respondents. The primary purpose of conducting research is to inform action and contribute to knowledge development. In achieving this goal, it is vital that selecting an appropriate research instrument to capture data that can facilitate analysis that leads to the formulation of convincing and credible answers to research questions and objectives cannot be made lightly. Thus, a researcher requires guidance based on their competencies or capabilities in selecting the research instruments. This understanding is pertinent in the case of qualitative research, where the researcher is viewed as part of the data collection instrument (McGrath et al., 2019; Johnson et al., 2020), just as it is important in quantitative studies where researchers rely on research tools to obtain, measure, and analyze data. These data are sourced from respondents included in the research experiments and focused on the topic of inquiry. Businesses or management can deduce quality information through data collection, a prerequisite for making informed decisions. Data should always be collected to test the research theory or hypothesis in any research work. According to Van der Merwe (1996), researchers produce evidence to support arguments from existing facts or information in theoretical studies. For this study, instruments such as literature reviews, surveys (questionnaires), interviews, and focus groups were employed for data collection, hoping that the strengths and weaknesses in each source would compensate for each other when used together, aiming to improve the reliability and validity results, and trustworthiness of the findings.

Data Sources

A data source is any location where the researcher can find facts, figures, or other relevant information to support research. He may create his own data source through experimentation, surveys, or observations, or he might choose to use data produced by other researchers. Finding reliable data sources, understanding how appropriate they are to the research, and then citing them is the researcher's responsibility. Data sources should be identified from their primary sources using bibliographic referencing. Those sources found in government, academic, and non-profit entities' data repositories are often considered the most reliable, in terms of quality. Reference sources are often a great place for researchers to begin their studies before they begin the actual study to back up their research. Reference sources offer a more expansive overview of a topic as they refer to conclusions from previous researchers' studies.

Primary and Secondary Sources

Data sources are generally categorized into two: primary and secondary sources, and both are valid resources, depending on the type of research being conducted. When a researcher develops his data from experimentation, surveys, or observation, these are classified as primary data sources. This research generates its own new data sets to support specific research. Experiments by researchers generate quantitative measurements in a lab, nature, or other controlled environments to test specific outcomes. In social sciences, researchers craft surveys or questionnaires to judge how people would respond to a situation. These researchers would be responsible for sampling a representative population and preparing questions without bias. Primary data offers the advantage of giving researchers control over their entire environment and the flexibility to adapt their experiments when necessary. They can also provide answers to a new or novel situation that has never existed.

Secondary data sources are those produced from previous research and these are readily available through online databases maintained by hundreds of organizations. Using secondary data sources is less costly than primary data sources and offers the advantage of speed since researchers do not need to wait for the data to play out as it is already available. Researchers, however, must judge whether the data applies to their particular research question, as they must account for potential bias, location, demographics, etc. The data should be well-sourced and reliable for the researcher to make those judgments. Data collection relies on different research tools to collect quality data. No single source has a complete advantage over the others, as the various sources are highly complementary.

Research Tools/Instruments Used for Data Collection

In this study, the research tools used for data collection included: questionnaires, interviews, and focus group discussions. There was a need to ensure the validity and reliability of the tools, bearing in mind that the criteria of validity and reliability of a research project depend on the appropriateness of the instruments used. For over 1,000 persons listed for the survey/questionnaire), the aim is to investigate and measure the effect of stakeholders' engagement (independent variable) on voluntary compliance (dependent variable). The data collection tools used in the study include a survey/questionnaire, interview, and focus group which are discussed hereunder:

Questionnaires

A questionnaire contains a set of questions, mainly addressed to a statistically significant number of subjects and is a way to gather information for a survey and collect data or opinions about people or events. The tool is cost-effective and very suitable for my research project because it allows the respondents more freedom and flexibility when providing answers. Questionnaires are popular research methods because they offer a fast, efficient, and inexpensive means of gathering large amounts of information from sizable sample volumes. A questionnaire could employ both open and close-ended questions to collect data. The method is beneficial, creating room for both quantitative and qualitative data. One of its attributes is its uniform design and standardization. It is a very convenient way of collecting information from a large number of people within a period.

Combining Close and Open-ended Questions in a Single Questionnaire

A research questionnaire could sometimes be a mix of closed and open-ended questions in a single questionnaire, beginning with close-ended questions, which often cost respondents little effort to answer; then continuing with open-ended questions, which allow respondents to elaborate on the answers (Cleary & McNeil, 1998). In developing the questionnaire, the researcher was mindful of the research objectives, which are aimed at understanding the reasons for the continuing tax non-compliance in Nigeria, along with why the various compliance and enforcement policies and actions have remained ineffective, and considering the application of stakeholders' engagement as a possible strategy to promote tax compliance. The study questionnaire asked about the use of fines, penalties, and punishments to deter non-compliance with tax regulations. It further probed the use of tax monies to provide social services and critical infrastructure, as a way of influencing voluntary compliance; lastly, it sought to understand the participants' perception of the relevance of stakeholder theory in tax administration. A study questionnaire should satisfy the research objectives (Holtrop et al., 2019).

Information obtained from a combination of closed and open-ended surveys is likely to be richer and more valid (O'Cathain, 2009) because the open-ended questionnaire allows respondents to express their attitudes freely in their own words, and encouraging them to be expressive without being biased or bound to closed alternatives (Converse, 1984), thereby reducing the respondents' cognitive burden. These characteristics also make open-ended questions quite effective when measuring knowledge, while producing more reliable and valid results (Krosnick & Presser, 2010). However, critics of the open-ended approach have argued that the approach measures merely the ability to articulate a response, and not the attitude (Stanga & Sheffield, 1987). Others criticize the approach for its high costs, the vagueness of responses, and survey break-offs (Peytchev, 2009). The researcher took due care in ensuring that the questions were such that would accurately measure the opinions, experiences, and behaviors of the respondents.

Interviews

An interview is a qualitative research instrument that relies on asking questions to collect data. Seale et al., (2004) define an interview as a social encounter where speakers collaborate in producing retrospective and prospective accounts or versions of their past or future actions, experiences, feelings, and thoughts. Interviews come in different formats, such as structured, semi-structured, or open-ended. Interview techniques include face-to-face medium, telephone medium, and e-mail. Interview in whatever form is a flexible tool for data collection, enabling multi-sensory channels, such as verbal, non-verbal, spoken, and heard (Cohen et al., 2013). According to Monette et al. (1986), an interview involves someone reading questions to respondents and recording their answers. An interview is a verbal exchange, often face-to-face, in which an interviewer tries to elicit information, beliefs, or opinions from another person (Burns, 1997).

The benefits of interviews include the freedom the researcher offers to combine structure with flexibility, even though it could be time-consuming. The interview tool helps the researchers explain, understand, and explore the research subjects' opinions, behavior, experiences, and phenomena. The audio recorder, digital camera, and camcorder are often used when conducting interviews, given that these are reliable gadgets for recording sound on disc, tape, or film. Interview questions are usually open-ended questions so that in-depth information can be collected. The time allotted for each interview was 35 minutes, considered sufficient to guide against fatigue for the interviewer and respondent. At the start of each interview, the researcher would spare some time to address the matter of confidentiality. It is necessary to record interview discussions and take side notes. Semi-structured interviews (SSIs) could be time-consuming, labor-intensive, and require interviewer sophistication. It could entail analyzing a massive volume of notes and sometimes many hours of transcripts.

Focus Groups

A focus group is "a technique involving in-depth group interviews." (Rabiee, 2004), and the participants are usually selected because they are purposive, although might not necessarily be a representative sampling of a specific population. The tool helps gather relevant data for the study. Lewis (2000) defines a focus group as a "carefully planned discussion designed to obtain perceptions in a defined area of interest in a permissive, non-threatening environment." This type of interview often yields a more diversified array of responses and affords a more extended basis for designing systematic research into the study. It is a qualitative technique that facilitates data collection through group interaction on a topic assigned by the researcher (Morgan, 1996). A focus group should have at least 5-10 people, plus a moderator, and a common denominator must unite the group members.

According to Roberts (1997), it is usual for members of the focus group to be selected through the purposive sampling method. This is an approach frequently used to extend knowledge by selecting sample participants known as rich data sources. Another advantage of using purposive sampling for focus group interviews is that individuals who have experienced the phenomenon of interest are invited to participate, contributing a wide range of domain descriptors and construct dimensions (Mastalgia, Toye & Kristjanson, 2003). This tool facilitates data collection from a randomly selected group rather than a statistically representative sample of a broader population. Researchers use this method to make the non-directive interview more interviewer-controlled, exploiting verbal cues that stimulate respondents to volunteer more information (Liamputtong, 2011).

The tool can achieve many research objectives, including obtaining background information on a topic of interest, stimulating new ideas and creative concepts, and interpreting previously obtained qualitative results (Stewart & Shamdasani, 1990).

The dialogic nature of the focus group discussions allows the co-construction of meaning between the interviewees on the topic investigated (Overlien, 2005). The focus group's interaction explores the participants' perceptions, experiences, and understandings with shared expertise concerning tax compliance and how to strategize around the topic of stakeholders' engagement. The advantage of this tool is that the information obtained is relatively detailed and cost-effective, compared to a one-on-one interview, and could reflect speed and efficiency. Researchers could uncover ideas and issues that initially may not have been considered but are essential to the customers. Jamieson & and Williams (2003) observed that it is not the goal of a focus group to achieve consensus on issues but to identify candid perceptions that may differ between participants. They emphasize that the homogeneous characteristics desired for each group should be influenced by the desire to promote open discussion. Jamieson & and Williams (2003) argue that the philosophical underpinning of the focus group methodology is based on the premise that attitudes and perceptions do not develop in isolation but through interaction with people. The study’s focus group’s size of eight (8) persons is considered adequate and the size could not have prevented any person from effective participation in light of time constraints (Harvey-Jordan & Long, 2002).

Preparation for a focus group interview begins with identifying the purpose of the discussion, identifying the participants, and developing the questions. Running the focus group starts with the moderator opening the conversation, moderating and closing it, and conducting a follow-up after the session. An experienced and skilled moderator ensures the quality of data generated during focus group interviews. Various authors like Dawson et al. (1993) and Morgan (1997) stated that a moderator should be non-judgmental about the responses from the participants and must respect their opinions.

The Choice of Questionnaires and Interviews as Study Tools.

Questionnaires and interviews are often used together in mixed-method studies investigating any particular phenomenon (Lai & Waltman, 2008; Brookhart & Durkin, 2003). While questionnaires can provide evidence of patterns amongst large populations, qualitative interview data often gather more in-depth insights into participant attitudes, thoughts, and actions (Kendall, 2008). Generally, the use of both instruments in mixed method studies is to help generate confirmatory results, despite the differences in methods of data collection, analysis, and interpretations. Using a questionnaire for data collection does not create unnecessary expenses, making it a more cost-effective tool. The survey questionnaire was used for the study because it allows the researcher to collect appropriate data that meet the research objectives, makes the data available for analysis, makes the questions varied and engaging to eliminate respondent fatigue, and helps to minimize bias, or distortions, that could have been caused by poorly worded questions and improper survey administration. Also, the interview method was chosen as a tool for data collection because it allows the researcher to use his interpersonal skills to explore any significant issues raised by participants which are central to comprehensive data collection. Semi-structured interviews would allow researchers to make necessary interjections and ensure that participants understand the issues under scrutiny. The interview encourages participants to explain issues more passionately based on their knowledge.

Study Procedure and Ethical Assurances

Study Procedure

This section describes the researcher's experiences concerning the methods and procedures employed to collect the research data. This approach will enable anyone reading the report to understand how the data was obtained and judge if the techniques were appropriate for the study. All the preparation for the design of the study questionnaire and interview guide was properly explained. The section has explained the data collection approach and strategies, including the methods adopted for the field study. It covers all the research-related activities to achieve the study's objectives and provides solutions to the problems encountered during data gathering and analysis.

The actual field study commenced on the 18th of May, 2022, which happened to be a day after obtaining the UREC's final approval to start the data collection (Appendix A). The field study required a lot of traveling within the country's six (6) geopolitical regions. Given that my principal places of residence were in Jos and Abuja, it became imperative that the journey should be well coordinated to help minimize the inconveniences often associated with road journeys, particularly in light of the various security challenges currently threatening the country. Due to the reported security concerns, the trips were restricted to places accessible by air only. These locations included Lagos, Ibadan (South-West), Asaba - Onitsha (South-East), Port Harcourt (South-South), Sokoto (North-West), and Maiduguri (North-East). The study participants were selected from the groups of key stakeholders in the Nigerian tax administration, comprising the government, tax authorities, taxpayers (represented by different categories, such as self-employed persons, employees, and companies), tax consultants, and the media/advocacy group. Sixty-six (66) participants from an initial 150 target population were involved in the qualitative study, selected through convenience and purposive sampling techniques, after which an additional 1,172 subjects were selected through the stratified sampling method to participate in a quantitative survey, aimed at strengthening the study's initial conclusions and also improve its generalizability. Distribution of the revised questionnaire (Appendix 'K') was guided by the number of registered taxpayers issued with Tax Identification Number (TIN), as provided by the Joint Tax Board (JTB) in Appendix 'L', sent to all the Regions, including Lagos and Abuja.

In preparation for the fieldwork's commencement, various research instruments were developed, such as survey questionnaires for general use and interview guides considered suitable and appropriate for direct interview/phone interviews and focus group discussions. The questionnaire adopted a semi-structured format, having twenty questions. Part B has ten (10) questions designed with a short and direct 'YES' or 'NO' answer. In contrast, the Part 'C' segment has open-ended questions, allowing for further explanation as necessary. There were interview guides for direct, face-to-face/phone interviews and focus group discussions. The drafts of the survey/questionnaire and interview guides were carefully reviewed by a few doctoral colleagues who are sound in tax policies and practices and possess good research knowledge. As was expected, all the tools were approved for use in the study by the University Research Ethics Committee (UREC) vide REAF-DS 3 attached as Appendix 'N'. Also, copies of the approved questionnaires are presented as Appendices B, C, and D. In addition, appendices E, F, and G show the evidence of the approved Informed Consent Forms for the different groups of participants. Lastly, the letter of support and approval to pursue the study from the Federal Inland Revenue Service (FIRS) is attached as Appendix 'M'.

At the commencement of the field study on the 18th of May 2022, the study team commenced the journey with a flight to Ibadan (SW) to meet with the FIRS coordinator for the region, who provided us with the necessary logistics to facilitate the assignment. Before then, two top-level officers of the FIRS had been engaged as "gatekeepers" (see Appendices H and I), who were to provide some specific assistance to the study team, to make our research experience worthwhile. One of them had notified a few officers in the areas to be visited to provide us with necessary logistic support. The other gatekeeper assisted with the selection of senior tax officials for the focus groups. The team visited all six (6) geo-political regions, in turn for distribution of the survey questionnaires to selected participants in Lagos (S/W), Onitsha and Awka (S/E), Port Harcourt (S/S), Abuja, and Jos (N/C), Sokoto (N/W), and Maiduguri (N/E). At each location visited, the team would typically request the register of taxpayers in the zone and the list of tax consultancy firms from which the participants were selected based on proximity and their tax compliance status. For the records, six (6) research participants were selected from each regional jurisdiction, except the South-South region, with only five (5) participants for the qualitative phase of the study. An additional 1,172 subjects were selected to participate in the quantitative survey to strengthen and support the initial qualitative findings, which involved sixty-six (66) participants. The direct, face-to-face/phone interviews had ten (10) participants, while the focus group sessions had eight (8) participants, and forty-eight (48) respondents provided answers to the combined close and open-ended questionnaire. The criteria for selecting study participants were clarified before the study began and persons served questionnaires were selected through the convenience sampling method from the key stakeholder groups.

Distribution and Collection of the Survey Questionnaires

The questionnaires were hand-delivered to all the selected participants. Each person was also provided with an e-mail address to which the completed questionnaire could be forwarded in case anyone was unable to meet the timeline for submission, during the study team's visit. Nevertheless, assurances were given that the team would stay around for three (3) days to ensure that they would be able to collect all completed questionnaires with participants' demographic information, as well as signed "Informed Consent" forms. More than 90% of the questionnaires were recovered by hand, while the rest (10%) came through e-mail. Study participants from six (6) geopolitical regions were selected to narrate their views, opinions, and experiences on tax non-compliance and the relevance of stakeholders' engagement as a strategic intervention to promote voluntary compliance. The participants' responses are captured in the interview transcripts and focus group reports.

Executing the Face-to-Face/Phone Interviews

The face-to-face interview or 'in-person' interview, is generally accepted as the most popular and oldest form of survey data collection. It is described as the best form of data collection when the researcher desires to minimize non-response and maximize the data quality. The main advantage of the face-to-face interview is the presence of the interviewee, making it easier for the respondent to clarify answers or ask for clarification on some issues on the questionnaire. Similarly, phone interviews are used in multi-stage research studies as the primary data collection method (Mitchell & Zmud, 1999; Williams, 1993). Direct, in-person interviews were held with four (4) persons and phone interviews with six (6) others. Whether in-person or phone interviews, each interview session always began with introducing the researcher, stating the study's purpose, and informing the participants of the confidentiality requirement. The interview style was conversational, friendly, courteous, and unbiased. Notes were usually taken during the interview while the participants spoke, and the recordings of all discussions were maintained. During the interview, questions were repeated with the exact wording and in the prescribed order for each interview to maintain data reliability and integrity. The interviewees were encouraged to talk as much as possible, probing vague and general answers without influencing any participant's response. Each interview lasted about 45-60 minutes. After each interview, the conversation recordings were immediately transcribed and compared with the notes taken to ensure they were complete and accurate. In a few cases, the transcripts were shared with interviewed participants to ensure that all the details were correctly reported.

Organizing the Focus Group

A Focus Group discussion is a qualitative research method and data collection technique, in which a selected group of people discusses a given topic or issue in depth, facilitated by a professional external moderator. The purpose of focus groups is to gain insight into the experiences and perspectives of various stakeholders, such as program participants, customers, or employees of an organization. In planning the online focus group session, the researcher was very clear about the objective of this tool for data collection. A second "Gatekeeper" from the FIRS (see Appendix I) was engaged to assist with identifying some senior managers as participants for the focus group. The eight

(8) persons chosen for the focus group were experienced and knowledgeable managers, in charge of different tax administration functions in their different offices, who would be able to provide the desired information and were not restricted to one target population, knowing that several approaches may be related to the problem under investigation (Anderson, 1990). The time and location of the meeting were decided, keeping in mind the participants' schedule and convenience. Choosing what and how many questions to ask in an interview is a critical factor for success in a qualitative study, but Anderson (1990) has given some guidelines on how to construct pertinent questions for focus group purposes, among which are: that the questions should be open-ended and qualitative, avoiding a possible ‘yes’ or ‘no’ answers, using a direct approach to discover the reasons behind a viewpoint, and questions should flow naturally and be sequential.

Maintaining a Record of the Interviews and Focus Group Responses

Recording the various interview conversations and focus group responses is essential for accurate data analysis. Recording the dialogue session was well-handled through note-taking and records of conversations. Notes-taking is indispensable for any interview, as conversation recording is always helpful, and this was suggested for all interview discussions and focus group engagements (Rice & Ezzy, 1999). Using the recording method provides an advantage in accessing the entire record of a possibly rich data source.

Ethical Assurances

The attention devoted to ethical conduct (personal, professional, and research activity) has recently increased in response to society’s expectation for greater accountability (Haggerty, 2004; Held, 2006; Zegwaard, Campbell & Pretti, 2017). The importance of ethical conduct in research cannot be over-emphasized, especially when using human participants. In particular, the need to constantly observe ethics and the related issues of informed consent, conflict of interests, risk of harm, and confidentiality are essential. Collecting data from human participants for research without ethical approval would often place the researcher outside the approved code of conduct. Furthermore, many journals adhere to the Committee of Publishing Ethics (CoPE) guidelines, requiring editors and publishers to conduct research ethically (Committee of Publishing Ethics, 2018).

Procedural ethics generally refers to the governance of formal ethics, including approval processes and ethical research guidelines. The strategy focuses on whether research is ethical, not simply on procedures. The research process strives to ensure that researchers uphold the ethical principles of beneficence, respect, and justice and keep children and researchers safe. An ethics review process is required before any research activities that involve human participants, including children. Ethics connotes setting some rules for distinguishing between right and wrong, such as the Golden Rule, which states, "Do unto others as you would have them do unto you," or a code of professional conduct, e.g., the Hippocratic Oath that states "First of all, do not harm." This position is the easiest way to define "ethics" as a norm for distinguishing between acceptable and unacceptable behavior. It is crucial to adhere to ethical standards in research for several reasons, a few of which include:

i. Ethics promote research aims, such as knowledge, truth, and avoiding errors. For example, prohibiting fabricating, falsifying, or misrepresenting research data promotes truth and minimizes error.
ii. Ethics promote the essential values for collaborative work, such as trust, fairness, accountability, and mutual respect. Research involves cooperation and coordination among diverse persons in different disciplines and institutions.
iii. Ethics help to ensure that researchers are held accountable to the public.
iv. Ethics in research help to build public support for research. People are more likely to fund a research project if they can trust the quality and integrity of the study.
v. Ethics in research promote other important moral and social values, such as social responsibility and compliance with the laws. Ethical lapses can significantly harm human subjects and the public.

All the aforementioned ethical concerns were considered throughout the study as it relates to data collection, analysis, and interpretation of the results, noting, in particular, a few other principles that are discussed hereunder:

Informed consent

The cornerstone of ethical research is 'informed consent' (Denzin & Lincoln, 2011). Research participants were informed of what they could require, how the collected data would be used, and what consequences (if any) could arise. The survey questionnaires stressed the need for participants to express their explicit consent to participate in the research while clarifying their rights to withdraw from the study and access their data. The informed consent condition represents a contract between the researcher and the participant. Reference to the 'informed' aspect addressed the issues of the researcher's particulars, research intent, nature of data to be collected, the process, usage, and how to report on them. It also covers the level of commitment required from participants and potential risks (or no risks) for participating in the research. The aspect of 'consent' usually includes an 'opt-in' approach and provides information on the right to withdraw without reason (including removing data already offered), assurances that the participant's identity will be confidential, and clarification on the data ownership. Other issues related to consent cover the participants' right to access their data, the right to ask for more information, and due explanation on the complaint process if such should arise. The information sheet and consent form are sufficiently robust, and well-written. If ambiguous, it could result in a weak consent agreement, compromising the data quality, due to mistrust (Miles & Huberman, 1994) and not providing due protection for the participant or researcher.

Risk of harm, anonymity, and confidentiality

The research design should always consider potential harm to the participants, the researcher, the wider community, and the institution. At the beginning of each interview session or the focus group, the issue of participant confidentiality was always carefully explained to each person. Also, the confidentiality criteria are adequately disclosed on the survey questionnaire to guide each respondent before completing the survey. When describing the data collection and data management procedures for research involving human participants, the researcher needs to address the matters of anonymity and confidentiality. Anonymity means that there is no way for anyone (including the researcher) to identify participants in the study, implying that no personal identifying information can be collected in an anonymous survey. Personally identifying information includes but is not limited to names, addresses, e-mails, phone contacts, government-issued ID numbers, and photographs, suggesting that any study conducted face-to-face or over the phone cannot be considered anonymous.

Confidentiality is guaranteed through proper data management and security. Confidentiality means the participants can be identified, but their identities are not revealed to anyone outside the study. In other words, only the researcher knows the participants' identities, and measures are put in place to ensure that participants' identities are not revealed to anyone else. Regarding data management, participants' personally identifying information can be linked to their data using ID numbers (quantitative research) or pseudonyms (qualitative research). This action allows personally identifying information to be stored separately from the data. Anonymity and confidentiality are essential steps in protecting participants from potential harm. Participants' identities must be confidential or anonymous, and the assurance goes beyond protecting their names to avoid using self-identifying statements and information. Whether the study is anonymous or confidential, it is essential to inform participants about the data required and how they will be protected. This vital information should be reflected in the "Informed Consent" form.

Conflict of Interests

The researcher's relationships or prior activities could always create a conflict of interest that should be reported upon in an ethics approval application. To avoid a situation that could give rise to a conflict of interest during a study, the researcher's participation during the focus group is to be restricted to merely that of a listener. There was no incidence of possible influence on participants' thoughts or suggesting words and meanings for them to accept. Appropriate steps were initiated when developing the research methodology to consider all ethical issues that might arise during the research study. This step informed the need to develop a plan for resolving all ethical matters should there be any particular challenge during the research.

Position of the Researcher within the Study

Within the expanding world of qualitative research, an acknowledgment of the researcher's positioning, through reflexivity (critical self-evaluation) is gradually becoming essential (Glesne, 1999; Mauthner & Doucet, 2003; Merriam, 1998; Russell & Kelly, 2002; Stake, 1995; Watt, 2007; Willig, 2001). The concept of 'Positionality' describes an individual's worldview and the positions he adopts about the study within the social and political context (Foote & Bartell, 2011; Savin-Baden & Major, 2013; Rowe, 2014). This worldview relates to ontological assumptions (individual's beliefs about the nature of social reality and what is known about the world), epistemological assumptions (individual's beliefs about the nature of knowledge), which explains their interaction with the environment (Sikes, 2004; Bahari, 2010; Scotland, 2012; Ormston et al., 2014; Marshall et al., 2018; and Grix, 2019). Positionality refers to how researchers view themselves about the research and the data and their understanding of the 'self' in creating knowledge (Berger, 2013).

Positionality is identified by locating the researcher in three areas: the subject under investigation, the research participants, and the research context and process. Some aspects of positionality are culturally ascribed or generally regarded as fixed, e.g., gender, race, color, and nationality. Others, such as political views, personal life history, and experiences, are subjective, and contextual (Chiseri-Strater, 1996). Positionality suggests that the researcher makes both acknowledgment and allowance to locate their views, values, and beliefs about the research design, conduct, and output. Reflexivity is the concept that requires researchers to acknowledge and disclose their true selves in their study, and seek to understand their part or influence on the study (Cohen et al., 2011). A reflexive approach suggests that researchers should acknowledge and disclose their true selves in their work rather than try to eliminate their effects. Positionality recognizes that researchers are a part of the social world they are researching and believe that earlier social actors have already interpreted the world. During data analysis, there is a possibility that the researcher's normative assumptions and beliefs could influence the findings from the initial literature review and previous knowledge of the subject of inquiry. Therefore, the researcher should always strive to avoid a situation where prior knowledge about the topic could cause a distraction or distort what was said by participants, thereby creating possible bias in the analysis and interpretation of the findings.

Data Collection and Analysis Techniques

Introduction

Data collection involves collecting, measuring, and analyzing accurate insights for research by using standard validated techniques that support decision-making. Data collection's most critical objective is to ensure that information-rich and reliable data is collected for statistical analysis to make data-driven decisions for research. De Vos (1998) indicates that when working from a qualitative perspective, the researcher attempts a first-hand, holistic understanding of a phenomenon, and data collection takes shape as the investigation proceeds. Data analysis in a qualitative study is defined as systematically searching and arranging the interview transcripts, interview notes, or non-textual materials that the researcher accumulates to increase the understanding of the phenomenon.

The analytical process of Grounded theory can be broken down into four (4) logical stages, beginning with open coding to axial coding, selective coding, and theoretical coding. The appeal of grounded theory lies in its methodological rigor since the process stages can be openly tested for the trustworthiness of data, the clarification of criteria, and the suitability of coding (Cooney, 2011). In contrast, phenomenology aims to analyze the data and resulting themes to facilitate an understanding of the phenomenon under study. Grounded theory and phenomenology start methodologically with data collection and generally share a descriptive approach. They both deal with unstructured data that undergoes continuous refinement, crystalizing central themes.

Data Collection

This is the process of gathering and measuring information variables of interest, in an established systematic fashion that enables the researcher to answer stated research questions, test hypotheses, and evaluate outcomes. While methods vary by discipline, the emphasis on ensuring accurate and honest collection of data remains the same. Regardless of the field of study, the defining data (quantitative or qualitative), accurate data collection is essential to maintaining the integrity of research. Both the selection of appropriate data collection and instruments and delineated instructions for their correct use reduce the likelihood of errors occurring. Consequences of improperly collected data include:

- **i.** Inability to answer research questions accurately.
- **ii.** Inability to repeat and validate the study.
- **iii.** Distorted findings, resulting in wasted resources.
- **iv.** Misleading other researchers to pursue fruitless avenues of investigation.
- **v.** Compromising decisions for public policy
- **vi.** Causing harm to human participants and animal subjects.

While the degree of impact from faulty data collection may vary by discipline, and the nature of investigation, there is the potential to cause disproportionate harm when these research results are used to support public policy recommendations.

Issues Related to Maintaining the Integrity of Data Collection

The primary rationale for preserving data integrity is to support the detection of errors in the data collection process, whether they are made intentionally or not. Quality assurance and control are two approaches that can be used to preserve data integrity and ensure the scientific validity of study results (Most, Craddick, Crawford, Redican, Rhodes, Rukenbrod & Laws, 2003). Each approach is implemented at different points in the research timeline (Whitney, Lind & Wahl, 1998).

Quality Assurance

This covers activities that take place before data collection begins. Since quality assurance precedes data collection, its main focus is 'prevention' (forestalling problems with data collection). Prevention is the most cost-effective activity to ensure the integrity of data collection. An important component of quality assurance is developing a rigorous and detailed recruitment and training plan. Implicit in training is the need to effectively communicate the value of data collection to trainees. Since the researcher is the main measurement device in a study, oftentimes, there are little or no other data-collecting instruments. Indeed, instruments may need to be developed on the spot to accommodate unanticipated findings.

Quality Control

This includes activities that take place during and after data collection. While quality control activities occur during and after data collection, the details should be carefully documented in the procedure's manual. A clearly defined communication structure is a necessary pre-condition for establishing monitoring systems. There should not be any uncertainty about the flow of information between principal investigators and staff members following the detection of errors in data collection. A poorly designed communication structure encourages lax monitoring and limits opportunities for detecting errors. Quality controls also identify the required responses or actions necessary to correct faulty data collection practices and minimize future occurrences. These actions are likely to occur if data collection procedures are vaguely written and the necessary steps to minimize recurrence are not implemented through feedback and education (Knatterud et al., 1998). Comprehensive documentation of the whole process before, during, and after the activity is essential to preserving data integrity. Generally, the main objective of data collection is to gather information-rich and reliable data and analyze them to make critical business decisions. Once the data is collected, it goes through a rigorous process of data cleaning and processing to make this data truly useful for businesses. There are two main sources of data collection in research, based on the information that is required, namely:

Primary Data Collection Methods: Primary data refers to data collected from first-hand experience, directly from the main source. It refers to data that has never been used in the past. The data gathered by primary data collection is generally regarded as the best kind of data in research. The methods of collecting primary data can be further divided into quantitative data collection methods (dealing with factors that can be counted), and qualitative data collection methods (dealing with factors that are not necessarily numerical). Some examples of primary data collection methods used in the study include the following:

Survey/Questionnaire

Questionnaires designed with close-ended questions were distributed to more than 1,000 subjects among key stakeholders within the tax administrations, spread across the country. The method of distribution was a stratified sampling method

Interview

Questions were asked in line with the interview protocol and participants were allowed to respond, as best as they could manage, although the responses were in a few cases subjected to further probe. The researcher began reading and analyzing the transcripts of the survey responses, interviews, and focus group discussions early, examining the data from the first three (3) interviews, and asking questions as they went, rather than waiting until all interviews had been concluded. This method combines phenomenology and grounded theory designs to gather the required in-depth valuable data reported.

Focus Group

Questions were asked by the researcher, in his capacity as coordinator, and participants were allowed to make their comments, one at a time, allowing the responses to be further subjected to further review by other discussants. Grounded theory analysis is commonly used in focus groups. Leech & Onwuegbuzie (2007) and Strauss (1987) suggested that grounded theory is a widely used approach in qualitative study, and can be used for analysis of focus group data.

Secondary Data Collection Method: Secondary data refers to data that has already been collected by someone else. It is much more inexpensive and easier to collect than primary data. While primary data collection provides more authentic and original data, there are numerous instances where secondary data collection provides great value to firms. Examples of secondary data sources include:

Internet: There is a large pool of free and paid research resources at can be easily accessed on the Internet. While this method is a fast and easy way of data collection, one should only source from authentic sites while collecting information.

Government archives: There is a lot of data available from government archives, and the most important advantage is that the data in government archives are authentic and verifiable. The challenge, however, is that data is not always readily available as one would need it, due to several factors.

Libraries: Libraries also serve as a storehouse for business directories, annual reports, and other similar documents that can help businesses in their research.

Published sources: Researchers often refer to books, academic journals, magazines, newspapers, and other materials that contain relevant data…

Past research studies: Previous research studies and their findings can serve as valuable secondary data sources. Researchers can review and analyze the data to gain insights or build upon existing knowledge.

Data Analysis

Research data analysis is a process used by researchers to reduce data to a story and interpret it to derive insights. The data analysis process helps to reduce a large chunk of data into smaller fragments, which makes sense. Three (3) essential things occur during the data analysis exercise, which includes: (i). data organization, (ii). summarization and categorization, which helps with data reduction, finding patterns and themes in the data for easy identification and link, and (iii). Data analysis. The data analysis and interpretation can be defined generally as a process representing the application of deductive and inductive logic to the research and data analysis. Data can be in different forms and types, such as qualitative and quantitative data, briefly discussed hereunder:

Qualitative data - which are generally presented in words and descriptions, are often subjective and hard to analyze in research, especially for comparison. This type of data is collected through focus groups, qualitative interviews, or open-ended questions in surveys.

Quantitative data - generally expressed in numbers, or numerical figures, and can be distinguished into categories, groups, measured, calculated, or ranked. This type of data can be presented in graphical format, charts, or applied as a statistical analytical method on the data.

Data Analysis in Qualitative Research

There are several techniques used in analyzing data in qualitative research, some of which are discussed hereunder:

Content /Thematic analysis: widely accepted as the most frequently used technique for data analysis. It is used for analyzing the documented information from texts, images, and sometimes from physical items, depending on the research questions that would determine when and where the method should be used.

Narrative analysis: often used to analyze the content gathered from various sources, such as personal interviews and surveys. The majority of the time, stories, or opinions shared by people are focused on finding answers to the research questions.

Discourse analysis: often used to analyze the interactions with people. This method considers the social context under which communication between the researcher and respondent takes place, Discourse analysis focuses on the lifestyle and day-to-day activities while deriving conclusions.

Grounded theory: often used to explain why a particular phenomenon has happened. It is applied to study data about numerous similar cases occurring in different settings. When researchers use the method, they can alter explanations or produce new ones until they arrive at some conclusions.

Analyzing qualitative data involves coding or categorizing the collected data. It consists of making sense of vast amounts of data by reducing the volume of raw data, identifying significant patterns, finally drawing meaning from the data, and subsequently building a logical chain of evidence. The coding or categorization of data is the most crucial stage in the qualitative data analysis process. Coding involves subdividing a considerable amount of raw data and assigning them into categories. Codes are tags or labels for allocating identified themes or topics from the data collected during the study. The thematic analysis method helps analyze the data collected from the interviews, focus groups, and responses to the open-ended questions on the survey questionnaire, beginning soon after preparing the data for analysis, i.e., after verifying the transcripts with the audio recording.

Thematic Analysis

The thematic analysis method helped to analyze the data collected from the interviews, focus groups, and responses to the open-ended questions on the survey questionnaire. The thematic analysis began immediately after preparing the data for analysis, i.e., after transcribing the audio recordings and verifying the transcripts with the recording. Thematic analysis "brings order, structure, and interpretation to the mass of collected data. It is the search for general statements about relationships among categories of data, and it searches among the data to identify content" (Marshall & Rossman, 1999, p.150). The process involves three stages described as follows:

Stage 1: Developing and Applying Codes

This stage is termed the 'deconstruction' stage, which involves familiarizing with the data and breaking it down into parts to see what items are included. It requires reading and re-reading the interview and focus group transcripts and analyzing the data to create initial codes or categories that describe the content. Coding is simply data categorization, and a 'code' is a word or a short phrase representing a theme or an idea. A wide range of non-quantifiable elements can be coded, such as events, behaviors, activities, meanings, etc. All codes need to be assigned meaningful titles. There are three types of coding in use for thematic analysis which includes: Open coding, which involves the initial organization of raw data to make sense of the exercise; axial coding, which attempts to facilitate interconnection and link between the different categories or codes; and selective coding, which aims to formulate the story through connecting the categories or types. It can be manually done or through data analytical software, although manual coding in qualitative data analysis is considered labor-intensive, and time-consuming.

Stage 2: Identifying Themes, Patterns, and Relationships.

This stage is called the 'interpretation' stage, which refers to making sense of and understanding the coded data. Here, the search begins for themes among codes and reviewing the themes to outline and name the themes. It also involves comparing data codes and categories within and across transcripts and variables deemed essential to the study. Therefore, qualitative research is unlikely to be repeated to produce the same results. Nevertheless, researchers can use techniques to identify common themes, patterns, and relationships within the responses of sample group members concerning codes that are already specified. Specifically, the most popular and effective methods of qualitative data interpretation include the following:

a. Word and phrase repetition, which involves scanning the primary data for words and phrases most commonly used by respondents, as well as terms and phrases used with unusual emotions;
b. Primary and secondary data comparison, which involves comparing the findings of the interviews, focus group discussions, or any other qualitative data collection methods with the results of the literature review and discussing differences between them;
c. Search for missing information with regards to discussions on specific aspects of the debate which respondents did not mention if such matters were expected to be addressed;
d. Metaphors and analogs involve comparing primary research findings to phenomena from different areas and discussing their similarities and differences.

Stage 3: Summarizing the Data

This last stage, termed the 'reconstruction' stage, aims to recreate and repackage the prominent codes and themes to show the relationships and insights derived at the interpretation stage, explaining them more broadly in light of existing knowledge and theoretical perspectives. Reconstruction requires contextualizing the findings, i.e., positioning and framing them within existing theories, evidence, and practice. Generally, one or two central concepts will emerge as primary or overarching, and others will appear as sub-themes, further contributing to the main concepts. The point of data summary is when the researcher begins to link the findings to the research questions or aims and objectives. When writing the chapter on data analysis, one can use essential quotations from the transcripts to highlight significant themes within the findings and possible contradictions.

In summary, thematic analysis is a tool for analysis that provides a descriptive presentation of qualitative data sets. These qualitative data sets are analyzed by identifying the recurring patterns within data and grouping them into themes. These themes are thought patterns that capture research participants' perceptions of various phenomena concerning the research questions. At the data analysis stage, the information contained in the audio recordings was transcribed. The transcripts and researcher's notes were further analyzed and interpreted to align with the research context while identifying themes of interest from the codes and categories. The data gathered were analyzed to develop actionable insights, working through a detailed cleaning process. Rogers et al. (2011) state that data categorization divides data into 'elements' and then categorizes each 'element.' Using inductive analysis in the research, 'codes' or 'themes' or 'categories' are viewed as emotional concerns that could affect tax non-compliance.

Analyzing qualitative data involves immersing oneself in the data to become familiar with it, then looking for patterns and themes, searching for various relationships between data that help the researchers to understand what they have, and then visually displaying the information and writing it up. Le Compte & Schensul (1999) define data analysis as a researcher's technique to reduce data to a story and its interpretation, reducing large amounts of collected data to make sense of them.

Data Analysis in Quantitative Research

The first stage in data analysis is to make the data ready for analysis so that the data collected can be converted into something meaningful. Data preparation under quantitative research consists of the following stages:

Phase 1: covers data validation, seeking to understand if the data sample collected is agreeable with the pre-set standards, or if it is a biased data sample, again divided into four (4) different aspects with a focus on fraud, screening, procedure, and completeness. The fraud focus seeks to ensure that the actual human subject records each response to the questionnaire; the screening focus ensures that each participant or respondent is selected or chosen in compliance with the research criteria; the focus on procedure seeks to ensure that ethical standards are maintained while collecting the research data; and completeness focus ensures that the respondent has answered all questions in the questionnaire.

Phase 2: Data editing, a process wherein the researchers have to confirm that the provided data is free of errors. They need to conduct necessary checks, determine the outliers, and make the data ready for analysis.

Phase 3: Data coding, which is the most critical phase of data preparation, is associated with grouping and assigning values to the survey responses.

Methods Used for Data Analysis in Quantitative Research

After the data is prepared for analysis, the researcher would then be open to using different research and data analysis methods to derive meaningful insights. For sure, statistical analysis plans are the most favored for analyzing numerical data, under descriptive and inferential statistics, further discussed below:

Descriptive statistics

This method presents data in such a meaningful way that patterns in the data begin to make sense. Nevertheless, the descriptive analysis does not go beyond that. The conclusions are based on the hypotheses that the researchers have formulated. Examples of typical descriptive-analytical methods include:

i. Measures of frequency (counting, percentage, and frequency).
ii. Measures of central tendency (mean, median, and mode).
iii. Measures of dispersion or variation (range, variance, and standard deviation).
iv. Measures of position (percentile ranks, and quartile ranks).

In quantitative research, the use of descriptive analysis often gives absolute numbers, but in-depth analysis is never sufficient to demonstrate the rationale behind those numbers. It is better to rely on descriptive statistics when the researchers intend to keep the outcomes limited to the sample, without generalizing it.

Inferential statistics

This statistical method is used to make predictions about a larger population after research and data analysis of the representing population's collected sample. There are two (2) significant focus areas in inferential statistics, which include:

i. Estimation of parameters, which takes statistics from the sample research data and demonstrates something about the population parameters.

ii. Testing hypotheses, which relates to applying sampling research data to answer the survey research questions.

These are sophisticated analytical methods used to showcase the relationship between different variables instead of describing a single variable. It is generally used when researchers want something beyond absolute numbers to understand the relationship between variables. Examples of inferential statistics include correlation, cross-tabulation, regression analysis, frequency tables, and variance analysis.

Ensuring Research Quality and Rigor

All research consists of systematic procedures, rigor, and an empirical approach that includes data that can be accessed and collected. Within the qualitative study, two main strategies promote the rigor and quality of the research. These include ensuring the quality or 'authenticity" of the data and the quality or "trustworthiness" of the analysis. These concepts are similar to ensure validity and reliability in quantitative research.

Authenticity of data.

Data authenticity refers to the data's quality and data collection procedures. The elements to consider in this regard include the following:

- The sampling approach and participants' selection enable the research questions to be addressed appropriately and reduce the potential for a biased sample
- Using interviews and other guides that are not biased or leading a participant to respond in a particular manner
- The researcher's and team members' relationships with the study setting and participants must be explicit, and their biases and beliefs regarding the phenomenon under study must also be disclosed.

Trustworthiness of analysis

The trustworthiness of the analysis refers to the quality of the data analysis. The elements to consider when measuring the quality of the data analysis process include the following:

- The data analysis procedures should be described appropriately, and team members' roles should also be carefully defined. One has to explain what has been done with proper timing and sequencing. Also, there should be an explanation of how the categories/codes related to the data collected were developed.
- Statement of the procedure for resolving differences in the study outcomes and among the members, and the process for addressing the potential influence which the researcher's views and beliefs may have on the analysis.
- Selection of a qualitative software program for the analysis and how it is applied if used?

The Role of the Researcher in Data Analysis.

The role of a researcher engaged in qualitative data analysis is to ensure rigor and credibility associated with the different aspects of the research. By this, it is common knowledge that the researcher is obligated to apply the expected standards of credibility, dependability, and transferability to processes connected with

- monitoring and reducing bias;
- developing competence in research methods;
- data collection;
- data analysis;
- present the findings.

A researcher is also responsible for ensuring research integrity. The integrity of the study is the same as the integrity of the researcher. This view is acceptable for both qualitative and quantitative studies. Credibility, dependability, and transferability in qualitative research depend on the researcher's performance. Quantitative analysis often focuses on the research design's validity, reliability, and generalizability. Researchers sometimes make errors that threaten their studies' validity, reliability, and utility, considering that bias is also a source of error.

Qualitative researchers lack many protections against errors that statistical methods, standardized measures, and classical designs can afford. They must rely on their competencies, openness, and honesty. Thus, the role of the qualitative researcher is more open to scrutiny. Confirmation bias (the researcher's ideas about the study, his knowledge about the topic of inquiry from the literature review conducted, hopes for the study, and simply human distractibility) often crop up constantly and can distort what the researcher hears from research participants. Confirmation bias afflicts quantitative researchers too, but when they analyze data and see what they are disposed to see, the bias is higher in cases of qualitative studies. Qualitative researchers trained to find meaning in everything often encounter confirmation bias in interactions with participants and data. Therefore, monitoring and reducing one's disposition to interpret too quickly is essential for the researcher's role. Qualitative researchers have evolved various methods to address the problem of biases, and refraining from making personal judgments. Still, every design within qualitative methodology requires an explicit description of how the researcher will remain conscious of his disposition and previous knowledge in controlling the intrusion of bias.

Summary of Chapter

The chapter began with an introduction and restatement of the research problem and purpose, stating that “tax non-compliance is responsible for the breakdown of institutional governance at all levels of government in Nigeria, and creating public distrust and declining confidence in government activities (Natufe, 2006; Abati, 2006). Low tax participation or low tax collection remains a challenge to most governments in developing countries (Torgler, 2003), limiting revenue authorities’ capacity to generate taxes for development and recurrent expenditure purposes. Tax non-compliance behaviors explain the current low tax/GDP ratio of 6% in Nigeria when a few other countries within the African sub-region have already achieved high ratios of 15% to 20%. Therefore, the study seeks to evaluate the impact of adopting stakeholders’ engagement to promote voluntary tax compliance. The study relies on the theories of organizational stakeholders and planned behavior in psychology to explain the impact of stakeholders’ engagement on voluntary tax compliance. This study is premised on the constructivist paradigm and relies on the principles of phenomenological research design, which operates through inductive reasoning.

Research Approach and Design

The study attempted to address the problems of tax non-compliance from the participant's point of view (Leedy & Ormrod, 2001, p.157). The study adopted a qualitative approach that involves discovery, allowing the researcher to develop details from his involvement in the actual experiences (Creswell, 1994). This approach is practical because it occurs naturally and enables the researcher to create sound ideas and formulate opinions by being highly involved in the experiences (Creswell, 2003). The broad research approach represents the methodology of philosophy, research designs, and specific methods. The research approach involves philosophical assumptions and distinct practices. In planning the study, some philosophical worldview assumptions likely to be carried into the study were first considered, including the research design that corresponds to the worldview and the specific study methods that would help translate the approach into practice. A significant decision in the design process is the research approach, which helps to determine how the data were to be obtained. The research design involves numerous interrelated decisions (Aaker et al., 2000) while the research approach is expected to support the researcher in interpreting the findings. Research is about the world and the steps taken to understand it, including the thinking on how the world is constructed or what we believe it is (ontology). This way of thinking shapes how the world is understood, and how people view it (epistemology), as well as the methods employed in shaping what we see. This understanding is informed by how people view the world and interpret what they perceive as the purpose of knowledge (Cohen, Mammon & Morrison, 2003).

This study adopts a qualitative, interpretive approach, which seeks to understand ‘how’ and ‘why’ a particular phenomenon or behavior occurs as it does in a specific context. It is concerned with analyzing subjective meaning, social issues, or events, through a collection of non-standardized data, such as texts and images, rather than figures or statistics (Flick, 2014, p. 542). The qualitative method adopted was complemented by quantitative data to make the conclusions more generalizable (Strauss & Corbin, 1990). The qualitative approach employed is multi-method in focus, involving an interpretive, natural approach to the subject matter (Denzin & Lincoln, 1994), and using a method that combines grounded theory and phenomenology, given that the use of both study designs can facilitate a more comprehensive understanding of the study phenomenon.

Population and Sample of the Research Study

The population of interest considered for the study is comprised of individuals, groups, organizations, or entities identified as taxpayers, whom the study hopes to interact with, and for whom the outcome could become generalizable. The study was conducted on a sample of subjects rather than the whole population. The most challenging aspect of the fieldwork was how to draw a sample from the target population to help generalize the study results. Population creates boundaries for a study's scope and provides environmental and context hints for the reader. Setting boundaries allows the researcher to identify subpopulations, such as the target population, sampling frame, and the actual sample, while also ensuring a proper alignment between the different groups within the study (Salkind, 2010). The target population is comprised of selected key stakeholders represented by the government, tax authorities, taxpayers (employees, enterprises, and companies), professional tax consultants, and the media/advocacy groups, all spread across the six (6) regions of the country.

A sample is any part of a fully defined population, that could represent the target population, to make an inference. A non-random sampling method was used to select the sixty-six (66) participants for the qualitative segment of the study. The method is subjective, less stringent, and depends heavily on the researcher's expertise. In contrast, the quantitative aspect of the research employed the stratified sampling method in distributing the survey questionnaires to about 1,172 subjects, who participated in the quantitative survey.

The convenience sampling method is a non-probability technique, as samples were selected from the population only because they are conveniently available to the researcher. This method was applied to all sixty-six (66) respondents who participated in the qualitative experiment due to their respective locations and the facts of limited resources available to the researcher. Due to various security challenges across the country, which have severely impacted road and air travel, the study locations were restricted to places accessible by air only. Two (2) top-level officers from the FIRS were engaged as "gatekeepers," to ensure that FIRS field officers in those designated study locations provided the research team with necessary logistics support. One of the 'gatekeepers' facilitated the selection of subjects for the Focus group meeting. Qualitative researchers are known to employ purposive sampling techniques to recruit study participants who could provide them with in-depth and detailed information about a phenomenon under investigation. Convenience and purposive sampling methods were employed to facilitate quick data collection during the exercise. In particular, the purposive sampling method helped immensely in obtaining much information from the respondents.

Data Collection Instruments and Tools

In qualitative studies, data can originate from different sources of evidence, including documents, interviews, etc. (Yin, 2003). These research instruments represent fact-finding strategies and are helpful for data collection. Four (4) different data collection tools were used for the study, which included a survey questionnaire, in-person/phone interview, focus group, and literature review. The data collection tools used for this study are described below:

Interview

Interviews provide in-depth information about participants' experiences and viewpoints on a particular topic (Grey, 2014). Direct interviews were held with four (4) persons and phone interviews with six (6) others who could not be physically present, making ten (10) persons in all. Thus, it was possible to get rich and detailed information about why strategies on tax compliance often fail and why most taxable persons fail to comply with tax regulations from the participants' viewpoints. Various forms of interview design are used to gather rich data which utilize a qualitative inquiry approach (Creswell, 2007). The study opted for a semi-structured questionnaire design, which would allow data analysis to benefit from structured and unstructured analytical patterns.

Survey/Questionnaire

The questionnaire approach is the most cost-effective method as a data collection instrument. It allows the respondents more freedom and flexibility when providing answers and enables the researcher to gather in-depth information about the issue under investigation. The questionnaire was administered to more than 1,000 respondents who participated in the quantitative survey, making data collection relatively quick because the researcher did not have to be physically present when completing the questionnaires.

Focus Group

A focus group is another frequently used tool to gather qualitative research data. It facilitates data collection through group interaction on a topic of investigation (Morgan, 1996). There were eight (8) participants selected for the focus group. The session was aimed at obtaining data from a purposely selected group of individuals rather than a statistically representative sample of a broader population. Researchers use this method to make the non-directive interviews more interviewer-controlled, exploiting verbal cues as a checklist. The dialogic nature of the method allows the co-construction of meaning between different interviewees on the investigated topic (Overlien, 2005).

Study Procedure and Ethics

This section on the study procedure covers the part of the research that describes the various methods used in collecting research data and allows the reader to understand how data was collected and judge if the methods employed were suitable. It summarized a detailed description of the steps taken towards designing the questionnaires and interview guides, touching on the revision and dry-run of the questionnaires, details of the data collection strategies, and the adopted approaches, including methods of administering and retrieving the questionnaires, process of conducting the interviews and organizing the focus group session. The content included all research-related activities toward achieving the study's objectives while offering reasonable solutions to any problems during data gathering. The research processes and the tools to be used during the study were all approved vide the official approval contained in the REAF - DS 3 Form, which formed the basis for the commencement of the study. It became necessary to clarify the criteria for selecting the study participants, including the selection of 'gatekeepers' before the survey commenced on Wednesday, 18th May 2022. A participant chosen for the study should have a good understanding of tax laws and practices. The measurement tools and materials for the study included interview transcripts, documents, and open-ended survey responses, including the interpretation of images and videos from the recorded interviews and focus group discussions. With the research questions in mind, analyzing the data helps look for patterns and themes that give meaning to the process. The approach adopted for data analysis is thematic analysis, a technique that looks at patterns of meaning in a data set.

In recent times, the attention devoted to ethical conduct in research has considerably increased in response to society's expectation for greater accountability (Haggerty, 2004; Held, 2006; Zegwaard, Campbell & Pretti, 2017). The importance of ethical conduct in research cannot be over-emphasized, especially when using human participants. For this study, necessary steps were taken at the early stage of deciding on the research approach and design to consider all ethical issues, concerning informed consent, risk of harm, confidentiality, anonymity, and conflict of interest. It was imperative to develop a plan to resolve any ethical issues in the event of any challenges in this area.

Choice of Data Analysis Technique for the Study

In a qualitative study, data analysis systematically searches and arranges the interview transcripts, interview notes, or non-textual materials the researcher accumulated to increase the understanding of a phenomenon. De Vos (1998) indicates that when working from a qualitative angle, the researcher attempts a first-hand, holistic experience of a phenomenon, and data collection takes shape as the investigation proceeds. Data analysis is crucial to any study as it aims to give all the collected data meaning. The process involves interpreting data through analytical and logical reasoning to determine patterns, relationships, or trends. Tables were extensively used to represent participants' view and their demographic characteristics. This method was complemented by the thematic analysis, which emphasized the qualitative paradigm's challenging nature in data analysis (Poggenpoel, 1998, p. 334). Analyzing qualitative data involves coding or categorizing the data. It consists of making sense of vast amounts of data by reducing the volume of raw data, identifying significant patterns, inferring meaning from the data, and building a logical chain of evidence. Within the expanding world of qualitative inquiry, an acknowledgment of the researcher's positioning through a process of reflexivity (critical self-evaluation) has become essential (Glesne, 1999; Mauthner & Doucet, 2003; Merriam, 1998; Russell & Kelly, 2002; Stake, 1995; Watt, 2007; Willig, 2001). Therefore, monitoring and reducing one's disposition to interpret too quickly is essential for the researcher's role.

As a necessary step towards validating the initial qualitative study findings, it became imperative to get an adequate, yet random sample size from the study population, to ensure generalizability in the research. Increasing the number of participants in the study would help to produce a valid and complete study. The study set out as qualitative research but ended up as a mixed method research to ensure the generalizability of the study.

CHAPTER 4: FINDINGS / RESULTS

Introduction

This qualitative, descriptive, and interpretive study is primarily aimed at determining the extent of the effect of stakeholders' engagement on voluntary compliance. Usually, an atmosphere of voluntary tax compliance suggests a favorable tax environment that promotes a tax-paying culture among the generality of the people and businesses, ultimately improving the country’s tax/GDP ratio. This ratio measures the efficiency of a country's tax administration and validates how well a government manages and controls the country’s economic resources (IMF Revenue Report, 2016). The IMF/World Bank had projected that all developing economies should collect at least 15% of their GDP in taxes, compared with 40% reported achievement in advanced economies. In 2015, the Nigerian government projected a tax/GDP growth ratio of 15% over a five (5) year period, in the realization that the potential to mobilize domestic revenues is central to the country's ability to fund its social services and the infrastructure needed to promote economic growth. The country's weak tax potential places its economic development at risk, hence the urgent need to establish an engagement platform to help promote voluntary tax compliance among citizens and businesses nationwide.

The chapter is organized around the research objectives and the main research questions. The study's findings will address the likely causes of tax non-compliance and why the government's compliance and enforcement actions to discourage tax evasion and other serious tax offenses have been ineffective. The study hopes to demonstrate how multi-stakeholder engagement can help to improve general tax awareness and promote a positive tax-paying culture among the citizens, optimize tax collection to narrow the tax gap, and ultimately increase the country's tax/GDP ratio to achieve voluntary compliance. The study has identified the main variables as voluntary compliance (dependent) and stakeholders' engagement (independent). However, some other constructs, such as quality governance, tax morale, trust in government, and personal norms, related to the theory of planned behavior, also have some influence in making voluntary tax compliance achievable. The stakeholders' engagement approach promises to be an innovation for promoting voluntary tax compliance. It will be a forum for actualizing collaborative decision-making opportunities and integrating citizens' values and knowledge into complex management issues. Therefore, it is expected to serve as a platform for regular dialogue to influence the generally poor perception of the citizens on taxation and encourage them to cooperate with the government towards achieving the country's developmental goals.

Generally, two (2) main issues in qualitative research are believed to promote the rigor and quality of research studies. These concern the quality or "authenticity" of the data and the quality or "trustworthiness" of the analysis. These concepts are similar to ensuring validity and reliability in quantitative research. The authenticity of data refers to the quality of data and the procedure for data collection, which covers the sampling method and participants' selection in the hope that these would address the research questions appropriately and reduce the potential for a biased sample. Trustworthiness of the analysis refers to the quality of data analysis, focusing on whether the analysis process has been adequately described, e.g., the roles of the team members, what was done, timing, and the sequencing. This chapter has devoted significant attention to writing to show that the research on "Stakeholders' Engagement as a Strategy for Optimizing Voluntary Compliance: A Case Study of the Nigerian Tax Administration" has satisfied the trustworthiness test in qualitative research. Not only must the trustworthiness of data collection be high, but the standard of trustworthiness of the interpretation of results must also remain high.

The chapter analyzes the data collected. The findings were summarized using tables and charts to convey the thoughts expressed by the participants, including the demographic information on the participants. Data were analyzed using inductive reasoning, whereby relevant themes were developed from the raw data, which were earlier grouped into higher-order clusters (Miles &

Huberman, 1994). Transcripts of all the interviews and focus group discussions, including the responses to the qualitative inquiries on the questionnaire were analyzed separately and combined into one body of data to define relevant themes, as guided by participants' responses from the different data sources. The responses from the different data sources were found to be similar when data from one source was compared with another source through data triangulation. This unity within the sample responses was further examined, after carefully analyzing the alternative interpretations. In analyzing the raw data, the guidelines on inductive data analysis prescribed by Easterby-Smith et al. (2002) and Miles & Huberman (1994) were followed. The transcripts of the recordings were analyzed using an iterative process of coding and categories to establish common trends, leading to theme development through qualitative clustering. No prior theory was used as a basis for the coding process. The coding and emerging themes were the outcome of the clustered analytical process. This applied technique helped to reduce the number of themes to only seven (7), mindful of the need to present all the arising critical issues fully. The seven (7) emerging themes were then tested against prior theories to form the basis of the "what," "how," and "why?" of participants' responses as these relate to the topical issue of stakeholders' engagement. This higher-order clustering agrees with the procedure prescribed by Griffin & Prakash (2014) on thematic analysis, a seminal piece submitted by Godfrey (2005). However, articulating the results has greatly helped the researcher to understand the problems from within, analyze them into components, and view the problem from different angles.

Thereafter, the study's findings were organized by research questions and themes, using sub-titles to convey their importance. Tables and charts were also extensively used to report the conclusions of the data analyzed to reassure readers of the report on the methods adopted to ensure the trustworthiness of the data-gathering process and the robustness of the data that backs up the findings. Using tables to present the results made it easy to navigate and sort large amounts of data differently in making sensible conclusions. Another vital discussion in the chapter is the evaluation of the findings to ensure that the research purpose is fully satisfied. The evaluation of results becomes an integral part of research as it helps to expand the evidence base and, more importantly, helps potential researchers conducting future research on similar or related topics to have a reference point, and also helps to make appropriate judgments concerning any program, improve its effectiveness, and inform programming decisions (Patton, 1987).

Trustworthiness of Data

Qualitative research provides researchers with process-based, narrated data more closely related to the human experience. Researchers can learn much from others' experiences to create a good story. However, the degree of trust one may have in the person narrating the story has much to do with the degree of trust attributed to the storytelling process. This advantage summarizes the experience with research studies conducted from a qualitative research perspective. Trust building is imperative for a successful qualitative data analysis. Lincoln and Guba's (1985) seminal overview focuses on the different components of trustworthiness. Trustworthiness is one of the shared realities of life. Although naturally subjective, it allows readers and writers to find commonality in the constructive process. In qualitative research, reality is often constructed, suggesting that the quantitative concept of validity is not a goal of qualitative research. Instead, qualitative research aims for the less explicit purpose of trustworthiness, such that when readers interpret the written work, they can express confidence in the report. Even with this confidence, readers cannot still expect the writer to regenerate the exact findings to the application of the research. 'Trustworthiness' is generally defined, by reference to the four (4) specific criteria stated by Lincoln and Guba (1985), which include credibility, transferability, dependability, and confirmability.

Credibility and Trustworthiness

The required precautions to be taken during the study include triangulation of the data collected and prolonged engagement with the data to ensure familiarization. In particular, negative case analyses were isolated with reasons, while member checks were encouraged as part of the necessary procedures to increase the study's credibility. Data collected during the in-depth interviews and focus groups were subjected to several reviews and analyses to establish the “truth” element of the research. Credibility seeks to understand the congruence between the findings and reality. The congruence or harmony of the results in qualitative research is analogous to questions about internal validity in quantitative analysis. Credibility is a construction of the researcher and his readers, strongly promoted through various triangulation processes, using several sources of information or procedures from the study field to establish identified patterns repeatedly. Methodological triangulation was applied, involving multiple methods of collecting or analyzing data to develop findings, e.g., data from transcripts, audit test scores, and protocol analysis. Participants verified my interpretations after the facts to enshrine credibility in practice. This process is known as "member checking," where member refers to participants in multiple roles within a given qualitative study. The procedure of member-checking was applied to ensure that the interview transcripts agreed with the information provided by the participants.

Dependability and Trustworthiness

Dependability is another perspective of trustworthiness offered by Lincoln & Guba (1985) and relates to reliability. Most qualitative researchers believe that if credibility has been proven, it would be unnecessary to demonstrate dependability separately. However, since the twin concepts of validity and reliability are applicable in quantitative analyses, we might as well allow the twin concepts of credibility and dependability in qualitative research to remain. Dependability is used to demonstrate the consistency and reliability of the research findings. This objective could be achieved by providing records, such as participant selection, field notes, anonymized transcripts, and reflective notes at each stage as evidence. These items will form the audit trail for anyone assessing the research. The process starts with tracking the precise data collection, analysis, and interpretation methods, including providing adequate contextual information about each piece so that other researchers could theoretically replicate the study and generate consistent results. As it is the practice in qualitative analysis for researchers to build their trust in the events as they unfold, the approach produces confidence and makes one feel trustworthy when applied. The goal is achievable through peer debriefing or peer scrutiny, a vital communication habit that creates trust. The professionalism of my peers conveyed a sense of self-credibility. As a peer has done the scrutiny, it allowed me to have an insider analysis and feedback before making the research findings public and demonstrating trust. Presumably, awareness that the work and the results are subject to inspection, including what has been set aside as my interpretive comments about the data, makes the process more trustworthy. Also, the habit of data separation into observation and interpretation, known as "bracketing," adds an element of trust to the whole process.

Transferability in Trustworthiness

Instead of providing indicators that the measures adopted were delivering what they claimed, transferability seeks to utilize the rich details produced in qualitative research so that others can evaluate the potential for application of the findings in other spheres. Lincoln & Guba (1985) referred to this as a ‘database.’ As it is valid and vital to creating new knowledge from the emergent discovery, seeking understanding from others' systematic qualitative inquiries matters greatly in qualitative studies. Transferability measures the extent to which the study's results are applicable within other contexts, circumstances, and settings. It can be thought of in terms of generalizability as it covers the issue of external validity. A thick description was obtained from the participants, providing adequate details of the locations, participants, and procedures for collecting data during the research study. This level of detail will help other researchers evaluate whether the results would apply to different situations. Transferability is possible when a thick description provides a sufficiently rich disclosure of the circumstances applicable to others' situations.

Confirmability As Part of Trustworthiness

By confirmability, the researcher tries to prove that the qualitative study is neutral and not influenced by his assumptions or personal biases. Instead, the research should produce findings that objectively reflect information collected from participants. Confirmability refers to "getting as close to objective reality" as qualitative researchers require. In other words, the data should speak for itself. Confirmability can be demonstrated by providing an audit trail that details each step of data analysis showing that the findings are not colored by conscious or unconscious bias but accurately portray the participants' responses. While summarizing the content of each question asked during the in-depth interviews and focus groups, the overlapping themes were developed and recorded without bias, including participant comments, to create an audit trail. The recorded field notes constituted the audit trail to help avoid personal bias, as qualitative reporting concerns details. Lincoln & Guba (1985) asserted that researchers should typically devise rules that describe a basis for later replicability tests, suggesting that other researchers should be able to replicate the results and show that the results are a product of independent research methods.

Data Presentation, Analysis, and Interpretation

This chapter presents an examination and explanation of the findings on the evaluation of the impact of stakeholders' engagement on voluntary tax compliance. The data collection came through interview responses, focus groups, and the administration of survey questionnaires. It also contains a summary of the participants' demographic information and a presentation of the outcomes of data cleaning, multivariate analysis, and hypothesis testing.

Demographic Information on Participants

The summary of participants' demographic information, as obtained from Appendices J and K, which covered the qualitative phase (for 66 participants), and those related to the quantitative segment (for 1,172 respondents), are presented in Tables 13 and 15 below.

Table 13:

Demographic Information on the Two (2) Groups of Research Participants

Description	Qualitative Study	Quantitative Study	Total	%
1. Gender:				
Male	52	701	753	60.0
Female	14	471	485	40.0
2. Age Bracket:				
Below 20 years.	-	15	15	1.0
21 - 40 years.	5	527	532	43.0
41 - 50 years	17	395	412	33.0
51 - 60 years.	44	235	279	23.0
3. Education Attained:				
FSLC/Pry 6.	-	3	3	0.2
WASCE/SSCE	-	62	62	5.0
BSc/BA/HND.	31	746	777	62.8
MSc/PhD/DBA	35	361	396	32.0
4. Business Location:				
Northern Nigeria.	18	354	372	30.0
Southern Nigeria.	17	393	410	33.0
Abuja.	21	130	151	12.0
Lagos.	10	295	305	25.0
5. Stakeholders' Group:				
Government.	9	173	182	15.0
Tax Authority.	12	189	201	16.0
Taxpayer	30	414	444	36.0
Tax Professional	11	258	269	22.0
Media/Advocacy.	4	138	142	11.0
6. Taxpayer Category:				
Employee.	38	639	677	54.6
Self-employed.	20	344	364	29.0
Corporate	8	184	193	16.0
NGOs/Exempted	-	5	5	0.4
Total	**66**	**1,172**	**1,238**	**100.0**

Note: Details extracted from the demographical data on the participants in Appendix J, p.351

The study involved 1,238 participants in all, being a representative sample that proportionately reflects the specified characteristics in the target population which aims to improve the study's credibility. The distribution of gender participation is presented in Table 15, while Tables 14 A and B present the distribution of stakeholders' participation.

Table 15

Gender Analysis of Research Participants.

	Survey	*%*	**Interview**	*%*	**Focus**	*%*	Total	*%*
Female	471	*40*	12	*21*	2	*25*	485	*40*
Male	701	*60*	46	*79*	6	*75*	753	*60*
Total	1,172	*100*	58	*100*	8	*100*	1,238	*100*

Note: Data compiled from the participants' demographic information in Appendix J, p.351

Part One: Analysis of Qualitative Data

The qualitative segment of the study involved sixty-six (66) participants, drawn from the five (5) major stakeholder groups within the Nigerian tax administration, comprised of the government, tax authorities, taxpayers, tax professionals, and the media, with members selected from the six (6) geo-political regions of the country, including Lagos and Abuja. The subjects participated in the open-ended questionnaire (survey), semi-structured interviews, and focus group for data collection Based on the stepwise analysis earlier articulated in the preceding chapter, seven (7) themes emerged and were categorized under three (3) headings, summarizing the "What?" "How?" and "Why?" of the findings as follows:

a. **What are the leading causes of lingering tax non-compliance?**

Theme 1: The government's failure to fulfill social contract obligations and the lack of accountability and transparency.

Theme 2: Non-compliance with the constitutional requirement for citizens to declare their incomes and pay due taxes.

Themes 1 and 2 speak directly to the responsibilities of the government to govern the population effectively and provide them with the necessary comfort to improve their living standards, failing which they cannot obtain the compliance of the citizens to pay taxes. The fiscal exchange theory states that there is a social obligation contract between citizens and the government and that individuals pay taxes in exchange for the services provided by the government (Torgler et al., 2007). As such, positive actions of the government would increase social commitments and tax morale.

Also, tax education is a means of empowering citizens/taxpayers, giving them knowledge and tools for a better understanding of the tax system, increasing taxpayers' morale, and ultimately promoting voluntary compliance (Mascagni et al. 2019). Tax administrations are required to diversify their taxpayer education approach, which involves, teaching, raising awareness, and assistance, for them to benefit from the synergies between the complementary well-designed taxpayer initiatives (understanding taxation, taxpayers' tights and obligations, and knowing how to comply with tax obligations) to reach a wider population (OECD/FIIAPP, 2015).

b. Can stakeholders' engagement promote voluntary compliance and help improve the country's tax/GDP ratio?

Theme 3: Implementing stakeholders' engagement as a project management intervention and using collaboration, cooperation, and assistance to promote voluntary compliance.

Theme 4: Adopting a sustainable tax education policy, public enlightenment programs, and town-hall meetings to serve as tools for creating tax awareness, eliciting a positive tax-paying culture, and improving the citizens' attitudes and behaviors.

Themes 3 and 4 require the collaboration of all the key stakeholders to achieve voluntary tax compliance successfully. Therefore, the stakeholders' engagement will be a perfect opportunity for meaningful dialogue and engagement with all stakeholders to achieve voluntary tax compliance. Tax administrations in various countries are daily embracing a more cooperative relationship with their taxpayers to promote voluntary compliance (OECD, 2016; de Widt, 2017; Boll & Brehm-Johansen, 2018). The creation of such a cooperative relationship between taxpayers and tax administrators is assumed to yield advantages for both parties and is described as a solution where everyone benefits (OECD, 2016).

Also, by using different taxpayer education initiatives, tax administrations can offer a comprehensive learning experience on tax, giving taxpayers a better knowledge of their rights and obligations, and of the way the system works, as well as helping them develop new skills. Studies recently conducted in Turkey and Spain on strategies for engaging with taxpayers showed that tax education has a positive effect on the level of compliance (Goksu & Sahpaz, 2015), and in particular, continuous tax education has a positive effect on tax morale.

c. A modernized tax administration is imperative for tax optimization and voluntary compliance.

Theme 5: Ineffectiveness of the tax administration's compliance/enforcement actions and the failure to constantly engage with taxpayers strategically, including the lapses of the self-assessment tax system.

Theme 6: The challenges of tax non-compliance are linked to the failure of tax authorities to adopt best practices and take advantage of the visible advancement in technology.

Theme 7: A focus on the taxation of the informal economy and the High-Net-Worth individuals to improve tax compliance.

The highlighted issues under the above three (3) themes addressed the issues of the tax system’s improvements, which are within the competence of the tax authorities in conjunction with regular government support. If the expected tax administration improvements are not in place, it would be near impossible to get the citizens to comply with their tax obligations voluntarily. Cooperative compliance should help to reduce the need for tax audits and lengthy court disputes, both of which consume the tax administration’s resources. Widening the collaboration and cooperation to include major stakeholders in the tax administration would undoubtedly bring more taxpayers into the tax net, encourage a better tax payment culture, and increase aggregate revenue collection. Sustainable development requires a reduction of businesses in the informal sector over time, but this process will inevitably be gradual because the informal sector is currently the only viable income source for a lot of people. Informality in business is best tackled by steady reforms, such as investment in education, and policies that address its underlying causes. Attacks on the sector motivated by the view that it is generally operating illegally and evading taxes are not the answer.

The emerging seven (7) themes are not arranged in any particular order under the different headings (such as sorted by importance or frequency of comments). Instead, they represent the various themes that research participants associated with stakeholders' engagement in promoting voluntary compliance. The data analysis has been organized, such that Themes 1, 2, 5, 6, and 7 could help address the issues touching on the research objectives, while Themes 3 and 4 focused on the research questions.

Research Objective 1: Identifying the causes of tax non-compliance in the Nigerian tax administration.

The discussion on research objective 1 covers the government's responsibilities to encourage voluntary tax compliance and its sustainability. The government should provide an enabling environment for effective tax administration and ensure efficient interaction between tax policy, law, and administration. Tax policies should reflect the canons of taxation, and the laws should be simple and unambiguous, while tax administration must adopt best practices. These criteria will boost tax morale and make the citizens trust the government. Any deficiencies on the part of the government could lead to tax non-compliance. Therefore, understanding the leading causes of tax non-compliance and why government compliance and enforcement policies have yielded only a little impact should be the starting point of the discussion on the strategies to improve voluntary tax compliance in Nigeria.

a. Lack of awareness of constitutional provisions for income and tax payment disclosure.

Analysis of responses to the close-ended questions on the survey questionnaire gave an impression of a weak tax administration, where citizens are quite aware of the constitutional provision for taxation, but choose to do otherwise. The details of answers obtained from the study respondents are summarized in Appendix K and further presented in Table 15 below. The responses suggested that the three-tier government has not mobilized sufficient taxes to provide citizens with essential public goods and services. The government seemed to rely on penalties/fines to enforce compliance, but the policies are hardly effective. Table 16 summarizes the responses to the close-ended questions as presented hereunder:

Table 16

Summary of responses to the close-ended question segment on the questionnaire

s/n	Questions posed to the survey respondents (n=48)	YES	%	NO	%
1.	Awareness of constitutional provision for citizens to declare their incomes and pay due taxes?	48	100	-	-
2.	Does the three-tier government collect an adequate level of taxes for public use?	8	7	40	83
3.	Is tax awareness among citizens and businesses adequate and impressive?	2	4	46	96
4.	Does the three-tier government utilize tax monies to provide basic amenities for the citizens?	1	2	47	98
5.	Are the current penalty provisions adequate to deter tax non-compliance?	22	46	26	54
6.	Have penalties/fines ever successfully discouraged tax non-compliance and other offenses?	20	42	28	58
7.	Does tax education promote tax compliance from your experience?	45	94	3	6
8.	Has the self-assessment tax system been efficiently and effectively implemented to date?	20	42	28	58
9.	Are taxpayers and businesses fully complying with the self-assessment principles and requirements?	14	29	34	71

Note: Data compiled from the responses to close-ended questions in Appendix K, p. 352

b. Poor approach by the government and tax authorities in enforcing tax compliance.

Voluntary tax compliance is the willingness of an individual or other entities to abide by the tax laws without applying any enforcement. Tax non-compliance behavior is an attitudinal tendency by taxpayers leading to adverse tax behaviors, such as tax avoidance and tax evasion. As all the survey respondents have affirmed their awareness of the constitutional provision that requires them to declare income and pay due taxes, one is prompted to inquire why people still fail to comply with their tax obligations as and when due. The respondents fully understood that the performance of tax obligations should never be forced or coerced. Instead, taxpayers should be encouraged to voluntarily comply with tax obligations because the basic understanding of the obligation to pay taxes as prescribed by section 24 (f) of the Nigerian constitution is the premise for the self-assessment tax system. The voluntary compliance process does not have to be coercive or forceful but might require cooperation and encouragement from the tax authorities. It is in light of this understanding that a focus group discussant, FOC/No. 001, challenged the use of coercion or force by tax authorities to enforce tax obligations:

> "The element of compulsion in the tax authorities' approach to enforcing tax compliance seemed inappropriate, even though it is understood that they have the sole duty to enforce the tax laws. What happens to cooperative compliance as a positive approach?"

Nevertheless, another discussant, FOC/No. 003, noted that a tax, by definition, is a compulsory levy. Therefore, applying some form of force or coercion to collect taxes from citizens is not uncommon in tax administration practices:

> "Concerning the issue of compulsion in the approach to tax enforcement, I can't entirely agree that the concept of voluntary compliance forbids the use of compulsion or force, judging from the ordinary definition of tax as a compulsory levy."

In light of the two comments, one should ask why most citizens and even enlightened taxpayers often fail to comply with their tax obligations despite the awareness of the constitutional provision in aid of voluntary tax compliance. Not minding the modern approach towards cooperative tax compliance policies in most modern tax administrations, a few participants still viewed taxation as a mandatory imposition on businesses and persons, payable to the relevant tax authorities, without expecting commensurate benefits from the government. However, a tax payment signifies "parting away with something of value." The person paying the tax will naturally want to know what benefits await him in return for the tax he paid. Citizens should be continuously supported through cooperative compliance actions to fulfill tax obligations, as this policy will always boost tax morale. A focus group discussant FOC/No. 004 noted:

> "When tax morale is low, citizens will contribute little taxes. No more, no less."

From a further review of the data obtained in response to the survey questionnaires, a few respondents seemed to equate voluntary tax compliance with the self-assessment tax system. However, it is common knowledge that the self-assessment method promotes voluntary tax compliance. This tax system requires taxpayers to calculate tax liabilities by themselves and support the calculation with tax payment of the liabilities computed (Barr, James & Prest, 1977). The self-assessment tax system has implications for voluntary compliance in all successful tax administrations. By the arrangement, the tax authorities rely or depend on taxpayers to assess the correct amount of taxes on their tax returns, file those returns properly, and pay the taxes due timely. From experience, it is apparent that the tax authorities cannot keep up with a system that requires them to directly assess individual income tax or examine every filed tax return. A focus group discussant, FOC/No. 006, however, clarified the principle behind the self-assessment system in practice:

> "The tax authorities rely on taxpayers to cooperate with them by complying with the tax laws, and the taxpayers themselves rely on the tax authorities to leave them alone as they have played their part. Such an arrangement is guided by cooperative compliance."

Understandably, when citizens pay their taxes, they will, in turn, expect high performance from the government. However, another focus group discussant, FOC/No. 002, expressed utter disappointment concerning the carefree attitude of the government toward fulfilling its social contract obligations to the citizens as follows:

> "Until the government and its agencies can satisfy the social contract obligations to the citizens, they will have to accept whatever little taxes the people are willing to contribute. No more, no less."

Most survey respondents have advocated for cooperative compliance policies to improve tax compliance. The research participants proffered various reasons as the likely causes of the continuing tax non-compliance in the Nigerian tax administration. Reasons adduced as the causes of tax non-compliance centered mainly on the lack of accountability and transparency in the management and utilization of public funds, which is linked to the failure of the government to provide critical infrastructure and basic social amenities to improve the well-being of the citizens. Other suggested reasons include inadequate tax education, low awareness of tax requirements, systemic corruption, flouting tax laws without appropriate sanctions, and weak political leadership. An interview participant, INT/No. 001, commented that:

> "Most people like me are not encouraged to pay taxes because the citizens cannot see what the government at all levels has done with the taxes collected from them. Regular performance on the government's part is crucial to make voluntary compliance a reality."

To underscore the point on responsible governance, most discussants in the focus group session emphasized the need for the government to demonstrate accountability and transparency in handling tax monies and commit to social contract obligations with the citizens. A focus group discussant, FOC/No. 006 commented that:

> "We often hear of the taxpayers being the focus of all tax administrations as they represent the most critical stakeholder group as reflected in the country's National Tax Policy document. If true, citizens should be encouraged to hold the government and its agencies accountable for allocating and utilizing tax monies. The citizens should also be able to ask the government to explain what it has done with tax contributions at any time."

Another discussant, FOC/No. 003, further noted that the tax morale of the citizens is low as the government cannot guarantee the citizens' well-being anymore. He commented that:

> "Presently, people can feel the citizens' low morale concerning taxation matters due to the total breakdown of all aspects of socioeconomic governance, and people are concerned that the government can no longer guarantee their economic well-being. So, why should they continue to pay taxes when essential public goods and services are not always available and, in some instances, malfunctioning?" Low tax morale could be linked to tax non-compliance.

c. Failure of social contract obligations and the lack of accountability by the government.

The country's 1999 constitution, which specified tax obligations for the citizens, has failed to grant them powers to hold the government accountable for its actions regarding the responsibility for effective governance and the judicious utilization of tax revenues. The expectation that the government will continuously provide basic amenities, including the critical infrastructure to drive economic growth, is imperative for the achievement of voluntary tax compliance. Concerning the question of which, among the identified five significant stakeholders to be held responsible for the lingering trend of tax non-compliance, all the different research participants unanimously recognized the government group as the main guilty party, among others.

On a similar question related to the leading cause of lingering tax non-compliance, the three (3) different groups of participants involved in the research proffered numerous suggestions pertinent to understanding how to manage the challenges of tax non-compliance. The recurring issue from the findings appeared to be the government's failure to continuously provide citizens with basic public amenities to improve their well-being. Table 17 summarizes the various reasons offered as the leading causes of tax non-compliance in Nigeria, grouped under three headings based on the number of counts or frequency of reference to each of the issues. Table 18 has also summarized the leading causes of tax non-compliance as obtained from the ten (10) interviewed participants.

Table 17:

Leading causes of Tax Non-Compliance as Reported by all the Participants.

	Summarized Headings	Survey Respondents	Interview Participants	Focus group Participants
1.	The government's failure to fulfill social contract obligations by providing basic amenities, demonstrating accountability and transparency in the utilization of tax monies, etc.,	17	5	4
2.	Lack of awareness of tax processes and operations due to the absence of tax advocacy, inadequate tax education and enlightenment activities, etc.,	16	3	2
3.	Weaknesses in the tax administration and inefficiencies associated with tax processes and operations, including corruption, etc.,	15	2	2
	Total Participants	**48**	**10**	**8**

Note: Data extracted from the analyzed transcripts of the survey, interview, and focus group

All three (3) groups of research participants affirmed that the failure of the government to fulfill the social contract obligations and continuously provide the citizens with basic amenities are the leading causes of tax non-compliance in the Nigerian tax administration. Other suggested reasons included, delivering tax education and advocacy and addressing the weaknesses in the tax administration. Governments could influence social norms (Hallsworth et al., 2017), and should constantly strive to improve transparency in public spending and use tax education to raise taxpayers' awareness through regular enlightenment campaigns to provide information on what tax monies are used for.

Research Objective 2: Likely reasons for the ineffectiveness of most government compliance and enforcement policies.

a. Weak compliance/enforcement policies and failure to engage with taxpayers

This second research objective addresses tax administration's inefficiencies within the competent handling of the tax authorities at the two-tier level, supported by their governments. The reasons for the ineffectiveness of the compliance and enforcement policies were examined to understand why they have been less effective. Participants' responses are summarized in Table 19, based on the frequency or counts of reference to the issues as presented below:

Table 19

Likely reasons for the ineffectiveness of compliance/enforcement policies.

	Leading issues raised	Survey respondents	Interview participants	Focus group discussants
1.	Misuse of tax monies on programs that do not benefit the citizens, and the lack of accountability and transparency in the handling of public funds.	20	6	3
2.	Lack of taxpayer engagement through tax education and enlightenment activities.	12	2	2
3.	Absence of critical tax administration improvements, inadequate technological adoption, lack of best practices, etc.,	4	2	3
	Total Participants (less the 12 survey respondents who thought differently).	**36**	**10**	**8**

Note: Opinions extracted from analyzed transcripts of surveys, interviews, and focus reports

When the respondents were asked if the imposition of penalties and fines, including audit rates, have ever positively influenced tax compliance, twenty (20) affirmed that administrative compliance actions have significantly impacted tax collection. However, the remaining 28 respondents felt otherwise, claiming their impact has been insignificant since the measures have failed to change taxpayers' attitudes and behaviors towards imbibing a tax-paying culture. When further prompted to comment on the adequacy of penalties and sanctions, 46% indicated that the various sanctions were adequate. Still, the remaining 54% of the respondents thought otherwise. Overall, the majority view expressed by respondents indicated that the tax compliance/enforcement policies currently in use have failed to significantly impact taxpayers' attitudes and behaviors towards imbibing a tax-paying culture. Therefore, it could be assumed that a different strategy and approach are required.

From the comments made by the ten (10) interviewed participants, various reasons were adduced for the reported ineffectiveness of government-implemented compliance/enforcement actions. Six (6) participants suggested reasons, including the frequent misuse of tax monies for non-productive projects, including low tax morale attributable to the government's failure to commit to the social contract with the citizens. The other four (4) participants attributed the ineffectiveness of compliance strategies to the tax authorities' failure to regularly engage with taxpayers through tax education and enlightenment, and the inability to create an enabling business environment that is secure and favorable to businesses. A participant, INT/No.008, among the interviewees, noted that:

> "The misuse of tax monies and the penchant by our political leaders to always divert public funds towards wasteful ends, coupled with the corrupt tendencies of the tax officials, cannot in any way achieve voluntary tax compliance in the country."

Corroborating the earlier comment, another interviewee, INT/No. 007, noted that the political class does not pay taxes. Unfortunately, they are the ones entrusted to manage the nation's economic resources:

> "What a pity. Probably the reason why the leaders don't feel any guilt when public financial resources are wasted on non-productive ventures. This kind of response will never encourage the ordinary citizens to comply with the tax laws."

Another critical factor commented upon is the unfair tax system and failure by the tax administration officials to identify and understand the taxpayers' careful needs for business support. Another participant, INT/No. 008, noted that:

> "Rather than adopt an aggressive approach, most tax modern tax administrations now embrace a more friendly and cooperative style to promote tax collaboration and understanding. The tax authorities should always strive to understand the challenges that confront taxpayers daily in their businesses."

b. **Failure of the tax authorities to embrace tax modernization and adopt best practices.**

The canons of transaction theory require taxation to rest on the principles of justice, certainty, comfort, and economics. However, as the government continues to demand more funds to finance development and increasingly depend on tax revenues, the earlier-mentioned principles tend to be ignored, as can be empirically observed in the complaints, tax avoidance efforts, and the reported level of tax receipts. The low tax revenues, reflected by the country's low tax/GDP ratio, have shown that the various reforms implemented from 2015 to date have produced sub-optimal results. Discussion of the focus group on why the tax authority's compliance and enforcement policies have so far yielded sub-optimal results, most of them commented that the slow pace of tax reform has continued to limit the progress of tax improvements in areas of technological adaptation and adoption of best practices. One focus group discussant, FOC/No. 004, commented thus:

> "I can confirm that the FIRS has made some progress in the last two (2) years, judged by the tax computerization program that commenced a few years earlier. Taxpayers and their tax representatives are becoming more familiar with their handsets to access FIRS portals."

Another discussant, FOC/No. 002, commented as follows:

> "There is a need to re-engineer all those tax processes slowing down organizational efforts to improve operational efficiency towards achieving voluntary tax compliance."

Yet another discussant, FOCV/No. 005, considered the role of culture in a reform process as follows:

> "The country requires a sustainable tax culture that can promote a positive culture that results in voluntary tax compliance. The tax authorities should also simplify the complexities inherent in the tax system, simplify the tax forms in use, and do more tax education to help improve voluntary compliance."

The focus group session extensively discussed the imperativeness of effectively computerizing the tax operation system, emphasizing, in particular, the development of a data repository to aid proper tax assessment and tax information exchange. The tax authorities should be able to access the data platform of other government agencies whose services are ancillary to tax administration functions. Without reliable data, the tax authorities cannot expand the tax net nor make the assessment process flawless. A participant, INT/No. 004, commented that:

> "In most developed tax jurisdictions, a summary of the taxpayer's recent financial or commercial transactions will immediately prop up at the touch of a button with details of a taxpayer's tax identification number (TIN). Isn't that wonderful? That's where our tax system should desire to be, even though we are not yet there, given that Nigeria's tax administration does not yet have a data repository platform."

In the same vein, another participant, INT/No. 002, commented about the slow pace of automation of the tax administration, noting in particular that the different computerized tax modules often do not communicate. He further stated that:

> "I will say that the slow implementation of automation to support the tax administration has hindered the expected improvement in the country's tax system."

c. Strengthening the self-assessment tax system to promote voluntary tax compliance.

The self-assessment tax system was introduced in 1992 to promote voluntary tax compliance. It was initially designed with a 1% tax bonus for compliant taxpayers who file annual tax returns promptly, supported with full tax payment. After thirty (30) years of its implementation, Nigeria still records a low compliance level of about 40%. From the analysis of answers to the survey questionnaires, 42% of respondents agreed that the self-assessment tax system is effective, compared to the other 58% majority, who disagreed that the self-assessment system was effective. A focus group discussant, FOC/No. 002, corroborated this latter position as follows:

> "It is a fact that the self-assessment compliance level is still around 40% despite having been implemented for more than 30 years. The compliance rate among large, medium, and small

> businesses hovers around 60%, 45%, and 15%, respectively. Still, there is no reason why an average 70% compliance rate cannot be reported among taxpayers."

The reasons proffered for the poor compliance rate concerning the self-assessment tax system include the failure of tax authorities to focus attention on the informal sector and the high-net-worth persons who possess the financial capability to hire professional accountants to help them reduce their incomes away from the glaring eyes of the tax officials, the failure of the government to demonstrate accountability and transparency concerning the reasonable use of tax monies, and government inability to commit to social contract obligations to the citizens. The comments of the interviewed participants and focus group discussants are presented in Tables 20 and 21, confirming the low performance of the self-assessment tax regime.

A similar response pattern emerged from analyzing comments made during the focus group session. The discussants identified various reasons linked to administrative inefficiencies and the failure to commit to the fundamentals of social contract obligations and accountability on the part of the government. Table 17 summarizes the general comments made by the discussants. In contrast, the summary of responses from the 48 survey participants, when asked to comment on the efficiency of the self-assessment tax system, showed that twenty-eight (28) rated the current performance as low. The remaining twenty (20) indicated that the system is running well. On whether the taxpayers religiously comply with the self-assessment requirements, 71% of the respondents scored the compliance level as low, while the remaining 29% assessed the level as satisfactory. Those respondents who claimed that the system is efficient couldn’t explain why most taxpayers are not complying with the self-assessment requirements.

d. Focus on the taxation of the informal economy and the High-Net-Worth individuals to achieve a more comprehensive tax net to improve voluntary tax compliance

The research findings indicated that the informal economy's numerous challenges contributed to Nigeria's worsening tax non-compliance. Therefore, this finding calls for a sound engagement policy on the informal economy to improve voluntary tax compliance. The informal sector is an easily accessible economy and provides an opportunity to acquire skills and knowledge to transition to the formal economy. Informal businesses do not contribute to the tax base and tend to remain small, with low productivity and limited access to finance. As a result, economic growth in countries with large informal sectors remains below potential. When the 48 survey respondents were asked which particular taxpayers' group seems to aggravate tax non-compliance, most identified firms operating in the informal economy, including high-net-worth persons. 50% of the respondents identified informal sector operators and high-net-worth individuals, and 31% identified persons under the Personal Income Tax Act (PITA). The remaining 19% accused all the taxpayer groups of being responsible for the worsening tax non-compliance. Analysis of the responses is as follows:

i.	Informal sector firms/self-employees/HNW	24 (50%)
ii.	All taxpayers' groups	9 (19%)
iii.	Persons under the PITA Law, and Others	15 (31%)
	Total participants	48 (100%)

The fact that more than half of the respondents hold the informal sector operators responsible for the worsening trend of tax non-compliance influenced the researcher to accord the taxation of the sector significant attention in the study. A focus group discussant particularly commented that:

> "The tax authorities have failed to bring the high-net-worth persons, including businesses in the vast informal economy, into the tax net, which is the main cause of low tax compliance in the country."

A few study participants also agreed that a critical focus on shadow firms operating in the unorganized informal economy would lead to an expanded tax net, an increase in aggregate tax collection, and an improvement in the country's tax/GDP ratio. A participant, INT/No. 002, commented that:

> The tax authorities must find a strategic way to partner with all firms operating in the informal underground economy, knowing that the SMEs represent the economy's growth engine. The small and medium enterprises (SMEs) should be assisted to transit into the formal economy to improve compliance."

Along the same line, another participant, INT/No. 005, commented that:

> "I suggest that all the sub-national tax authorities develop a presumptive tax system for small firms operating in the informal economy to attract them into the tax net."

It is in the country's best interest to manage the taxation of the informal economy and high-net-worth individuals at a central point and most likely at the central authority level. It is in the interest of the whole country for the subnational tax authorities to collaborate with the FIRS in developing a simplified presumptive tax system to accommodate all businesses operating in the informal sector.

e. Adopting stakeholders' engagement to promote voluntary tax compliance.

Stakeholders' engagement as a strategy to promote voluntary tax compliance has become necessary in light of the insufficiency of tax revenues needed for Nigeria's development. Most compliance and enforcement actions previously implemented by the tax authorities have failed to yield any significant impact. For Nigeria to attain a desirable level of compliance, it must bring together all the major taxation stakeholders to collaborate and develop a strategy that recognizes the role of stakeholders and ensures that the revenue basket is enlarged to improve the country's tax/GDP ratio. To justify the relevance of stakeholders' engagement in promoting voluntary tax compliance, the researcher relied on the stakeholder theory to propose the inclusion of persons representing the major stakeholder groups to be a part of the national consciousness on taxation. Stakeholder theory states that organizations should strive to do right through their stakeholders, and in doing so, the organization will achieve lasting success. It is usual for project managers to identify stakeholders and then analyze the extent to which they may become helpful or pose a hindrance to the program.

Research Question 1: To what extent can stakeholders' engagement promote voluntary tax compliance?

Three groups of research participants were selected for this study, numbering sixty-six (66) in all. Ten (10) participants were selected for a direct, one-on-one interview with the researcher and eight (8) discussants for the focus group sessions. The survey questionnaire was administered to forty-eight (48) persons as respondents. When the different groups were asked to comment on the relevance of the stakeholder theory in tax administration and if the stakeholders' engagement can help promote voluntary tax compliance, the majority opinion indicated that the proposal is a welcome development in the right direction. Table 22 summarizes the responses of the three (3) groups of study participants on the questions of applicability and relevance, as presented below:

Table 22

Participants' responses on the applicability and relevance of stakeholder theory and practice.

	Survey	Interviews	Focus Group	Total
Applicable/Relevant	45	9	8	62
Doubtful/Conditional	3	1	-	4
No. of participants	48	10	8	66

Note: Data compiled from the survey respondents to the close-ended questions in Appendix K, p.352

Among the survey participants, three (3) respondents expressed conditional doubts about the relevance and applicability of stakeholder theory in tax administration. All previous tax authorities' actions have been unsuccessful in curbing the concerns of tax non-compliance. The specified conditions were that the strategy could be successful only if it were strongly favored and supported by the government. A respondent, SQ/No 026, particularly cautioned as follows:

> "Not really, not until the government can convince the taxpayers on how tax monies have been utilized, as well as reduce the high level of corruption displayed by those in authority."

Another respondent, SQ/No. 019, remarked that:

> "Adopting stakeholder theory in tax administration may not make any difference. It is unlikely to succeed because the government has continuously failed to promote the even distribution of

> the nation's economic resources. Until this major lapse is corrected, citizens will unlikely cooperate with the government willingly."

Of the ten (10) participants interviewed, one (1) person expressed doubts about the application and relevance of the stakeholder theory in tax administration, explaining that if the government fails to support the suggested intervention, the outcome will end up like most other unsuccessful projects initiated by the government. A participant, INT/No. 002, cautioned that:

> "The principle of stakeholder theory in tax administration sounds good, but judging from the attitude of our government and the negative tax culture exhibited by taxpayers, implementing the suggested SE strategy may go the way of other failed projects. I must emphasize here that there must be government buy-in for the proposal to succeed."

Another participant, INT/No. 004, commented that from experience, most organizations and stakeholder agencies like to operate in silos and do not usually embrace sharing business intelligence information to promote their businesses. In his words, he stated that:

> "Adopting stakeholder theory in tax administration to promote voluntary tax compliance could be tough, as most people and businesses do not understand the importance of collaboration in projects. Most organizations prefer to operate in silos and do not desire interconnected relationships with others in enhancing business goals."

However, all eight (8) focus group members unanimously agreed that stakeholder theory could be useful and relevant in tax administration. A focus group discussant, FOC/No. 003, noted thus:

> "To the extent that the stakeholder theory is linked to increased productivity and shareholders' value in the firm, I will support its adoption, and use in tax administration to promote tax compliance in Nigeria."

Further inquiries on the potential of stakeholders' engagement to promote voluntary tax compliance were asked from all the participants, and their responses are presented in Table 23.

Table 23

Participants' Answers on the Potential of Stakeholders' Engagement to Promote Compliance.

Response	Survey	Interviews	Focus Group	Total
YES. It can positively help.	**46**	**9**	**8**	**63**
Doubtful, although can help.	**2**	**1**	**-**	**3**
Total responses	**48**	**10**	**8**	**66**

Note: Participants' opinions compiled from the transcripts of Survey, Interviews, and Focus Group

The majority view suggested that the SE strategy will encourage stronger collaboration and cooperation among the key stakeholders. One respondent, SQ/No. 036, commented that:

> "The suggested stakeholders' engagement strategy is a welcome idea for the promotion of voluntary tax compliance, as the stakeholders can now have their say on matters that concern their individual and collective interests."

Another respondent, SQ/No. 019, noted that:

> "The proposed stakeholders' engagement will, undoubtedly, promote tax compliance, improve tax awareness, and encourage a positive attitude towards a tax-paying culture."

Still, a few respondents expressed doubts, commenting that the poor attitude of the government toward the citizens discourages tax compliance. One respondent, SQ/No. 034, commented thus:

> "I am not sure that stakeholders' engagement, as a strategy can promote tax compliance, except there is a positive approach to governance, as it pertains to the government."

Also, another respondent, SQ/ No. 007, observed that:

> "It is doubtful that the suggested stakeholders' engagement intervention can improve tax compliance until the government can justify what it has done with collecting tax monies."

All eight (8) focus group members gave tacit support to the idea of adopting stakeholders' engagement to promote voluntary tax compliance, as evident from the comment of a focus group discussant, FOC/No. 004, as follows:

"I am confident that the suggested stakeholders' engagement strategy will optimize tax collection and promote voluntary tax compliance because all the key stakeholders can now come together for a common purpose."

The majority of the interviewed participants believed that the stakeholders' engagement intervention would help promote voluntary compliance, given that collaboration among the stakeholders with a common purpose is certain to produce results. One participant, INT/No. 006, commented that:

"The idea of bringing key stakeholders together for a common purpose will result in tax collaboration, cooperation, and assistance, encouraging the citizens towards compliance towards tax obligations."

However, another participant, INT/No. 002, doubted the effect of stakeholders' engagement as a strategy for promoting tax compliance on the grounds of the government's poor attitude to other past failed public interest projects. In his words, he noted that:

"The stakeholders' engagement strategy is not a bad idea, but I fear that public officers usually enjoy coming together as committee members to execute projects without bothering about the results of such endeavors regarding project deliverables. What is the use of developing sound recommendations in a government white paper when the commitment to implement such proposals is lacking?

Research question 2: Can stakeholders' engagement (SE) help enhance tax awareness and elicit a positive tax-paying culture among the citizens?

The study's findings affirmed that stakeholders' engagement (SE) is a catalyst for achieving voluntary tax compliance. The participants confirmed that stakeholders' engagement can strongly promote voluntary compliance and impact taxpayers' attitudes and behaviors toward fulfilling their tax obligations. With the above affirmation by all the participants that stakeholders' engagement may improve tax awareness and elicit a positive tax-paying culture, attention should be devoted to the likely key activities to help deliver and facilitate the expected outcomes. The suggested key tasks as reported by survey respondents are summarized in Table 24 below, based on frequency/counts:

Table 24

Summary of responses on the potential of stakeholders' engagement to promote tax awareness and elicit a tax-paying culture.

s/n	Suggested strategies	Frequency/Count
i.	Regular tax education programs and enlightenment activities address the specific needs of the different taxpayer groups.	11
ii.	Stakeholders' collaboration, cooperation, tax assistance, and coordination among the three-tier tax administrations to improve taxpayers' compliance.	17
iii.	Targeted taxpayer education, public enlightenment programs, and town hall meetings to sensitize the people and the business sectors. Feedback mechanisms are a crucial requirement.	5
iv.	Demonstration of accountability and transparency concerning the utilization of tax monies and the need for the government to continuously provide basic amenities for the citizens.	12
v.	Tax administration improvement, including database integration, information-sharing, and ICT adoption.	3
	Total	48

Note: Respondents' opinions to the open-ended questions on the survey questionnaire

A similar response pattern emerged while analyzing the responses from the ten (10) interviewed participants on the potential of the stakeholders' engagement intervention to promote tax awareness and elicit a favorable tax culture. Seven (7) of the ten (10) participants recommended sustained tax education/enlightenment programs, tax jingles, town-hall meetings, and including taxation in schools' curricula at the primary, secondary, and tertiary levels. Three (3) others suggested granting tax incentives to businesses and taxpayers for economic expansion and establishing a vibrant tax environment conducive to all companies.

The focus group discussants also made valuable suggestions on critical activities that could improve general tax awareness and elicit a positive tax-paying culture among the citizens. A discussant, FOC/No. 003, commented that the quickest way to cultivate the taxpayers' trust and enhance tax morale is for the government and its tax agencies to "establish a solid platform for a sustainable collaboration with the citizen." Another discussant, FOC/No. 005, suggested that tax education should be included in the primary, secondary, and tertiary education curricula because these places constitute the grounds for developing future leaders. He commented that:

> "It will be a great idea to create a sense of patriotism and obedience to civic tax obligations from childhood through adolescence and adulthood. The government should continuously strive to earn the citizens' trust to improve voluntary tax compliance."

From the above responses, there seems to be a positive relationship between stakeholders' engagement and improved tax awareness and eliciting a positive tax-paying culture through tax education, including tax cooperation and strategic collaboration. Similarly, on the potential of the stakeholders' engagement to facilitate a more comprehensive tax net, optimize tax collection, and reduce the tax gap to improve the country's tax/GDP ratio, the majority opinion of the survey respondents is that stakeholders’ engagement can deliver all the outcomes, given their earlier affirmation that the SE strategy can promote voluntary tax compliance. In addition, the ten (10) interviewed participants affirmed that the stakeholders' engagement (SE) intervention would deliver all the stated outcomes if carefully executed. However, the methods by which the goals are achievable seem to differ, as articulated in Tables 25 and 26 below. The summary in the tables is based on the frequency of reference to the respective items.

Table 25

Modalities for achieving improved tax awareness and eliciting a positive tax-paying culture, as suggested by interviewed participants.

s/n	Suggested Task or Activities to Achieve the Desirable Outcomes	Counts
1.	Continuous tax education, Tax jingles, and taxation knowledge in schools' primary, secondary, and tertiary curricula.	7
2.	Government fulfilling social contract obligations, providing basic amenities, and demonstrating accountability and transparency.	2
3.	Establish a vibrant tax-friendly environment for all businesses and persons	1
	Total	**10**

Note: Information compiled from the analyzed transcripts of the interview reports

When the above results are compared with the responses from the survey respondents on the potential of the stakeholders' engagement to achieve similar outcomes, all forty-eight (48) survey participants affirmed that the same outcomes were achievable, even though they differed on the strategies.

Table 26

Likely modalities for improving tax awareness and eliciting a positive tax-paying culture

s/n	Recommended approaches to facilitate the achievement of expected specific outcomes	Counts
1.	Regular engagement and collaboration with identified key stakeholders to attract taxpayers into the tax net.	22
2.	Fulfill social contract obligations to the citizens through the judicious utilization of tax monies and demonstrating accountability and transparency in the management of resources.	12
3.	Tax education programs for different taxpayer groups must be implemented through trade associations and professional bodies.	11
4.	Tax administration improvements using database integration and information-sharing among tax authorities and govt. Agencies.	3
	Total	48

Note: Suggestions offered by respondents on the modalities for improving tax awareness

Effective engagement aims to help translate stakeholders' needs into organizational goals and creates the basis for effective strategy development. Discovering the point of consensus or shared motivation helps a group of stakeholders to arrive at a decision, thus ensuring investment in a meaningful outcome. From a change management perspective, the most helpful tool for engaging with major stakeholders is gentle persuasion, or "soft power." Stakeholder engagement will be achieved if it does have a purpose or objective, defined outcomes, and identified key stakeholders and timelines. Its relevance and applicability in the tax administration would help promote voluntary tax compliance. The findings from the study participants seemed to indicate that effective engagement with the critical stakeholders could help to widen the tax net through a deeper focus on sectors that are currently unapproachable, and being able to collect taxes from the informal economy, where small and micro enterprises reign supreme, and high-net-worth (HNW) individuals. Engaging with these groups of taxpayers will lead to an improvement in the level of aggregate tax collection. In addition, the strategic intervention will continuously grow tax collection, reduce the tax gaps, and ultimately improve the country's tax/GDP ratio.

Research Question 3: What are the likely key activities inherent in stakeholder engagement to help improve tax optimization and increase the country's low tax/GDP ratio?

The research participants were asked to comment on the specific features or tasks/activities to be included in the stakeholders' engagement to facilitate effective collaboration and cooperation toward achieving maximum impact. All the study participants suggested various features or strategic tasks, including introducing cooperative compliance policies and collaborating with professional accountants to adopt a simplified accounting system for businesses in the informal economy to facilitate full disclosure in preparing financial statements. A focus group discussant, FOC/No. 002, commented that:

> "The collaboration platform should permit the citizens to question the government on the issues of accountability and transparency concerning the judicious utilization of public funds in providing basic social amenities for the people. All stakeholders should be free to operate among themselves without undue interference from the government or any of its agents."

Most research participants recommended a feature that embraces regular tax education and strategic collaboration for a more significant impact. Table 26 presents all the suggestions from the respondents, interview participants, and focus group discussants based on the frequency of reference to each grouped issue. On the idea that the stakeholders' engagement project team should have the freedom to manage its activities without any government interference, a participant, INT/No. 004, commented that:

> "The suggested stakeholders' engagement strategy should operate an open and transparent system, ensuring accountability and transparency in tax monies and providing evidence of reasonable utilization. Stakeholders' contributions must always be acknowledged during the meetings, and no one should be excluded from the team's decision-making process."

In supporting the idea of accountability and transparency concerning the modus operandi of the stakeholders' engagement project team, another participant, INT/No. 006, commented as follows:

> "Stakeholders' engagement intervention can help to encourage voluntary compliance significantly and guide against wasteful government spending of tax monies. It will be a good idea to include all agencies that contribute to ensuring full compliance to determine the ideal project team size. It is not useful to isolate or exclude major agencies, and the project leaders must always involve all key stakeholders in the team's decision-making activities."

Nigeria needs a tax administration that is efficient, effective, and capable of improving the tax system. Participants understood "project stakeholders" to mean "individuals and organizations who are actively involved in the project or whose interests may be positively or negatively affected as a result of project execution or successful project completion."

Research Question 4: What should be the ideal size of the stakeholders' engagement project team, and who is qualified to be regarded as a key stakeholder?

The national tax policy document has identified the critical stakeholders in the Nigerian tax administration as five (5) significant groups, comprised of the Government (Executive, Legislature, and Judiciary), Tax authorities at the two-tier level, Taxpayers (corporate and individual), Professionals/tax consultants, and Media/advocacy groups. A few discussants at the focus group session suggested the idea of an endless list that can be expanded to accommodate all associations, organizations, and individuals who might qualify as stakeholders in the tax administration system, experience in strategic management has shown that listing stakeholders should not be viewed as definitive; instead, it should serve as a checklist to enable an initial list to be drawn up to include the main areas of interest in the intervention plan. It is advisable to use local knowledge to include people or groups considered to be interested in the outcome of the intervention. In this study, the findings have shown that including the legislature and the judiciary as government agents, community groups, and non-governmental bodies would add credence to the stakeholder groups' integrity and relevance. A focus group discussant, FOC/No. 002, while expressing support for the stakeholders' engagement strategy, had commented that:

> "There was a time when FIRS developed a schematic diagram that identified each key stakeholder and further established their relationships with the tax authorities. The FIRS will do well to refer to the schematic diagram in discussing the issue of adopting stakeholders' engagement in optimizing voluntary tax compliance."

It is unlikely that a "one size fits all" approach can work when managing stakeholders for an important project such as this proposed one. Selecting stakeholders based on various factors, such as their level of influence in the organization, interest in the project under consideration, and ability to cause project disruption, is a valuable way to understand what they might need. Another focus group discussant, FOC/No. 003, noted that:

> "The experience of tax officials in the field suggests that FIRS frequently experienced difficulties in the efforts to obtain valuable information on taxpayers from organizations, such as the Commercial banks, Central Bank (CBN), and National Communications Commission (NCC). These agencies are data repositories for companies and individual businesses. Suppose the agencies have long been recognized as tax administration stakeholders, the Ministers supervising such organizations would have instructed the chief executives directly to cooperate with the FIRS."

Many agencies have a role in promoting voluntary tax compliance but are currently not on the same page with the FIRS for whatever reasons. There is a need for a broader collaboration with all these agencies as they are stakeholders in the tax administration system. Most study participants also emphasized the need for effective cooperation among government agencies so that the FIRS can have a firm grip on tax administration functions to optimize tax compliance efforts. A participant, INT/No. 004, noted that:

> "The National Identity Management Commission (NIMC) is a government agency and a neighbor to the FIRS. However, requesting the agency grant FIRS access to its database platform has been arduous. Most government agencies prefer to operate in silos rather than build a broader collaborative platform to help improve tax compliance."

Part Two: Analysis of the Quantitative Data

Descriptive Analysis and Interpretation of the Likert 5-Scale Questionnaire

The quantitative segment of the study involved 1,172 subjects, drawn from the five (5) major stakeholder groups of the Nigerian tax administration, with members spread across the six (6) geo-political regions of the country The data responses from the 1,172 respondents were analyzed as interval data and presented in Table 28 below.

Table 28

Summary of Participants’ Responses to the Likert 5 - 5-Score Questionnaire
N =1,172

s/n	Sum	Average/Mean	Standard Dev.	Analysis	Likert Scale Interval
Q.1	3,344	2.8532	1.1515	Neutral	
Q.2	2,822	2.4079	1.1744	Disagree	
Q.3	2,838	2.4215	1.0941	Disagree	
Q.4	4,022	3.4347	1.0953	Agree	
Q.5	3,701	3.1579	1.0348	Neutral	
Q.6	3,869	3.3012	1.0117	Neutral	A = 1.00 – 1.80
Q.7	5,013	4.2773	0.8239	Strongly Agree	B = 1.81 – 2.60
Q.8	3,361	2.8677	1.0603	Neutral	C = 2.61 – 3.40
Q.9	4,226	3.6058	0.9762	Agree	D = 3.41 – 4.20
Q.10	4,560	3.8908	0.7508	Agree	E = 4.21 – 5.00
Q.11	4,697	4.0077	0.7092	Agree	
Q.12	4,722	4.0290	0.7581	Agree	
Q.13	4,695	4.0060	0.7615	Agree	
Q.14	4,841	4.1305	0.8051	Agree	
Q.15	5,155	4.3985	0.8897	Strongly Agree	

Note: Compilation from the participant's responses to the Likert Survey Questionnaire

The standard deviation figures above show that the results are close to the mean, judging from the size of the standard deviation, which explains how far the results are from the mean. The high variability across items suggests a strong agreement within the groups of respondents. However, the 'Neutral" response pattern to the questions posed on the adequacy of tax awareness, adequacy of the current fines/penalty regime, and sufficiency of government investment in tax education to promote compliance might indicate areas that require attention toward improving voluntary tax compliance. Based on the scores shown in Table 28 above, the mean score of 3.8908 confirms the participants' agreement on the relevance of stakeholder theory in tax administration. Similarly, the mean scores of 4.0077 and 4.0290 indicated a positive relationship between stakeholders' engagement, and the dependable variables of voluntary compliance and tax awareness, including the birthing of a tax-paying culture among the citizens. The finding that most participants believe that citizens should be given the right to demand accountability from the government (demonstrated by a mean score of 4.3985) underscores the need for the government to provide basic social amenities to the citizens, and fulfill its social contract obligations to them, without which voluntary compliance will remain a mere dream. The descriptive data presented in Table 29 provides an overview of the study's variables, showing key metrics such as the mean (M), standard deviation (SD), and minimum/maximum points.

Table 29:

Summary of Statistical Results Generated by the Excel Program

Items	N	Min.	Max.	Mean	Std. Dev
SE on Voluntary Compliance (VTC).	1,172	1	5	4.0077	0.7092
SE on tax awareness and improving tax culture.	1,172	1	5	4.0290	0.7581
Tax education and collaboration to strengthen SE.	1,172	1	5	4.0060	0.7615
Overall SE result	1,172	1.00	5.00	4.0142	0.7429

Note: Data obtained from Participants' Responses to the Survey Questionnaire

The overall mean score of 4.014 (SD = 0.743) indicates a positive perception regarding the application and relevance of stakeholders' engagement (SE) strategy in tax administration. Notably, the variable with the mean value of 4.006 (SD = 0.7615) underscores the potential of tax education and collaboration in promoting voluntary compliance and achieving tax optimization. These results have statistically rejected all three null hypotheses, in favor of the defined alternative hypotheses, suggesting that stakeholders' engagement can indeed promote voluntary compliance, improve tax awareness, and elicit a tax-paying culture.

Hypotheses Testing Using the One-Sample Wilcoxon Signed Rank

The One-Sample Wilcoxon Signed Rank Test is normally used for testing the statistical significance of the hypothesized median with the observed data, to confirm whether the sample median equals the hypothesized one. The test was conducted to assess whether the response to the inquiries concerning the impact of stakeholders' engagement, measured against voluntary compliance (VC), and tax awareness (TA), and using tax education and collaboration (TEC) to strengthen stakeholder engagement strategy would suggest a positive relationship. In all the sample data tested against Stakeholders' engagement (SE), the tests resulted in a very low p-value (less than 0.001), leading to the rejection of the three (3) null hypotheses as presented in Table 30 below:

Table 30:

One-Sample Wilcoxon Signed Rank Test (Combined)

Description	SE vs VC	SE vs TA/PTC	TE/C & SE
Total No. of Participants	1,172	1,172	1,172
Test Statistics	502416.000	514338.000	621025.500
Standard Error	8878.421	9174.191	8874.191
Standardized Test Statistics	27.264	26.675	27.675
Asymptotic Sig. (2-sided Test)	< 0.001	< 0.001	< 0.000

Note: System-Generated Results from SPSS 24 Version

The outcome of the tests conducted on each of the three (3) dependent variables paired separately with stakeholders' engagement (independent variable) showed that stakeholders' engagement has the potential to significantly promote voluntary tax compliance, improve tax awareness, as well as elicit a positive tax-paying culture among citizens, and lastly, adopting specific key activities, such as tax education and strategic collaboration could strengthen stakeholders' engagement, optimize tax collection, and continuously increase the country's tax/GDP ratio. This conclusion is based on the result of the mean Likert score for the three tests of measurement of the 'test of significance' which showed < 0.001, < 0.001, and < 0.000 when stakeholders' engagement is separately joined with voluntary tax compliance, tax awareness, and strengthening stakeholders' engagement through tax education and collaboration, respectively.

Inferential Statistical Analysis of the Data Collected

This section presents an explanation of the results of the evaluation of the impact of stakeholders' engagement strategy on voluntary tax compliance. For the quantitative study, data was gathered through the administration of a Likert 5-scale survey questionnaire to 1,172 respondents from the six (6) regions of the country, including Abuja and Lagos. The presentation summarizes the outcomes of data cleansing, multivariance analysis, and hypothesis testing. Before commencing the analysis, pre-analysis tests were performed to verify the adequacy of the data and guarantee that they did not introduce any bias into the results. The study performed missing value analysis, which typically impacts the statistical test's capacity to infer a relationship within the dataset and introduces biased parameter estimations. The potential consequences of missing data are contingent upon the frequency of occurrence, the pattern of missing observations, and the underlying reasons for the absence of values (Tabachnick & Fidel, 2001). Table 30 showed a 0.1% occurrence of missing values, which fell below the criterion of 20%, as stated by Hair et al. (2006), and Scheffer (2000), indicating that there are no missing values, and ensuring that the results of the inferential analysis are not influenced by any bias.

Normality Test

A normality test was performed to verify the suitability of using PLS - Path Modeling. Before conducting multivariate data analysis, a normality check was performed on the data. If the assumption of normalcy is not met, it becomes imperative to use a different technique, as recommended by Henseler et al., 2009. In this case, the normality of the data was assessed by examining the Kurtosis scores, which should normally be within +/- 2 times the standard error, and the skewness rating, which should be outside +/- 1 times the standard error (Kline, 2005). In statistics, a normality test is conducted to test if the data distribution deviates significantly from the normal distribution using several parameters, such as the well-known p-value. If the p-value is less than 0.05 (< 0.05), the distribution deviates significantly from the normal distribution.

Table 31

Normality Test on the Data Collected

	N	Mean	Skewness		Kurtosis	
s/n	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error
Q1	1172	2.8532	.235	.071	-.903	.143
Q2	1172	2.4078	.523	.071	-.651	.143
Q3	1172	2.4215	.385	.071	-.667	.143
Q4	1172	3.4344	-.399	.071	-.670	.143
Q5	1172	3.1578	-.180	.071	-.676	.143
Q6	1172	3.3012	-.312	.071	-.633	.143
Q7	1172	4.2773	-1.379	.071	2.356	.143
Q8	1172	2.8677	.248	.071	-.782	.143
Q9	1172	3.6058	-.740	.071	.150	.143
Q10	1172	3.8908	-.680	.071	1.109	.143
Q11	1172	4.0077	-.817	.071	1.714	.143
Q12	1172	4.0290	-1.061	.071	2.328	.143
Q13	1172	4.0060	-.882	.071	1.542	.143
Q14	1172	4.1305	-1.214	.071	2.377	.143
Q15	1172	4.3985	-1.823	.071	3.619	.143

Note: System-Generated Result from the SPSS Version 26

Table 31 above displays the outcome of the normality test conducted, which found the data to be non-normal. The departure from the assumption of normalcy was a significant factor in the decision to employ the PLS Path Modeling analytical approach in the study (Henseler et al., 2009).

Common Method Bias

Common method bias is well recognized as a significant cause of measurement error, posing a potential danger to the validity of models, especially in self-reporting research (Podsakoff & Organ, 1986). The common method bias can arise from various factors, including raters' tendencies towards consistency and social desirability, item features like complexity and ambiguity, contextual influences on mood, and the specific time and location of the test (Podsakoff et al., 2003). The study employed Harman's one-factor test to evaluate the influence of this bias. The one-factor test developed by Harman is considered the most straightforward and uncomplicated assessment, and the test is highly prevalent in the literature (Podsakoff et al., 2003).

Table 32

Common Method Bias on the Data Collected

		Initial Eigen Values	
s/n		Variance (%)	Cumulative (%)
1	3.235	21.568	21.568
2	2.725	18.168	39.736
3	1.271	8.474	48.210
4	1.063	7.088	55.299
5	.924	6.162	61.461
6	.869	5.791	67.252
7	.765	5.098	72.350
8	.738	4.919	77.268
9	.653	4.352	81.621
10	.602	4.010	85.631
11	.561	3.741	89.372
12	.482	3.214	92.586
13	.467	3.114	95.699
14	.370	2.469	98.168
15	.275	1.832	100.000

Note: Results Generated by SPSS Version 26

Table 32 above indicates that the initial factor accounted for about 21.568% of the variance factors. Since this first component represents less than 50% of all variables in the model, it is not affected by major common method bias effects.

Measurement Model Result

To ensure the validity of the output and be able to test the hypothesis, it is necessary to conduct an assessment of the measurement and structural models, using the PLS-SEM, Version 4 application.

Measurement Model: The measurement model evaluates the extent to which the model adheres to the expected standards of convergent and discriminant validity, which are key aspects of construct validity. Evaluating the quality of the structure and indicators facilitates the process of achieving convergent validity, thus assessing the degree to which the obtained data fulfills the criteria for an ideal model. To establish convergent validity, the threshold coefficient must be equal to, or greater than 0.5, while the Composite reliability (CR) must be equal to, or greater than 0.7, and the Average variance extracted (AVE) must be equal to, or greater than 0.5. These criteria are outlined by Hair et al. (2011), Hair, Sarstedt, et al. (2012), and Henseler, Ringle & Sinkovics (2009).

Table 33

Assessment of Convergent Validity Computation

Variables	Code	Loading	AVE	CR
Stakeholders' engagement strategy	**SES1**	1.000	1.000	1.000
Tax Awareness	**TAW1**	0.943	0.639	0.773
	TAW2	0.624		
Positive tax-paying Culture	**PTC1**	0.950	0.579	0.715
	PTC2	0.504		
Voluntary Tax Compliance	**VTC1**	0.924	0.727	0.841
	VTC2	0.775		

Note: System-Generated Result from the PLS-SEM version 4

According to the results in Table 33 guided by Figure 7, the data utilized in the study did not violate the criteria; therefore, it may be inferred that the variables have achieved convergent validity. The factors considered are Stakeholders’ Engagement (SE), Tax Awareness (TA), Positive Tax Culture

(PTC), and Voluntary Compliance (VC). The convergent validity analysis did not exclude any items with values below 0.5. The composite reliability ratings exceed 0.7, suggesting a high level of reliability, and the Average Variance Extracted (AVE) is also more than 0.5, as shown above.

Table 34

Discriminant Validity Test Illustration

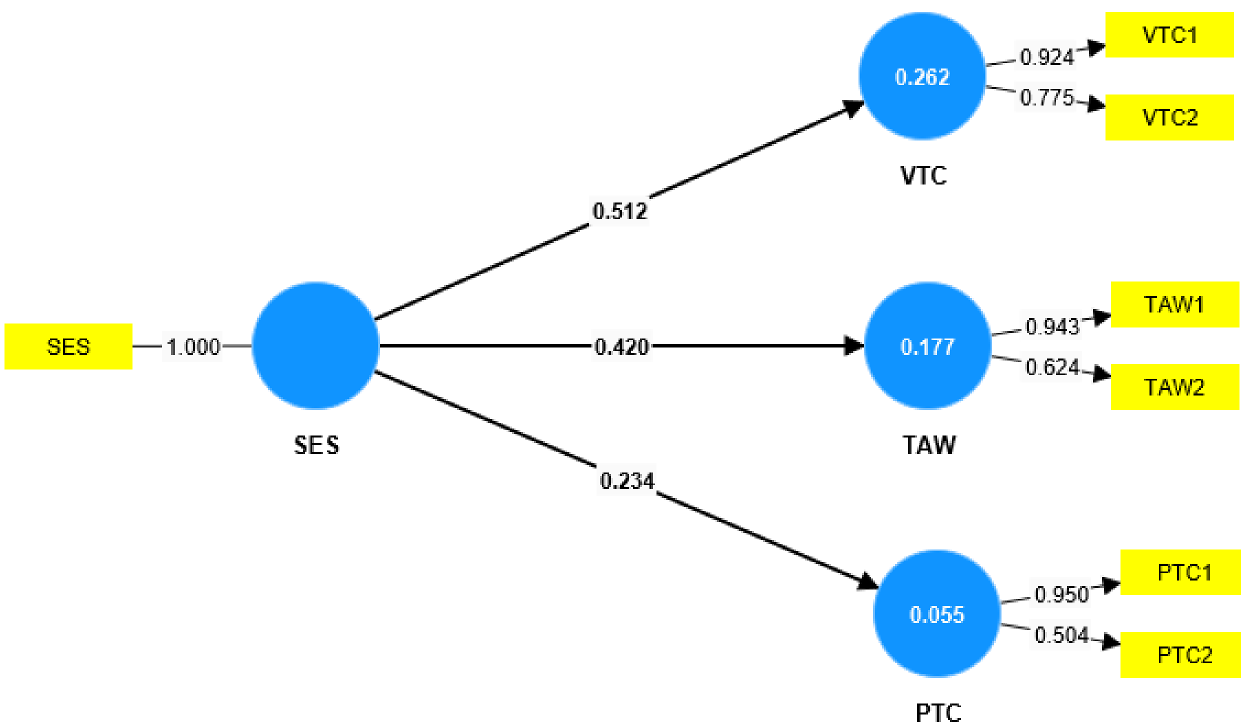
	PTC	SE	TA	VC
PTC	**0.761**			
SE	0.234	**1.000**		
TA	0.415	0.420	**0.800**	
VC	0.347	0.512	0.675	**0.853**

Note: System-Generated Result from PLS-SEM version 4 (Fornell & Larcker, 1981)

The discriminant validity result in Table 34 showed that the diagonal values (in bold) are higher than the inner values, a demonstration that discriminant validity is established among the study constructs.

Figure 7:

Measurement Model Illustration



Source: PLS-SEM Version 4

N.B.

SE - Stakeholders' engagement strategy

TA - Tax Awareness

PTC - Positive Tax-paying Culture

VC - Voluntary Tax Compliance

Assessment of the Structural Model:

The evaluation of the structural model takes place, as soon as the assessment of the measurement model is completed and the fitness test result is deemed acceptable. The structural or inner model is comprised of the variables and the links that establish connections between them. The loadings of the direct pathways connecting factors usually represent the utilized regression coefficients. To ascertain the accuracy of the final estimated outcome from the PLS-SEM, it is crucial to assess the adequacy of the model. The model's fitness can be evaluated through several methods, including testing for collinearity of the structured model, assessing the significance and relevance of relationships within the model, examining the R^2 values, utilizing the f^2 effect size, and measuring or utilizing the Standard root mean square residual (SRSM) (Tenenhaus et al., 2005). Hock & Ringle (2006) classified results beyond the thresholds of 0.67, 0.33, and 0.19 as "substantial," "moderate," and "weak," respectively. To evaluate multicollinearity in the structural model, one can utilize and examine the tolerance or VIF criterion, which will be explained and demonstrated shortly. The VIF benchmark must always remain below 4. The f^2 effect size measure is another name for the R^2 change effect. The f^2 coefficient can be constructed equal to (R^2 original – R^2 omitted) divided by (1 - R^2 original). The denominator in this equation is "Unexplained". The f^2 equation expresses how large a proportion of unexplained variance is accounted for by R^2 change (Hair et al., 2014). Following Cohen (1988), 0.02 represents a "small" f^2 effect size, 0.15 represents a "medium" effect, and 0.35 represents a "high" effect size.

The standardized root mean square residual (SRMR) measures the approximate fit of the model, measuring the difference between the observed correlation matrix and the model-implied correlation matrix. The SRMR explains the average magnitude of such differences. If the SRMR is lower, the better for the fitness of the model. If the SRMR is less than 0.080, a model has a good fit (Hu & Bentler, 1999); otherwise, it is not a good fit.

Table 35

Calculation of Structural Fitness Indices

Variables	**Code**	VIF	R^2	f^2	Q^2	SRMR
Stakeholders' engagement strategy	**SES1**	1.000				0.000
Tax Awareness	**TAW1**	1.121	0.177	0.215	0.174	
	TAW2	1.121				
Positive Tax paying Culture	**PTC1**	1.046	0.055	0.058	0.051	
	PTC2	1.046				
Voluntary Tax Compliance	**VTC1**	1.290	0.262	0.354	0.260	
	VTC2	1.290				

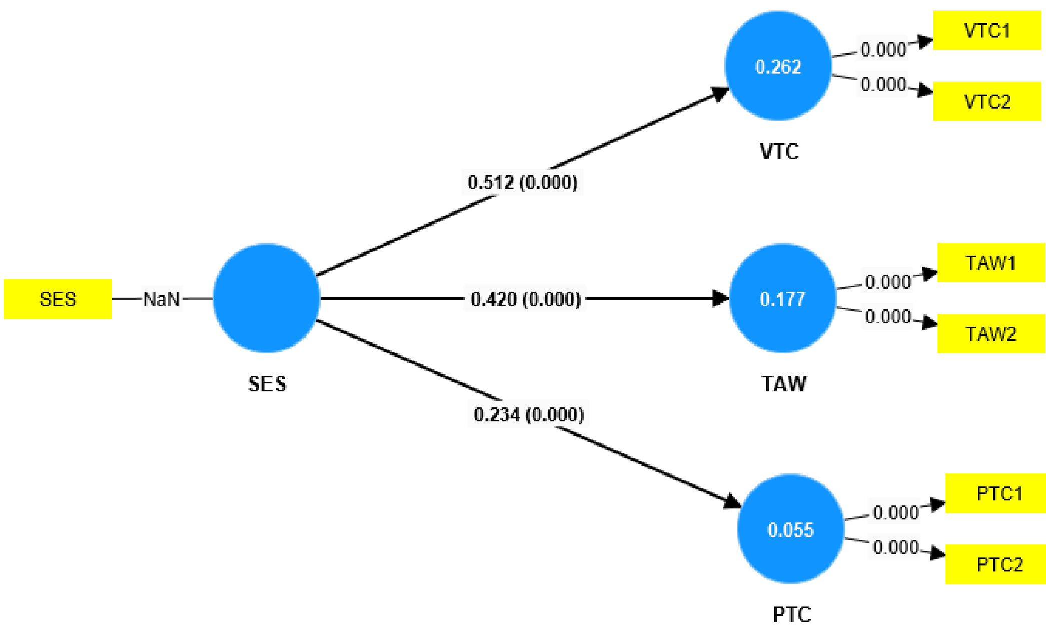
Note: System-Generated Report from PLS-SEM Version 4

Table 35 above displays the VIF diagnosis and predicted PLS weights for all the indicators of the questionnaire items. Problematic multicollinearity is typically indicated when the variance inflation factor (VIF) coefficient exceeds 4.0, or in some cases, 5.0 as a more liberal threshold. All of the original indications had VIF values less than or equal to 4. The R^2 values indicate that the change in Stakeholders' engagement strategy resulted in a 17.7% variation in tax awareness, a 5.5% positive tax-paying culture, and a 26.2% variance in voluntary compliance. Based on Cohen's classification, the model's effect size can be described as a 'small' effect for positive tax-paying culture (PTC), but a 'high' effect for tax awareness (TA), and a 'medium' effect for voluntary compliance (VC). The model is therefore considered an excellent fit, based on the SRMR value of 0.000. The Q^2 value was determined using the blindfolding technique, resulting in the respective values of 0.051, 0.174, and 0.260 which have demonstrated the predictive importance of the analytical statistical method, as the values are all greater than zero (0.000).

Quantitative research tends to be more numbers-focused and can help to test hypotheses from qualitative research. Supporting quantitative data with qualitative data helps to provide a more holistic (and quantifiable) view of the subject matter of a study. Simply put, quantitative data gets the numbers to prove the broad general points of a research study, while qualitative data brings us the details and the depth to understand the full implications of the findings. The study therefore enjoys the presence of both qualitative and quantitative data to answer the research questions and test the hypotheses. Using a combination of qualitative and quantitative data can improve data evaluation and ensure that the limitations of one type of data are balanced by the strengths of another. Increasingly, methodologists have always emphasized the integration of qualitative and quantitative data as the centerpiece of mixed methods research. The approach will ensure that understanding is improved by integrating different ways of knowledge. The selected data analytical method has helped immensely in articulating the study results, confirming if the results are valid, and also indicating how the findings can be used and applied.

Figure 8:

Structural Model Illustration



Source: PLS-SEM version 4

N.B

SE - Stakeholders' Engagement

TA - Tax Awareness

PTC – Positive Tax-paying Culture

VTC – Voluntary Tax Compliance

Testing the Relationship between the Variables

To achieve a reasonable outcome in the exercise of hypotheses testing, the PLS-SEM statistical tool was used to evaluate the strength of the relationship between stakeholders' engagement (independent variable) and voluntary compliance, tax awareness, and positive tax-paying culture (as dependent variables). The research question is usually the main problem or issue that the research seeks to investigate or answer with data. The hypothesis is the specific answer or explanation that the researcher proposes or expects to find. For this reason, the hypothesis should be clear, precise, testable, and falsifiable, implying that it should state the expected direction and magnitude of the relationship or effect, and be based on observable and measurable data. With these conditions satisfied, it should be possible to reject or disprove it with evidence. The statistical result is shown in Table 36 below:

Table 36:

Results of PLS-SEM (Assessing the Impact of SE on Voluntary Compliance, Tax Awareness, and Positive Tax Culture).

Description	Coefficient	Standard deviation	T statistics	P values
SE -> TA	0.420	0.031	13.642	0.000
SE -> PTC	0.234	0.033	7.150	0.000
SE -> VTC	0.512	0.026	19.394	0.000

Note: System-Generated Report from PLS-SEM version 4

Hypothesis Testing

For the data analysis, the hypotheses were tested, using the PLS - SEM statistical method. All three (3) hypotheses were examined separately, pairing stakeholders' engagement (independent variable) against each of the other dependent variables. The outcome of the testing is summarized hereunder:

Hypothesis 1:

H_0 1: Stakeholders' engagement strategy is unlikely to promote voluntary compliance.

Ha 1: Stakeholders' engagement can promote voluntary compliance.

The decision rule states that if the p-value is below the significance level of 0.05, the null hypothesis is rejected, while the alternative hypothesis is upheld. However, if the p-value exceeds the significance level of 0.05, it is appropriate to accept the null hypothesis and reject the alternative hypothesis. In testing H_0 1, the standardized regression weight for stakeholders' engagement (SE) on voluntary compliance (VC) is 0.512, as presented in Figure 8 and Table 36. The results showed that the path is statistically significant at a 5% significant level, implying that stakeholders' engagement has a beneficial and substantial impact on voluntary compliance. From the values presented in the table, the p-value of 0.000 is smaller than the significance level of 0.05. Therefore, the null hypothesis is rejected while the alternative hypothesis is to be accepted. The point to note here is that stakeholders' engagement can positively enhance voluntary compliance and also optimize collection.

Hypothesis 2:

H_0 2: Stakeholders' engagement cannot improve tax awareness, nor elicit a positive tax-paying culture among the generality of citizens.

Ha 2: Stakeholders' engagement can improve tax awareness, and elicit a positive tax-paying culture among the citizens.

The decision rule, as earlier stated also applies here, regarding Table 36 and Figure 8, which showed a standardized regression weight of 0.420 for the impact of stakeholders' engagement against tax awareness and eliciting a positive tax culture. The results showed that stakeholders' engagement has a beneficial impact on tax awareness. Based on the data presented in Table 36, the p-value of 0.000 is also less than the significant level of 0.05, which suggests that the null hypothesis 2 (H_0 2) should be rejected while the alternative hypothesis 2 (H_a 2) is accepted, thus confirming that stakeholders' engagement can enhance tax awareness and also elicit a positive tax-paying culture among the citizens. With high tax awareness, citizens will understand their tax obligations to the government and this understanding will elicit a positive tax-paying culture, which does not require any prompting from the authority before taxes are paid.

Hypothesis 3:

H_0 3: Stakeholders' engagement, relying on tax education and collaboration (as critical SE activities), cannot deliver tax optimization and a high tax/GDP ratio.

Ha 3: Stakeholders' engagement, relying on tax education and collaboration with key stakeholders, can deliver optimum tax collection and a high tax/GDP ratio.

The data analysis has initially established a strong relationship between positive tax culture and stakeholders' collaboration, particularly when tax education and strategic collaboration are combined as critical activities to sustain strategic engagement. The standardized regression weight for the impact of stakeholders' engagement against positive tax culture, tax optimization, and higher tax/GDP ratio is 0.234, as presented in Figure 8 and Table 36. The results confirmed that when sustained tax education and strategic collaboration are combined as key activities to strengthen the stakeholder engagement process, the approach will, in the long run, help to achieve and sustain a positive tax culture among the citizens, and in turn, lead to optimum tax collection and improvement in the tax/GDP ratio. As the p-value of 0.000 is smaller than the significant level of 0.05, as presented in Figure 8 and Table 36, null hypothesis 3 (H_0 3) is rejected while alternative hypothesis 3 (H_a 3) is to be accepted. Therefore, using tax education and collaboration to strengthen stakeholders' engagement would help to elicit a positive tax-paying culture among the citizens, thus, resulting in optimum tax collection and an increase in the level of tax/GDP ratio.

Conclusions From the Quantitative Results

From the analysis of the quantitative data, it could be inferred that most respondents are neutral (with a mean score of 2.853) on the question of whether or not the level of tax awareness in Nigeria is adequate, but at least, there was a unanimous agreement on the fact that the government at all levels have always failed to demonstrate accountability and transparency regarding the judicious use of tax monies, the consequence of which is the lack of regular and adequate provision of social goods and services, including critical infrastructure for growth, in favor of the citizens.

The study results also showed that most respondents were neutral on the question of whether or not the current regime of sanctions, penalties, and audit visits is adequate, and if the policies being prescribed have ever successfully deterred tax non-compliance. However, from the study results, most respondents indicated that fines, penalties, and audit visits are imperative to sustain voluntary tax compliance, as revealed by the mean score of 3.435. In addition, the adoption of cooperative and friendly policies in tax administration would help promote tax compliance, as evident from the mean score of 4.1305 on the Likert scale. Results from the survey also suggested that most respondents were certain that the ‘stakeholder theory’ in firms would be relevant and applicable in tax administration as evidenced by the mean score of 3.8908, noting in particular that tax authorities would benefit more if key stakeholders in the tax administration were permitted, from time to time, to contribute ideas to tax discourse, and make input into tax policy bills before they are enacted into law. Furthermore, the majority of respondents argued that citizens should be free to exercise the right to demand total accountability from the government when they have dutifully performed their tax obligations, as evidenced by the mean score of 4.3985. The results also showed that stakeholders’ engagement can significantly impact voluntary tax compliance, as evidenced by the mean score of 4.0077, with a tendency to also improve tax awareness, and elicit a positive tax culture, justified by the mean score of 4.0290, while the adoption of tax education and collaboration as critical activities for strengthening the stakeholder engagement processes, will help to facilitate voluntary compliance, in the long run, as evidenced by the mean score of 4.0060 on the Likert scale. The conclusion at this point is that with conscious reliance on sustained taxpayer education, coupled with regular collaboration with key stakeholders, voluntary compliance is likely to be achieved, along with significant improvement in the level of tax/GDP ratio for the country.

Implications of the Study Results

Arising from the study results, policymakers are encouraged to embrace tax policies that have the potential to promote the social contract between the government and citizens, and those that could enhance government trust. Williams & Horodnic (2015) identified such policies that might require some improvement to include those likely to impact procedural justice (respectful, impartial, and responsible treatment), those likely to impact procedural fairness (citizens' perception of a fair tax payment system in comparison to what others pay), and those that can affect redistributive justice (provision of adequate social benefits about taxes paid). In addition, policymakers must pursue better ways of managing all the concerns associated with tax morale, mindful that any insensitive policy measures could negatively impact citizens' tax morale (Leonardo, 2011). As there is no single solution to building trust and morale, the tax authorities should always strive to improve stakeholder communication with all taxpayer groups in the efforts to sustain citizens' tax morale.

The literature review has shown that there are no quick fixes to the challenges and problems of tax non-compliance. In this regard, a likely suggestion might be to develop a well-coordinated plan, using a range of complementary policy instruments that would highlight the essence of sound tax policy while embracing other aspects of the tax system designs that allow the tax authority to perform their avowed responsibilities efficiently. In reality, it makes sense for tax policymakers to first identify and eliminate all the inherent challenges in the tax system before commencing any strategic intervention. The government, as the sponsor of most strategic interventions, must always demonstrate a true commitment to any proposed strategies to be implemented, for such programs to yield successful outcomes, thereby promoting effective dialogue, strengthening governance, and facilitating a shared understanding of the numerous issues arising (OECD/DAC, 2005).

Policymakers need to understand that the country needs a simple tax system that can facilitate high levels of compliance concerning all taxes to promote efficiency. At the outset, the government must consider and analyze the necessary trade-offs between equity (fairness), certainty (simplicity), convenience (payment), and economy of collection (efficiency), to enable them to determine the desired balance that is appropriate in a given context. The integrated tax policy plan, comprised of policy development, technical analysis, and statutory drafting should be domiciled in one single department to avoid policy conflict, in appreciation of the understanding that these three (3) functions are so interrelated that the entire process would suffer if each function is to be handled by a different unit/department within the same government bureaucracy. In particular, the tax policy function should be separated from the tax administration and enforcement functions to achieve a smooth running of the tax administration, which is a major step towards achieving operational synergy. The separation of tax policy function and collection duties will instill checks and balances, and protect the interests of taxpayers and the government because, at times, policymakers can be so obsessed with the theoretical purity of their policy proposals that they may fail to pay significant attention to the compliance imperatives of the proposals.

Another important responsibility for the tax administration and policymakers in curtailing the occurrence of tax non-compliance is to have a robust management information system (MIS), linked to tax computerization, and streamlining tax policies and procedures, all aimed at enhancing effective interaction and achieving tax efficiency. On the whole, it is advised that the policymakers should strive to adopt and support cooperative compliance policies and place less emphasis on those factors that are associated with the economic/deterrent model, such as fines, high penalties, audit visits, and punishment while the economic considerations are complemented by socio-psychological factors to help promote a more amenable and acceptable tax compliance model. The combined effect of these actions will help to promote voluntary tax compliance.

Comparison and Contrasting of the Research Findings with Previous Studies

The **a**chievement of voluntary tax compliance is a major goal of all tax administrations, and even though earlier research studies have popularized the economic/deterrent compliance model (which involves the imposition of fines and penalties) as the solution for tax non-compliance, recent research studies have revealed that the approach may not be an effective policy in stemming the trend of tax non-compliance (Fischer, Wartick & Mark, 1992). This study has also confirmed the same findings. The literature review shows that tax compliance is a complex issue (Andreni et al., 1998), that could be influenced by multiple variables (Richardson & Sawyer, 2001; Alm, 2019). Although Torgler (2005) investigated citizens' attitudes toward paying taxes, defined as 'tax morale' (Alm & Torgler, 2006), there hasn't been any broad explanatory theory to successfully explain the relationship between tax morale and compliance. However, Alms (2019) asserted that a single theory is not practically feasible, due to the limits placed on theoretical assumptions in explaining the phenomenon of tax compliance. Consequently, tax policymakers are advised to make their choices among the myriads of available options when contributing to public policy discourse, the principle on which stakeholder engagement is premised. In this regard, Fochmann (2016) noted that any strategies that have the potential to promote voluntary compliance should be embraced to help explain how tax monies are distributed and utilized. According to Holler (2010), citizens' knowledge about the use of tax monies can also help increase their willingness to comply with tax obligations, thus citizens with higher tax knowledge are favored to be more tax-compliant than those with little tax knowledge. These strategies are linked to tax education and can also promote accountability and transparency on the part of the government, as revealed by the study findings.

As tax compliance is considered a social contribution dilemma, advocating the willingness to embrace tax payment obligation should be mandatory, given that compliance represents a social and psychological contract between taxpayers and the government, where social norms of behavior remain the critical issues (Alm et al., 2012). In line with the above paradigms, the use of tax revenue is one of the key concerns to be addressed by the government and policymakers. Both constituted authorities have an onerous duty to help build institutional trust, which ultimately drives tax cooperation (Alm et al., 2012). Some authors have noted that the perceived fairness of a tax system is determined by comparing the amount of taxes paid with the level of public services and benefits received, and this often has a strong covariance with tax compliance. This conclusion agrees with the study findings to the effect that the government is expected to regularly provide basic social amenities to the citizens as a condition for their support of government programs, in the quest for development.

It is therefore considered imperative that the government and policymakers should strive to close the gap between the yearly projected revenue and actual tax receipts being reported, as this would impact taxpayers' compliance while ensuring that no taxpayer is allowed to escape the tax net. The idea of stakeholders' engagement is to deepen the discussion on the 'fiscal and social-psychology' compliance model, with the expectation that the study findings would help facilitate tax policy formulation and design to bring about an efficient domestic revenue mobilization outcome.

Devos (2004) noted that although tax compliance theory has emerged from a wide variety of disciplines, there is still a lack of consensus and agreement as to why people do not pay their taxes. Current tax compliance literature also noted that several research gaps need to be fully explained, in the areas of tax morale, tax fairness, and deterrence concepts for a deeper understanding of individual compliance decisions. Sarker (2011) has stated that strategic communication between the government and citizens can help promote voluntary compliance significantly. In particular, the findings of the study confirmed the relevance and applicability of stakeholder theory in tax administration, noting that stakeholders' engagement has the potential to promote voluntary tax compliance, provided that the government would willingly subscribe to its social contract obligations to the citizens and demonstrate accountability and transparency in the utilization of tax monies. This type of voluntary commitment would endear the citizens to the government's social programs, as citizens would be regularly informed on what the government is doing with the tax monies collected.

The policymakers must continuously strive to look beyond economic considerations to improve tax compliance among the citizens, in the same manner that tax authorities would implement tax policies with sociological and psychological objectives in mind when designing tax compliance models (Chau & Leung, 2009; Batrancea et al., 2012; Jayawardane, 2015), facilitated by stakeholder engagement practices. Specifically, Sarker et al. (2011) explained that cooperation and collaboration are the main catalysts for high tax compliance achievement while Devos (2014) argues that persuasive measures have proven to be a good motivational tool for improving individual tax compliance decisions among taxpayers, as any forms of deterrents could result in inconclusive outcomes (Torgler, 2003; Torgler et al., 2007; Williams & Horodnic, 2016), thus, reducing tax morale and creating a poor compliance culture. It is, therefore, recommended that the government and tax authorities should always search for new measures beyond those rigid and aggressive enforcement actions to improve citizens' tax morale, and seek their understanding of individual tax obligations.

From the study's findings, it could be inferred that stakeholders' engagement intervention must not be carelessly implemented, if the government and its tax authorities are desirous of the citizens embracing the issue of voluntary compliance seriously. The need for stakeholder engagement has become increasingly urgent (Erkul et al., 2020) and tax scholars have recommended continuous research to further explore and expand the understanding of serious engagement in driving strategic communication (Collinge, 2020). The government, as sponsors of any stakeholder engagement intervention must ensure that the key stakeholders are regularly informed, consulted, involved, and empowered, mindful that this is the core of decision-making (Yang & Shen, 2015). Engagement will perform best when all the stakeholders have a similar understanding of end-user requirements and needs (Roxanne et al., 2012), and care should be taken to ensure that the process does not fail to achieve the set objectives. A failed project cannot satisfy stakeholders' expectations, regarding project timelines, quality, cost, and other metrics (Ahonen & Savolianen, 2010).

Governments could face consequences arising from how well the citizens believe that their taxes are utilized, whether they feel treated fairly by tax officials, and how well tax laws and decisions are communicated to them, as well as how equitable the tax system is. The key to achieving voluntary compliance is to recognize the importance of an effective stakeholder engagement between the state and citizens and the pivotal role played by the tax system in this relationship. A more holistic approach to tax reform should consider policies and ways to enhance trust in the government. If this mandate is well managed, it would lead to a sustainable increase in tax yield, thus translating into socio-economic benefits for citizens. By breaking down 'trust' into the key elements of fairness, equity, reciprocity, and accountability, trust-building would have been achieved and made ready to help promote compliance with tax obligations. The policymakers, tax administrators, and tax practitioners, should lead the way toward shifting the paradigm from taxing more to taxing better.

The Implications of the Study Findings for the Overarching Theories on Tax Compliance

This study has revealed that the traditional deterrent approach to enforcing compliance is necessary, but at least, not sufficient to fully deter tax non-compliance in society. There are more important considerations, particularly the influence of personal norms and trust in the tax administration, both of which are impacted by high tax morale. Tax authorities could use other measures, beyond aggressive enforcement actions to improve citizens' tax morale, and by extension, their tax compliance. A policy of widening the window of collaboration and cooperation, to include all major stakeholders in the tax administration would attract more taxpayers into the tax net, and encourage a better tax payment culture among the citizens. This approach would help to improve aggregate tax receipts and increase the country's yearly tax/GDP ratio. Although various authors have studied citizens' attitudes toward paying taxes, defined as tax morale, Richardson & Sawyer (2001) noted that “no broad explanatory theory has come close to the domain of explaining why people pay taxes, even when the government has failed in its social obligations to the people. Alms (2019) asserted that a single theory is not practically feasible in large part to explain the phenomenon of tax compliance. Consequently, he suggested that policymakers should “choose wisely” among the myriad of available options, as a way of contributing to public policy discourse (Alm, 2019, p. 23). Also, Devos (2014) argued that persuasive measures have proven to be a good motivational tool for improving tax compliance behavior, and the government has to look beyond economic considerations to improve compliance attitudes. This can be achieved by complementing economic considerations with socio-psychological factors to develop a robust tax compliance model (Chau & Leung, 2009). This study promises to engage in future work to continue the application of the lessons learned to good use for the benefit of tax authorities in the country.

Issues related to taxation are of great importance to the people and government of any society, which justifies the considerable interest focused on tax compliance studies by governments, tax authorities, and academics. The literature review clarifies that it is almost impossible to have “one universal” model for studying compliance behavior, as several factors play a role in determining an individual’s compliance decision. Since most tax compliance models have provided insights into understanding taxpayer compliance behaviors and responses to specific situations, tax policy researchers should have no problem making a choice, or combining compliance models that best suit specific situations. A major conclusion from this study is that compliance (or tax non-compliance) is influenced by both economic and non-economic factors. Tax authorities must, therefore, pay serious attention to developing effective tax measures that will consider possible combinations of economic and non-economic factors that individuals often consider when making tax compliance decisions. The economic factors include the level of income, audit probabilities, fines, and penalties, while the non-economic factors include attitudes toward taxes, personal or social norms, and perceived tax fairness.

Evaluation of Study Findings

The evaluation of findings involves reviewing the study processes to ensure that the research purpose, methodology, and methods used, have achieved the research objectives and significance of the study. Evaluation of quantitative data is generally more objective, adopting the use of statistics to achieve study generalizability while qualitative data are more personal, such as texts, videos, and pictures. The findings from the qualitative data analysis (obtained from the interview scripts and focus group reports) were compared with findings from the quantitative data analysis (obtained from the survey/questionnaire source) to establish the areas of agreement and departure, the outcome of which has revealed more areas of agreement than disagreement. Tax non-compliance remains a growing challenge, which all tax authorities find difficult to tame (Mckerchar & Evans, 2009, p.175). The responses to the qualitative inquiries showed that the three-tier government has not performed well in terms of domestic resource mobilization, mainly for the reasons disclosed in Table 37. Tax is a significant revenue source for the government, and tax monies collected should be wholly applied to promote development (Edame & Okoi 2014).

Table 37

Suggested Leading Causes of Tax non-compliance.

s/n	Reasons proffered as the leading causes of tax non-compliance	Frequency
i.	Poor tax knowledge and inadequate tax education	16
ii.	Citizens do not see the benefits of tax payments as impacting their well-being due to the failure of the government to fulfill its social contract obligations to the citizenry.	17
iii.	Ineffective tax administration coupled with systemic corruption and collusion with taxpayers	15
	Total no. of survey respondents	48

Note: Data Compiled from the Respondent's Answers to the Research Inquiries.

Empirical studies showed that low tax compliance is generally associated with tax evasion, tax exemptions, and corruption (Richupan, 1984; Bird, 1992; Krugman et al., 1992; Curtis et al., 2012).

The findings have emphasized the critical role of the government in partnering with the citizens to raise adequate tax collection to meet developmental needs. Most study participants believed that the government has not optimized tax collection. A few, however, affirmed that the level of tax collection was adequate. Table 38 summarizes the respondents' comments.

Table 38

Responses on the Adequacy of Government's Revenue Mobilization

s/n	Respondents' views on the adequacy of tax collection	*No.*	%
i.	No. The 3-tier government has not been collecting adequate taxes to fund the government's social programs.	40	83
ii.	Yes. The three-tier government currently collects sufficient taxes to fund development, although the government spends tax monies on wasteful programs.	8	17
	Total number of respondents	48	100

Note: Data compiled from the responses to the close-ended questions in Appendix J

The minority group, however, expressed concerns over the careless manner in which the government wastes public funds on programs that offer no benefits to the citizens. Concerning the adequacy of the awareness of tax operations and processes, 96% of the respondents affirmed that awareness of tax operations and payment processes are critically inadequate and requires improvement. Only two (2) respondents confirmed the adequacy of tax awareness, though. Nevertheless, the two respondents advised on the need for the government to regularly demonstrate accountability and make substantial improvements regarding the quality of public governance and the availability of social amenities to the citizens. Concerning the judicious use of tax monies to finance development, most respondents, except one, affirmed that the government has not been utilizing tax monies judiciously to provide social amenities. The findings indicated that citizens do not trust the government due to its poor governance approach. Taxpayer socialization improves tax awareness (Boediono et al., 2018).

Concerning the current penalties/fines regime and whether the policies and rules have successfully deterred tax offenses, 54% of the respondents affirmed that the current penalties rules are inadequate and cannot prevent tax offenses. The other group (46%) disagreed, stating that the rules are adequate and have helped the tax authorities to improve tax collection. The majority opinion, however, suggested a move towards a proactive, cooperative compliance regime that can facilitate compliance with tax obligations. Empirical studies showed that threats of penalties/fines have little impact on the behavior of taxpayers in countries where tax non-compliance is high (Silvani & Bear, 1997). On the potential of tax education to promote voluntary tax compliance, 94% of respondents affirmed that education is a catalyst for voluntary compliance. The other three (3) respondents (6%) expressed doubts about whether tax education can promote tax compliance when the government has not changed its approach toward fulfilling its social contract obligations.

Regarding the provision of adequate funding for tax education to improve compliance, 80% of the respondents affirmed that government investment in tax education and enlightenment programs was inadequate. 20% of the respondents disagreed, arguing that the government's investment was adequate and that it should invest more in tax education/enlightenment programs. Christensen et al. (1994) found that increasing taxpayer education enhanced the understanding of tax law complexity. Similarly, Lewis et al. (1996) found that low tax knowledge correlated with negative attitudes toward taxation and that a favorable tax attitude can be improved through better tax knowledge. The literature shows that tax authorities would benefit more when they strategize to improve taxpayers' knowledge of the operation and practice of taxation. Singh (2003) and Harris (1989) argued that an increase in tax knowledge often increases the level of compliance, in the same way that tax education affects people's tax knowledge (Pratama, 2018). Citizens with better tax knowledge or tax education would be able to navigate complex tax systems and avoid overpayment due to intricate reporting requirements. Indeed, they might be encouraged to comply voluntarily if the government and its institutions would regularly collaborate more with all groups of taxpayers without discrimination, developing different tax education programs for each group as may apply to their peculiarities. This action may require a segmentation approach to help communicate appropriate tax messages to them.

Table 39 summarizes the respondents' answers to a few close-ended questions contained in the questionnaire, as presented below:

Table 39

Responses to Other General Questions on the Close-ended Questionnaire.

s/n	Close-ended inquiries on the survey questionnaire	Yes	*%*	No	*%*
i.	Is tax awareness among citizens and businesses adequate and impressive?	2	***4***	46	***96***
ii.	Does the 3-tier government utilize taxes collected to provide basic social amenities for the citizens?	1	***2***	47	***98***
iii.	Does tax education promote voluntary tax compliance from your perspective?	45	***94***	3	***6***
iv.	Do taxpayers and businesses comply fully with the self-assessment tax requirements?	14	***29***	34	***71***
v.	Is the stakeholder theory relevant and applicable to tax administration?	45	***94***	3	***6***

Note: Compiled from the responses to the close-ended questions in Appendix K

The self-assessment tax system promotes compliance through honest and prompt compliance with tax payment obligations. When asked if the taxpayers comply fully with the self-assessment tax provisions, 29% of the respondents indicated that the compliance rate was encouraging. Still, the majority opinion (71%) suggested a low tax compliance level of about 40%, as stated by the focus group members. Smith & Stalan (1991) contended that satisfaction with the government and the perception of fairness play an essential role in taxpayers' attitudes toward behavior. The self-assessment system helps to avoid the protracted disputes inherent in tax assessment (Kiabel, 2007). The study revealed that stakeholder theory is relevant and applicable to tax administration. As change is often inevitable, understanding the various lobby groups and the nature of their interactions is crucial in successfully negotiating with them (Sarker & Whalan, 2011).

Research objective 1: What are the leading causes of tax non-compliance?

Relying on the comments of most study participants, it could be inferred that a severe trust deficit exists between the government and the citizens, which explains the state of continuing tax non-compliance in Nigeria. From the evaluation of the findings, it would be appropriate to submit that the leading causes of tax non-compliance are as obtained from the interviewed participants, summarized in Table 40 below:

Table 40

Suggested Reasons for Tax Non-compliance by Interviewed Participants

s/n	Reasons given as leading causes of tax non-compliance	Frequency/Count
i.	Lack of evidence of what the government does with tax monies forces the taxpayers to provide most of their social needs by themselves, thus creating low taxpayer morale and a lack of trust in the government to earn political legitimacy.	5
ii.	Inadequate tax education and enlightenment supported with tax advocacy	3
iii.	Systemic corruption and frequent collusion between tax officials and taxpayers, without deterrent actions, thus leading to open rent-seeking before services are rendered to taxpayers.	1
iv.	The multiplicity of taxes and numerous nuisances or dedicated taxes in operation, even though such taxes have little revenue potential	1

Note: Information compiled from the transcripts of interviews with ten (10) subjects

As Smith (1992) argues, the "cycle of antagonism between the tax administration and the taxpayers might begin to break with a positive concession by the administration" (p.226). Smith (1992) pointed out that respectful and fair treatment of taxpayers induces respect for the tax system, thus leading to cooperation. Taxpayers always want to ensure that their taxes are reasonably applied to provide the citizens with public amenities and develop a secure business environment. When this expectation fails, the citizens will withdraw their support for the government. Tax morale is critical to the tax compliance program and is sustainable through the stakeholders' engagement strategy. Feld & Frey (2002) argue that tax morale is supported or raised when the administration considers taxpayers with respect, and morale is reduced when they are treated as individuals who must be forced to pay taxes. Pyikson (2013) stated that most taxpayers do not see the need to pay taxes because, according to them, the government does not use tax monies judiciously to benefit those who contributed the taxes.

When the government focuses on the mobilization of domestic taxes and provides social services, such as good roads, basic health facilities, street lights, and water supply, the citizens will be encouraged to support the government in all areas needing cooperation.

Research objective 2: Causes of the ineffectiveness of tax compliance/ enforcement policies

The study participants have proffered various reasons for the ineffectiveness of tax compliance and enforcement policies to minimize tax offenses. One thing that emerged from the findings is that the country's tax compliance policies appear punitive and unfriendly. One study respondent, SQ/No. 19 rationalized that:

> "Rather than continually implement aggressive tax compliance policies, the government and the tax authority should work towards reflecting more friendly and cooperative tax compliance rules in the country's tax codes to promote tax cooperation, simplicity, and understanding. In addition, the tax authority should strive to understand better the diverse challenges confronting taxpayers daily in their businesses."

The government continues to emphasize voluntary tax compliance as a foundational principle of its tax system, yet the country's tax policy approach is often at variance with what it preaches. Krause (2000) states that compliance and enforcement actions will become imperfect when the rules are complex, unfriendly, and antagonistic, imposing unnecessary costs on taxpayers. Such a poor approach to tax administration tends to undermine the effectiveness of tax policies. A complicated tax code could then be subject to various interpretations (Krause, 2000), while a simple tax code would reduce taxpayers' costs, in time and money, to comply with the tax law (Blumenthal & Slemrod, 1992). Also, Smith & Stalan (1991) contended that satisfaction with the government and perception of fairness of the tax code can jointly influence the taxpayers' attitudes. Several research studies have reported a positive correlation between perceptions of fiscal inequality and tax evasion (Spicer, 1974; Song & Yarbrough, 1978), thus implying that if citizens trust the government, they will be more willing to pay taxes and positive government performance, based on trust, can also facilitate and sustain the socio-psychological relationship between taxpayers and the government. The reasons adduced for the ineffectiveness of most compliance policies are summarized in Table 41 below:

Table 41

Suggested Reasons for the Ineffectiveness of Tax Compliance Rules.

s/n	***Reasons proffered for the ineffectiveness of most tax compliance/enforcement policies and actions.***	***Frequency or Count***
i.	The failure of the government at all levels to fulfill social contract obligations to the citizens, lack of accountability and transparency, and the irresponsible disposition of political leaders towards taxation are believed to affect the effectiveness of compliance policies negatively.	2
ii.	Inadequate taxpayer education and enlightenment and failure by the government to regularly engage taxpayers and critical stakeholders on tax policy initiatives before such tax proposals become the law.	2
iii.	Modernization initiatives and computerization of tax operations are required to simplify the complexities of tax operations and processes. All forms of tax administration inefficiencies, poor record-keeping habits, and tax incentives abuses, should be eliminated, including tax evasion practices among affluent and high-net-worth individuals.	4

Note: Information compiled from the Focus group transcript

From the above analysis, tax authorities should strive to carry out regular tax reform to eliminate all forms of tax administration inefficiencies. This action alone can improve the effectiveness of tax compliance strategies being implemented by the government. In this connection, the study noted that inadequate tax education and low government investment in tax education are the reasons why the tax authorities' compliance and enforcement policies have been ineffective. The study participants have, therefore, recommended more tax literacy programs and awareness activities to support the tax administration efforts toward improving voluntary compliance, using the stakeholders' engagement platform. Fischer et al. (1993) found a positive correlation between tax knowledge and voluntary tax compliance. Empirical studies have shown that, from experience, the citizens have always been reluctant to pay taxes because they perceive that the government has not always demonstrated proper accountability in public governance. This concern was identified as a significant challenge facing the tax authorities in their efforts to gather revenues for development (Onuba, 2011). Table 42 compiles the comments of the interviewed participants on the reasons given for the ineffectiveness of most compliance policies.

Table 42

Suggested Reasons for the Ineffectiveness of Tax Compliance Strategies.

s/n	**Reasons proffered by participants for the ineffectiveness of government tax compliance/enforcement policies.**	**Frequency**
i.	Misuse of tax monies, leading to low tax morale, occasioned by apathy. The failure of the government to demonstrate accountability and transparency and the absence of a secure business environment that promotes economic growth.	Seven (7)
ii.	Failure by the tax authority to regularly engage with taxpayers and critical stakeholders to increase tax knowledge through targeted tax education and advocacy, including the lack of understanding by tax officials of the business dynamics and business challenges faced by taxpayers in their businesses.	Two (2)
iii.	The diversity of taxes and numerous nuisance taxes with little tax yield and several dedicated taxes negatively impact the effectiveness of tax compliance policies.	One (1)

Note: Information compiled from the interview transcripts

From the above analysis, it appeared that the ineffectiveness of the tax compliance policies of the government is due to the lack of accountability and transparency, including poor governance. Moreover, Ojo (1998) argued that ignorance about tax is a serious concern among our citizens, and the low level of taxpayer education is unarguably the primary factor affecting the administration of taxation. According to Azubike (2009), the absence of tax education and enlightenment is a significant problem as taxpayers cannot be educated and enlightened on the provisions of the tax laws. However, empirical studies show that taxpayer education is critical to developing an efficient tax administration (Misra, 2004). Other reasons suggested by the study participants include tax administration reforms, which allow tax authorities to take advantage of modernization initiatives in different tax jurisdictions. On this matter, a focus group discussant, FOC/No. 003 had cautioned that:

> "There is an urgent need to re-engineer all tax processes slowing down organizational efforts to improve tax efficiency and promote voluntary compliance. The government should help facilitate a sustainable culture of promoting compliance, simplifying tax forms design, and conducting frequent tax enlightenment to improve compliance."

Bird (2015) attributed the low tax revenue in most developing countries, like Nigeria, to inefficient tax administration, which may be a euphemism for corruption, distrust in government, and inefficient utilization of tax revenue, resulting in the negative perception of taxpayers toward taxation. Therefore, tax reform holds considerable potential to enhance the collection of taxes.

Research Question 1: To what extent can stakeholders' engagement (SE) promote voluntary tax compliance?

The results showed that almost all the interviewees and focus group participants affirmed the potential of stakeholders' engagement to promote voluntary tax compliance, as shown in the table below. All the participants understood the concept of voluntary tax compliance to imply "acceptable behavioral compliance with specific tax laws" (Gangl, Hartl, Hofmann & Kirchler, 2019), such as correct and timely payment without prompting. Table 43 summarizes the participants' responses on whether or not stakeholders' engagement as a strategy can promote voluntary compliance.

Table 43

Potential of Stakeholders' Engagement in Promoting Compliance

s/n	**Can stakeholders' engagement promote compliance?**	**Survey**	**Interview**	**Focus**
i.	No. It is doubtful/unlikely to promote tax compliance.	2	1	-
ii.	Yes. It can promote voluntary tax compliance.	46	9	8
	Total no. of participants	48	10	8

Note: Compilation of responses from the three (3) groups of study participants

The few participants who expressed doubt about the potential of stakeholders' engagement to promote voluntary compliance did so only because of their knowledge of how the government functions and emphasizing that such an intervention can succeed if the government strongly supports it. With this understanding, all the participants were encouraged to suggest various activities to facilitate the timely achievement of voluntary compliance. An interviewee, INT/No. 001 had stated that:

> "As stakeholder theory is known to benefit organizations and their employees by increasing productivity, employee satisfaction, and lower turnover rates, it is likely that if the stakeholders' engagement strategy is implemented in a tax administration setting, the experiment could lead to tax optimization of tax collection, increased tax awareness, and positive tax attitude, all combining to achieve higher tax compliance."

The above comment was supported by a focus group discussant, FOC/No. 005 who clarified that:

> "Stakeholder engagement can help an organization develop a purposeful tax culture that will, in turn, promote voluntary compliance significantly."

All countries desire a strong tax administration responsible for building a tax system promoting the socio-economic growth of businesses and individuals' well-being. It should be a tax system that reflects cooperative compliance strategies rather than aggressive policies, which could pit citizens against the government. The primary goal of a national tax system is to generate revenues to pay for government expenditures.

The study's findings have justified an urgent strategic action to tackle Nigeria's tax non-compliance challenges. All the study participants and survey respondents criticized the Nigerian government as the more guilty party among the major stakeholders in the country's tax system because of its continued failure to provide basic quality amenities for the citizens and fulfill its social contract obligations to them. The three-tier government and their respective agencies should change their approach to governance and respect the due process of accountability and transparency.

Voluntary tax compliance is sustainably achievable when the citizens are aware of their tax duties and fully embrace the tax-paying culture. As soon as the government adopts the path of meaningful collaboration with taxpayers and demonstrates accountability and transparency in the suggested public fund strategies, the citizens will be encouraged to change their negative attitudes toward supporting government initiatives. Both gestures will ultimately lead to an increase in aggregate tax collection, a reduction of the tax gap, and an increase in the country's tax/GDP ratio, a sign of the country's ability to cater to the well-being of its citizens.

The citizens have no reason to be ignorant of the constitutional requirement to file an annual income report and pay due taxes. This failure remains a strong point for the stakeholders' engagement intervention. Findings from the data analysis also indicate that aggregate tax collections from the three-tier government are critically inadequate to satisfy public needs requirements. From the responses of the 48 survey respondents, 40 explained that there is no level of government in Nigeria that collects adequate revenues to satisfy their budgetary needs. The other eight (8) respondents believed that the government has been collecting adequate taxes to meet their expenditure needs but often wastes tax resources on wasteful programs. More worrisome is the constant complaints by taxpayers that the government has always failed to put tax monies to good use for the benefit of the citizens, thus justifying the continuous refusal to pay tax. Additional study findings further indicated the need for regular stakeholders' intervention through reform, to help address all the identified tax administration inefficiencies, proactively correct the tax system’s failures, enshrine accountability and transparency in the conduct of government business, encourage more taxpayers into the tax net, and encourage businesses operating in the informal economy, including the high-net-worth individuals to transit into the formal sector willingly, thus building a robust economy and fairer society for all.

The fiscal exchange theory under the tax compliance framework argues that there is a social obligation contract between citizens and the government and that individuals would gladly pay taxes in exchange for the services they enjoy from the government (Torgler et al., 2007). As such, all forms of positive actions from the government would increase citizens' tax commitment and improve tax morale. High tax morale is found to be positively linked with a high level of trust in the government (Andrien, 2016; Chan et al., 2018; Daude et al., 2012). Empirical studies also show that quality governance positively correlates with tax compliance (McGee, Bent, Yildirim & Kayika, 2011), suggesting that taxpayers should always take due interest in how tax monies are utilized, as this is a critical factor that can influence whether or not to pay tax (Phillips & Sandall, 2009).

Research Question 2: How can stakeholders' engagement (SE) help to enhance tax awareness and elicit a positive tax-paying culture among the citizens?

All sixty-six (66) qualitative survey respondents unanimously agreed that the stakeholders' engagement (SE) intervention can positively impact tax awareness and also help improve citizens' tax-paying culture. Participants further affirmed that stakeholders' engagement intervention can improve taxpayer awareness, which in turn, would significantly promote voluntary tax compliance. Various research studies have shown that tax knowledge and awareness have a positive relationship with citizens' ability to understand tax laws and thus increase tax compliance. The respondents indicated different approaches to actualizing the outcomes, including information sharing and socialization. Tax information sharing provides taxpayers with a better understanding of tax laws and practices (Widyana & Putra, 2020). Also, Muafi et al. (2020) concluded that socialization and tax education should be pursued to improve tax compliance while seeking collaboration and cooperation with stakeholders to ensure enduring solutions. Other suggested strategies include judicious use of tax monies and provision of basic amenities. The Theory of Reasoned Action (TRA) states that awareness motivates taxpayers to follow tax laws, which explains the relationship between attitudes and behaviors within human actions. Table 44 summarizes the various suggestions made by the participants.

Table 44

Participants' responses on the potential of stakeholders' engagement to improve tax awareness, and elicit a tax-paying culture among the citizens.

s/n	Suggested Key Activities	Survey	Interview	Focus
i.	Regular taxpayer engagement, continuous collaboration, and targeted taxpayer education to promote tax awareness and better tax attitudes.	33	7	3
ii.	Judicious utilization of tax monies, regular provision of basic amenities, and demonstration of accountability and transparency in governance.	12	2	2
iii.	Tax administration improvement and ICT adoption to facilitate information sharing and database integration.	3	-	2
iv.	Adopting cooperative tax compliance rules and establishing a safe and secure business environment to facilitate economic growth and empowerment.	-	1	1
	The total number of participants	48	10	8

Note: Compilation of responses from the three (3) groups of study participants

The triangulation of the three (3) data sources suggested some form of unity of opinion, which affirmed that the stakeholders' engagement as a strategy could help increase tax awareness and improve the citizens' tax-paying habits. This process would have to be supported by regular interaction among the key stakeholders and continuous tax education/enlightenment activities.

Research Question 3: What are the likely key activities/tasks inherent in the stakeholder engagement that would help improve tax optimization and increase the country's low tax/GDP ratio?

In response to the question concerning the likely feature that the suggested stakeholders' engagement strategy should possess, most participants suggested a program that emphasizes regular collaboration, recognizes delegation of duties, and promotes constant feedback to the group. Such a feature must permit the stakeholders to have a strong voice without undue interference from the government, even though government representatives in the group may be the arbiters to manage the project for its success. Other suggested features include continuous tax education, government accountability and transparency, and bringing the government closer to the people.

Question 4: What should be the ideal size of the stakeholders' engagement project team, and who is qualified to be regarded as a key stakeholder?

Most participants suggested that with stakeholder engagement, there is no one-size-fits-all solution. Whether a stakeholder project team is large or small would depend on the goals and objectives of the project before the team. Every stakeholder must have expectations from the project in sight, and information collected during the stakeholder identification should be a useful guide in determining the size of an ideal team. Stakeholder engagement requires regular strategic communication with all project members at the appropriate stages to meet their needs, address any issues they may have, and obtain or maintain their commitment to the project's success. All the participants cautioned that there should be no reference to "ideal project team size" in a stakeholder engagement consideration, as anyone who has something to offer or might oppose the project should automatically qualify as a key stakeholder. What makes a successful stakeholder engagement is to ensure that there is awareness, understanding, and support of the project among the major stakeholders.

Strategic stakeholders' engagement should ensure members are regularly informed, satisfied, and updated. They do not have to be pushed or bored with messages from the project sponsors. The study participants advised the tax authorities to collaborate with government agencies whose activities are, connected to the tax administration as they can help to improve tax administration effectively. Some of the agencies relevant to tax administration in this context include SMEDAN, CBN, NIPC, CAC, NCC, and NEPC. Literature suggests that "an organization chooses a working collaboration with all its stakeholders while incorporating their different expectations into its strategic business plan" (Habisch et al.; De Colle, 2005). There is a growing realization that countries must do more to ensure that their tax authorities support modern innovations to engender favorable outcomes for all taxpayers (Oliver et al., 2019). The trend of unreliable statistics obtained from some agencies of the government underscores the need for regular liaison with all the MDAs that offer services connected to taxation, and whose assistance can help to widen the tax net.

Summary of Chapter.

The chapter began with a statement of the research purpose and provided an overview of its organization around research objectives and the main research questions. The study investigated the leading causes of tax non-compliance, to understand why past efforts of the government and the tax authorities to stem the trend of tax non-compliance have yielded only little success. The concept of trustworthiness in qualitative research was analyzed to establish that the study met all the criteria for validity and reliability as would apply to quantitative studies. As validity is not the goal of qualitative research, it does strive for the less explicit purpose of trustworthiness, suggesting that when a reader interprets the submission of the researcher, he will be able to express confidence in what was reported. Demonstrating credibility was through triangulation of the data gathered from the different sources. On dependability, the various methods adopted for data collection were explained to provide a basis for the repeatability of the research. Transferability measures whether, and to what extent the study's results are applicable within other contexts, circumstances, and settings. My beliefs and assumptions concerning the study were disclosed to demonstrate the element of confirmability in trustworthiness, including the role of the audit trail while recognizing the study's methodological shortcomings and potential effects. Evaluation of the findings was conducted to determine if they connected to any existing theories or concepts. The results were presented around the research objectives and the main research questions, guided by the outcome of the emerging themes, which are presented in Table 45 below:

Table 45

Summary of emerging themes and responsibility focus.

s/n	Emerging themes from the data analysis	Main thematic focus
a.	i. Poor social contracts and weak public governance affect voluntary compliance. ii. Non-compliance with the constitutional requirement for citizens to declare their income and pay the due taxes limits the potential for tax collection	The government should always provide quality public governance to facilitate voluntary compliance.
b.	iii. Implementation of stakeholder engagement as a project management intervention to promote voluntary tax compliance will deliver tangible results. iv. Tax collaboration, cooperation, and assistance should be embraced as a necessary strategy to stimulate tax awareness	A strong collaboration among all key stakeholders in the tax administration will help to promote voluntary compliance.
c.	v. Ineffectiveness of tax compliance/enforcement policies tends to inhibit voluntary compliance. vi. Failure of the tax authorities to pursue regular modernization initiatives and adopt best practices in tax administration tends to weaken the tax administration. vii. Focus on the taxation of the informal economy and high-net-worth individuals will help widen the tax net.	Typical tax administration improvements are within the proper handling of the tax authorities.

Note: Seven (7) Themes that Emerged from the Thematic Data Analysis

The approach adopted for data analysis was to examine the research objectives first, and later proceed to the research questions, to have a grounded view of the compliance problems.

Research objective 1: What are the leading causes of tax non-compliance?

This research objective focused on the vested responsibilities of the government in securing the ground for voluntary tax compliance and its sustainability. Here, the causes of tax non-compliance were examined, along with the issues of the constitutional requirement for every citizen to pay taxes, and the social contract between the government and citizens. All the comments and opinions expressed by the survey respondents and study participants revealed a weak tax administration, where taxpayers fully know the constitutional requirement for the citizens to pay taxes. Still, they are often reluctant to comply with tax laws. The study's findings showed that the government group is mainly responsible for the continuing trend of tax non-compliance on the grounds of abandoning its governance responsibilities. This situation puts a lot of pressure on the tax authorities to introduce untoward and archaic tax practices to justify its relevance as a public service organization to mobilize revenues for the government. Also, citizens' awareness of tax processes and operations appears low, while the government's investment in tax education and enlightenment activities is almost non-existent. The three-tier government cannot mobilize sufficient domestic taxes from within to fund government expenditure needs, thus preventing the government from providing basic quality amenities to the citizenry.

Another study finding is the penchant of the various tax authorities to depend mainly on coercive and punitive tax rules in enforcing tax compliance, even though such laws have limitations in contemporary tax environments worldwide. Evidence abounds that affluent, high-net-worth individuals are outside the tax net, just as many firms and self-employed persons operate in the vast informal economy without paying taxes or having any visible contact with the tax authorities. Overall, the compliance rate on the self-assessment tax regime stands at 40%, facilitated mainly by the large businesses that have subsidiary businesses in several countries and must comply with prescribed accounting obligations.

The porous tax collection might have forced the tax authorities to resort to outdated practices, and tax officials run after taxpayers to force compliance on the citizens. They fail to understand that taxpayers need constant interaction supported by tax assistance and education to encourage them to comply with normal tax obligations. The poor level of tax collection has consequently limited the ability of the government to fulfill its social contract with the citizens. Unfortunately, even the little taxes being collected are not often reasonably used to serve the objectives of governance, as ample evidence abounds of wasteful expenditure on non-productive projects and lack of accountability and transparency in allocating public funds. Such situations explain why taxpayers are often unwilling to support the government's developmental efforts. As expressed by all the study participants, the general conclusion was that the stakeholders' engagement intervention could successfully address the reported shortcomings of the government.

Research objective 2: Why are the government's numerous compliance and enforcement policies ineffective in curbing tax offenses?

This research objective focused majorly on the inefficiencies of the tax administration, some of which relate to the tax code's weak compliance and enforcement policies and the tax authorities' failure to engage with taxpayers on matters of common interests regularly. The research participants noted that most compliance and enforcement tax rules appear punitive and coercive rather than proactively cooperative and accommodating rules. In the view of some of them, a proactive action will typically require the tax authorities to first engage with major taxpayers on matters that concern them before any tax laws are enacted into law to regulate the administration of any taxes. Other issues raised include the slow adoption of modernization initiatives and best practices in tax administrations. Most participants also suggested strengthening the self-assessment tax regime to encourage compliance among the various taxpayer groups. If this is handled well, it will allow the government to properly manage the taxation of the affluent, high-net-worth persons and other businesses in the informal economy, often regarded as the engine of growth of the economy.

Research Questions: The study participants considered the stakeholder engagement strategy for promoting compliance innovative and worthy of experimenting. Participants, however, expressed concern that the success of the intervention will require the government to support the idea with quality governance and demonstrate accountability and transparency in all its activities by continuously fulfilling social contract obligations to the citizens. The research questions are:

RQ. 1: To what extent can stakeholders' engagement promote voluntary compliance?

Almost all the participants agreed that stakeholders' engagement can be used to promote tax compliance. Out of the total sixty-six (66) participants, four (4) of them expressed some doubts concerning its potential to change the face of Nigeria's tax system on the ground that similar administration experiments implemented in prior years have been unsuccessful due to the government's interference and unyielding disposition in numerous instances. The concerns are pertinent, although the suggested stakeholders' engagement will be collaborative. Even if the government representatives in the team are charged with managing it for the project's success, they will still need to work with and report back to other members. The group should aim to work together to benefit all interested stakeholders.

Tax administrations in various countries are daily embracing a more cooperative relationship with their taxpayers to promote voluntary compliance (OECD, 2016; de Widt, 2017; Boll & Brehm-Johansen, 2018). Widening the collaboration and cooperation to include major stakeholders in the tax administration will undoubtedly bring more taxpayers into the tax net, encourage a better tax payment culture, and increase aggregate revenue collection. Tax authorities and the citizens should interact more frequently, for the relationship to influence citizens' perception of the quality of services they receive, given that such an interaction can impact taxpayers' behavior and promote voluntary tax compliance (Jackson & Millron, 1986).

In particular, accountability and transparency in the utilization of public funds are associated with higher tax morale (Sipos, 2015). Furthermore, tax morale is improved when the government and the tax authorities are both perceived by the citizens to be fair. Several studies have shown that citizens' tax morale will improve, to the extent, that they believe the government puts tax monies to good use (Davis et al., 2003). It is, therefore, recommended that the government should, as part of the governance process, allow the citizens to have a voice in holding the government accountable for their actions. Empirical studies show that tax morale improves when citizens have a voice in shaping the tax system and making input into broader government priorities (Touchton, Wampler & Peixoto, 2019). Tax authorities and citizens should interact more frequently for this relationship to blossom so that they can appreciate the positive roles of the government regarding the quality of services they receive and what could be done better to influence voluntary compliance (Jackson & Millron, 1986).

RQ. 2: Can stakeholders' engagement help improve tax awareness and elicit a positive tax-paying culture?

Concerning the inquiry on the potential of stakeholders' engagement to help improve general tax awareness and elicit a tax-paying culture among the citizens, all the study participants pronounced an affirmative 'YES,' although different strategies were suggested to actualize the expected outcomes, some of which include targeted stakeholder engagement with all categories of taxpayers. Some others suggested regular tax education, supported by collaboration, cooperation, and tax assistance, all of which are predicted to increase the citizens' tax morale and improve the citizens' tax-paying attitude towards achieving voluntary tax compliance. A focus group participant raised the issue of political legitimacy, which some researchers define as the "belief or trust in government’s institutions, and social arrangements that are perceived to be fair and just, working for the common good" (Fjeldstad et al. 2012; Ali et al. 2013).

It is often argued that as more citizens begin to trust their government and social institutions, `the more likely they will voluntarily comply with tax payment rules and this can influence tax compliance decisions (Tyler, 1990; OECD, 2010). In this regard, Richardson (2008) also advocated the need for all governments to improve their reputation and credibility to gain taxpayers' trust. Tyler (2000) stated that national pride influences group behavior toward cooperation and high tax morale. Regular cooperation between the citizens and tax officials is assumed to elicit advantages for both parties as this might yield some gains where both parties could enjoy some benefits (OECD, 2016).

Expectedly, trust building, risk management, tax certainty, and voluntary compliance constitute the likely benefits to be gained by all the parties.

Cooperative compliance can help to reduce the need for frequent tax audits and lengthy disputes, both of which consume the tax administration's resources. Tax morale plays a huge role in explaining individual tax compliance decisions (Luttmer & Singhal, 2014), suggesting that lower tax morale is associated with tax evasion (Brink & Porcano, 2016). Empirical studies have shown that tax morale depends on the citizen's perception of the tax system as fair, coupled with the ability of the government to govern effectively. As such, the more efficient government spending is felt and perceived (Alasfour et al., 2016), and the higher the level of social benefits enjoyed (Alm & Gomez, 2008), the higher the level of tax morale. In particular, the transparency of public spending is generally associated with higher tax morale (Sipos, 2015), given that the government has some level of control over the trend of social norms (Hallsworth et al., 2017). With this understanding, government institutions should always strive to improve the transparency of public spending and use tax awareness to provide information on which public goods and services are being financed from the taxes collected. When this happens, tax morale improves and citizens will then believe that taxes collected are being utilized to provide social benefits to the citizens. The government and the tax authorities must guide against any policies or actions that could reduce taxpayers' trust and morale (David, Hetch & Perkins, 2003). Building the citizens' trust is primarily about empowering taxpayers and recognizing reciprocity and accountability as taxpayer-centered objectives (Prichard, 2010).

RQ. 3: What are the likely key activities/tasks inherent in the stakeholders' engagement that would help improve tax optimization and increase the country's low tax/GDP ratio?

In response to the question concerning the likely feature that the suggested stakeholders' engagement strategy should possess, most participants suggested a program that emphasizes regular collaboration, recognizes delegation of duties, and promotes constant feedback to the group. Such a feature must permit the stakeholders to have a strong voice without undue interference from the government, even though government representatives in the group may be the arbiters to manage the project for its success. Other suggested features include continuous tax education, government accountability, and transparency, all aimed at bringing the government closer to the people.

Tax education is a means of empowering citizens/taxpayers, giving them knowledge and tools for a better understanding of the tax system, increasing taxpayers' morale, and ultimately promoting voluntary compliance (Mascagni et al., 2019). Tax administrations are required to diversify their taxpayer education approach, which involves, teaching, raising awareness, and assistance, for them to benefit from the synergies between the complementary well-designed taxpayer initiatives (understanding taxation, taxpayers' tights and obligations, and knowing how to comply with tax obligations) to reach a wider population (OECD/FIIAPP, 2015).

By using different taxpayer education initiatives, tax administrations can offer a comprehensive learning experience on tax, giving taxpayers a better knowledge of their rights and obligations, and of the way the system works, as well as helping them develop new skills; in return, taxpayer education may improve the image of tax administrations, give them valuable information to improve their services, and enhance tax morale, reduced tax burden, and voluntary compliance. Studies recently conducted in Turkey and Spain on the approach for engaging with taxpayers showed that sustained tax education would have a positive effect on tax compliance (Goksu & Sahpaz, 2015), and in particular, continuous tax enlightenment activities would significantly boost tax morale.

RQ. 4: What should be the ideal size of the stakeholders' engagement project team, and who is qualified to be identified as a key stakeholder?

The study participants affirmed that a stakeholder should be "any individual or organization interested in a defined project, comprising internal and external representatives". The list could be as long as imaginable depending on the nature of a project, given that stakeholders could continuously throughout the project's life span, just as a particular stakeholder's influence might become more or less critical depending on the project's phase. Those agencies or institutions whose activities are likely to impact the activities of the FIRS should be identified and mapped to determine their exact influence and nature of interests. Such agencies would include government departments represented in the FIRS Board and a few others whose mandates might be considered imperative for the overall achievement of tax efficiency.

All the findings from the study were carefully evaluated to ensure that critical information was available to expand the evidence base and, more importantly, that future researchers could benefit from the report. The findings were also compared with existing theories to provide an acceptable interpretation of the results. From the data analysis, it can be inferred that the findings have satisfied my expectations, while reasonable opinions are offered for any deviations from the expected results.

CHAPTER 5: IMPLICATIONS, RECOMMENDATIONS, AND CONCLUSIONS.

Introduction

Tax non-compliance remains a persistent concern to governments in developing countries, as it limits the capacity of their tax authorities to mobilize domestic taxes needed for development and funding for recurrent expenditure purposes (Torgler, 2003). The concern then translates into countries' low tax-to-GDP ratios, which measure the ability of governments to cater to the well-being of their citizens. Nigeria's tax administration is a typical example of a system needing strategic intervention to help improve tax compliance among its citizens by helping to change their behaviors and attitudes toward adopting a positive tax-paying culture. Oyedele (2014) asserts that the non-oil tax/GDP ratio of 4% (based on Nigeria's 2013 rebased GDP) is the lowest globally in 2018 compared with other emerging economies like Brazil, Russia, India, China, and South Africa. A similar trend emerged when Nigeria's position was compared against the ratio within the continental blocs/regions for the same period, as shown in Table 46 below.

Table 46:

Nigeria's tax/GDP ratio among Continental Regions and the BRICS.

s/n	Continental/Regional Bloc	Tax/GDP Ratio	s/n.	Country (BRICS)	Tax/GDP Ratio
1.	OECD/Europe	34.3	1.	Brazil	32.3
2.	Latin America & Caribbean	23.1	2.	Russia	24.2
3.	Africa	16.5	3.	India	10.9
4.	North America (USA/ CAN)	29.1	4.	China	17.5
5.	Asia and the Pacific	11.9	5.	South Africa	28.6
6.	Nigeria	5.9	6.	Nigeria	5.9

Note: Researcher’s compilation from regional institutional agencies across the world.

It is a paradox that Nigeria has not been able to translate the high economic figures associated with the rebased GDP figures into tax revenues required for its development. The current tax/GDP ratio of 6% is far off from the IMF/World Bank's projected 15% ratio, which is the minimum suggested by the Bank as an indication of how well a government can manage and control its country's economic resources (World Bank/FAD Revenue Outlook, 2016). Even among the poorly developing ECOWAS countries, the tax/GDP ratio is compiled as shown in Table 47 below:

Table 47

Tax/GDP ratio among the ECOWAS countries

s/n	**Country**	**Tax/GDP ratio**	**s/n**	**Country**	**Tax/GDP ratio**
1.	Benin Republic	**10.8**	9.	Liberia	**13.5**
2.	Burkina Faso	**15.1**	10.	Mali	**14.5**
3.	Cape Verde	**20.1**	11.	Mauritania	**15.1**
4.	The Gambia	**18.2**	12.	Niger	**11.8**
5.	Ghana	**12.3**	13.	Nigeria	**5.9**
6.	Guinea	**10.8**	14.	Senegal	**16.3**
7.	Guinea Bissau	**10.2**	15.	Sierra Leone	**10.2**
8.	Ivory Coast	**11.8**	16.	Togo	**17.3**

Note: Adapted from Revenue Statistics in Africa (2016). Nigeria, IMF/OECD

The challenge of tax non-compliance is prevalent throughout the country and cuts across the different taxpayer groups, particularly the affluent, high-net-worth individuals and the vast informal economy. Oyedokun (2015) observes that "there are some inherent difficulties in the country's tax administration, which continue to prevent the citizens from fulfilling their tax obligations. Estimates of tax potentials by the IMF/World Bank indicated that a non-oil tax capacity of 16-18% would be optimal for a country with Nigeria’s economic structure and per capita income levels, thereby suggesting space for additional tax collection of 12% of Gross Domestic Product (GDP). This value of 12% represents the gap that the study aims to achieve within five (5) years of implementing the stakeholders’ engagement strategy, with the over-arching objective of enhancing voluntary tax compliance generally within the country. Table 48 summarizes the challenges identified by the participants and the proposed solutions.

Table 48

Challenges to voluntary compliance and suggestions for ameliorating tax non-compliance

s/n	**Significant challenges that limit the achievement of voluntary tax compliance.**	**Suggested strategies to address the identified challenges**
1.	Lack of collaboration and cooperation between the various tax authorities and the absence of stakeholder engagement with the major stakeholders in the tax system, including the different taxpayer groups.	Encourage regular tax collaboration with the Joint Tax Board and tax authorities at the three-tier level. Also, organize targeted engagement with diverse stakeholder groups regularly.
2.	Lack of physical evidence of what the government at the three-tier level does with tax monies, and a lack of trust and confidence in the government that has consistently failed to honor the social contract obligations with the citizens	Ensure the provision of quality public governance, and entrench the principle of accountability in government. The tax authorities should work towards improving the citizens' tax morale.
3.	The failure of tax authorities to implement modernization initiatives and reflect best practices in the system, including improving the unsafe and insecure business environment.	Adopt cooperative compliance policies in the tax code and eliminate nuisance or dedicated taxes to fund social programs.
4.	Failure of the Government and tax authorities to constantly engage with taxpayers on the need to comply with tax obligations and the absence of a strategy for the taxation of the large informal economy, including the affluent, high-net-worth individuals.	Develop a sustainable regular tax enlightenment program for the different groups of taxpayers, and focus on the taxation of the informal economy, including the affluent, high-net-worth individuals, to widen the tax net.

Note: Compilation from the transcripts of survey responses, interviews, and focus groups

Taxation is central to development, and a well-functioning revenue administration is imperative for strong, sustainable, and inclusive economic growth (Carnahan, 2015). As part of developing an effective and efficient tax system, there should be strong collaboration and partnership with stakeholders in the tax system, which currently is non-existent. This collaboration and cooperation would produce an open tax system that permits easy compliance, recognizing the taxpayers' rights and treating them as partners. The tax system should reward voluntary compliance, and tax authorities must be strong-willed to enforce compliance rules, re-orientate taxpayers legally, and perform tax functions transparently (Edemode, 2009; Adegbie & Fakile, 2011). This collaboration is in the form of a stakeholder engagement, accommodating the interests of all major interested parties in tax administration. The purpose of the qualitative, descriptive study is to evaluate the relevance of stakeholders' engagement in tax administration and assess the impact of the strategic intervention on voluntary tax compliance in the long term. A positive impact on voluntary compliance will create a favorable tax environment, improve tax awareness, and elicit a positive tax-paying culture. Prompt compliance with tax obligations will improve aggregate tax collection and increase the country's tax/GDP ratio.

Nigeria's poor tax collection and the consequent low tax/GDP ratio put economic growth and development at risk. The situation poses severe challenges to fulfilling the 2030 UN sustainable development goals of eradicating poverty and other deprivations and spurring economic growth for the well-being of the citizens. The SDG aims to eliminate poverty, hunger, AIDS, and discrimination against women and girls. In addition, it will strive to provide good health and sustain the people's health, provide quality education, and ensure gender equality, among other laudable goals. This study relies on stakeholders' engagement platforms to promote voluntary compliance. It is envisaged that stakeholders' engagement, as a strategy, would create collaborative decision-making opportunities and integrate citizen values and knowledge into complex management issues. The findings emerging from the data analysis will help tax authorities strategically engage with taxpayers and other significant stakeholders to create tax awareness among the citizenry and achieve a sustainable tax collection flow in the collective efforts to optimize voluntary compliance.

The study adopted a qualitative, descriptive method, which involved collecting and analyzing non-numerical data (text and audio recording) to understand concepts, opinions, or experiences. This method facilitated gathering in-depth insights into the problem of tax non-compliance and fresh ideas for future research. This approach offers flexibility, natural settings, and the generation of new ideas. However, researchers are mindful of the practical and theoretical limitations of the methods used when analyzing and interpreting their data because it could suffer from unreliability, subjectivity, limited generalizability, and labor-intensive. The study employed a one-on-one, direct, and phone interview approach to collect relevant data. Focus group sessions and survey questionnaire administration complemented this method. The data were analyzed into codes and higher-level categories to define appropriate themes representing the facts.

Regarding ethical considerations, researchers must consider a set of ethical issues throughout the entire research process, some of which include confidentiality and the role of the researcher as a data collection instrument. One moral issue relates to voluntary participation. This consideration requires that research participants are free to opt in or out of the study at any time. The informed consent consideration prescribes that participants should know the purpose, benefits, risks, and funding behind the survey before they agree or decline to join. There is also the ethical concern about anonymity, which aims to protect the identity of participants. In this context, personally identifiable data is not to be collected. Also, the confidentiality requirement demands that the information be hidden from everyone else, even if one knows the participants. Personally identifiable data must be anonymized so that it cannot be linked to other data by anyone else. At all times, the researcher must minimize the potential for harm, including physical, social, and psychological liabilities, which must be kept to an absolute minimum. Lastly, the researcher should ensure that his work is free of plagiarism or research misconduct while accurately representing the research results.

In the preceding chapter, the study's results showed that stakeholders' engagement as a strategy has the potential for several outcomes that could lead to high voluntary compliance, judged from the participants' responses. The collective power of stakeholders' engagement can influence the government to uphold the tenets of accountability and transparency in its governance approach and commit to social contract obligations as a matter of responsibility. This step will, in turn, bring citizens closer to the government, and the citizenry will begin to show strong support for the government's programs. The implication of these efforts will translate to greater tax awareness, improved tax-paying culture, and tax optimization, which will lead to a sustainable increase in aggregate tax collection and improvement in the country's tax/GDP ratio.

This chapter has discussed the study's implications for the existing knowledge concerning stakeholders' engagement in promoting voluntary tax compliance. The recommendations for future research will be discussed along with the findings.

Implications of the Study

The study is considered an innovative intervention, considering that all previous government efforts to stem tax non-compliance had proved ineffective and inconsequential, indicating that a different strategic action might be required to improve voluntary compliance and make the citizens comply with their tax obligations. The study's results showed that stakeholders' engagement is appropriate and relevant in tax administration. When respondents were questioned on the relevance and applicability of stakeholder engagement in tax administration, the majority opinion was affirmative, as indicated in Table 49 below:

Table 49

Respondents' opinion on the relevance of stakeholders' engagement in tax administration

s/n	Relevance and applicability of stakeholder engagement in tax administration?	No. of respondents	% Response
i.	Yes. Stakeholder engagement is relevant and applicable to tax administration.	45	94
ii.	No. Stakeholder engagement is unlikely to improve the tax administration. Its relevance is doubtful.	3	6

Note: Information from the answers of the respondents, as shown in Appendix K, p. 352

Empirical studies show that stakeholder engagement has been used in numerous projects with positive outcomes and beneficial results. The Australian government used the concept through stakeholder communication to achieve effective tax policy reform. Also, it is currently used in nursing research programs, monitoring and evaluating its impact on research use. However, there is little empirical research on its application in tax administration and measurement effects on tax compliance generally. Researchers will need to study the success rates of stakeholder engagement as a strategic policy intervention in private and public organizations. There are only a few recorded cases of successful stakeholder engagement experiments, but nothing is available on their level of success and sustainability. Few empirical studies have noted that for the engagement, an individual's stake is not a stake on its own intrinsic merits but only if it carries the necessary legitimacy, urgency, or power to make the government sit up, meaning that if the government as the sponsor does not fully support the engagement intervention, there could be a derailment of the expected outcomes. In this context, a participant has commented thus:

> "The idea of stakeholders' engagement to enhance tax compliance sounds good, but judging from the government's poor attitude concerning accountability, the intervention may not yield the desired outcome, as it may just go the way of other failed projects. I must emphasize that there must be government buy-in for the proposal to succeed."

Overall, the fact that the government can be encouraged to adopt a positive governance approach through stakeholder engagement and demonstrate accountability and transparency in its activities is evidence of adding new learning to the existing body of knowledge. Results from this study showed that with successful stakeholder engagement, the government and its agencies at all levels would become more accountable and transparent in their governance responsibilities, committing to social contract obligations and providing basic amenities to the citizens, including the critical infrastructure needed to promote economic growth. Should the expressed outcomes become a reality, tax morale will increase, attracting more people and businesses to the tax net, resulting in higher tax collections and ultimately improving tax compliance. A focus group discussant commented that:

> "I am confident that the suggested stakeholders' engagement strategy will help optimize tax collection and promote voluntary tax compliance as the critical stakeholders come together for

a common purpose. The intervention will make all stakeholders aware of what is happening and possibly offer better ideas on actualizing common objectives."

At the sub-national level, the relevant tax authorities will become more effective and efficient in delivering excellent tax services to the citizens, strongly encouraging the affluent, high-net-worth individuals to contribute more of their income to fund development. In addition, interaction with self-employed persons in the informal economy will become more pronounced as the government demonstrates more responsibility. As the government demonstrates accountability and more commitment to its social contract obligations and tax authorities provide more tax education and enlightenment to taxpayers, tax awareness increases with higher tax morale, which will enhance aggregate revenue collection and improve voluntary compliance.

To what extent can stakeholders' engagement promote voluntary compliance?

From the study results, many participants, including the focus group discussants and survey respondents, affirmed the potential of stakeholders' engagement strategy to promote voluntary compliance significantly. Voluntary tax compliance suggests that a taxpayer is complying with the tax laws without prompting from the authority. This definition indicates that taxpayers behave in a way required by law but without direct compulsion from the tax authority. The study showed that stakeholders' engagement could be relied upon to improve tax compliance through interaction between taxpayers and tax authorities. A focus group discussant commented thus:

> "Voluntary compliance is a goal, achievable by meaningful cooperation between the government and citizens or taxpayers, and the process is sustainable through continuous tax education. It requires social contract performance from both the government and the tax authority. However, if the government cannot guarantee citizens' well-being, it is unlikely they will pay their taxes voluntarily?"

Empirical evidence on stakeholder engagement showed that the process could yield better decision-making, increased social learning, and more precise stakeholder communication. Another respondent noted that:

> "Tax payment may be a civic duty or obligation, based on the law. However, the government also must protect the rights and privileges of the taxpayers by encouraging them to comply with the tax regulations voluntarily."

By developing productive rapport with internal and external stakeholders, an organization increases its bottom-line success and strategic impact while improving its status as a good corporate citizen (Nadine Hack, 2012). Creative leaders with foresight understand the strategy of engaging their stakeholders as a critical driver to success. Empirical studies, however, showed that organizations with an all-encompassing stakeholder engagement approach are limited in number (Engster, 2011), essentially because some organizations restrict their stakeholders from participating in the decision-making process, suggesting that they merely adopt stakeholder management practices rather than practice genuine engagement (Svendsen, 1998; Waddock, 2002). Goodstein & Wicks (2007) noted that the companies often do not conduct formal meetings as recommended by leading stakeholder engagement models, such as the two-way conversation, which would have permitted a dynamic exchange of mutual respect, collaboration, and dialogue (Phillips, 1997).

What are the likely features of the stakeholders' engagement that can help promote voluntary tax compliance?

The majority of study participants who affirmed stakeholders' engagement as an innovative strategy to promote voluntary tax compliance suggested various administrative improvements to actualize the expected outcomes related to tax optimization and the eventual increase in the country's tax/GDP ratio. Most study participants indicated that the government and its agencies should strongly support the stakeholders' engagement strategy, provided with the freedom to determine its goals as in a viable project, with specific deliverables supported by timelines. One interviewed participant commented thus:

> "The stakeholders' engagement plan should be an all-inclusive plan that operates as a project, with features of delegation of duties and assignment of responsibilities, with regular feedback to the group. The stakeholders' collaboration should impact general tax awareness, motivating citizens to pay taxes for sustainable development. This approach gives them a strong voice when parleying with the government."

Other suggestions offered by study participants included the implementation of major tasks that could help rebuild the citizens' trust and morale, giving taxpayers more voice, and holding the government accountable. One major recommendation made by the majority was the need for the government's commitment to social contract obligations and demonstrating accountability and transparency in public governance conduct. Another participant remarked that:

> "Stakeholders' engagement has the potential to help improve the tax administration if conceptualized with features that include continuous tax education and sustainable tax enlightenment activities targeting the different taxpayer groups, all of which must be supported with adequate funding by the government."

The general perception that the government can improve the quality of public services for the citizens' benefit seems to have a greater influence on tax behavior. Empirical studies show that the quality of public governance positively correlates with tax compliance (McGee, Benk, Yildirim & Kayikci, 2011), and Phillips & Sandall (2009) explained the link between quality public governance and tax compliance. Both researchers argue that citizens pay taxes to support the government in performing its duties, and consequently, taxpayers will take due interest in how the government uses tax monies, believing that a positive attitude toward the citizens could positively impact their tax compliance behavior. On the question of critical activities to help achieve tax compliance, the respondents identified a few activities, as presented in Table 50 below, based on the order of importance:

Table 50

Suggested activities with the potential to promote tax compliance

s/n	Which critical activities will help optimize tax collection and enhance voluntary compliance?	Frequency	%
i.	Regular tax education programs and targeted engagement with groups, including taxpayers.	16	33%
ii.	Ensuring that the government provides social amenities and holding it accountable for its social contract obligations	12	25%
iii.	Tax administration improvements, adoption of best practices, and information-sharing	3	6%
iv.	Regular tax collaboration, cooperation, and assistance among the key stakeholders.	17	35%

Note: Compiled from the answers given by the forty-eight (48) qualitative respondents.

Further study by Ser (2013) showed that if individuals perceive the government as fair, they will have more confidence in its activities and might be encouraged to comply with tax obligations. Study respondents who felt that the government had failed the citizens and were viewed as the more guilty party among key tax administration stakeholders must have based their judgment on the failure of the various institutions/agencies of government to provide public amenities for citizens' benefits and the absence or lack of accountability and transparency in governance. Besancon (2003) suggested that the government exists to provide social and political goods to the citizens, given that the quality of governance is guaranteed when it can provide high-quality social goods and services to all citizens. This view was supported by Rotberg (2005), who argued that public governance can be achieved when the government provides basic social goods and services to the citizens. Study participants further suggested that governments should be able to deliver absolute satisfaction and material prosperity to their citizens. Table 51 summarizes the respondents' ratings when asked to assess the efficiency of the Nigerian tax administration.

Table 51

Performance assessment of the tax administration by Survey respondents

s/n	**Rating of the performance of the tax administration system**	**Number of respondents**	**%**
i.	Excellent/Very Good	16	36%
ii.	Fair Performance	11	24%
iii.	Average Performance	12	27%
iv.	Poor Performance	6	13%
v.	No Evaluation/Neutral	3	Abstained
	Total number of respondents	48	100

Note: Compiled from the survey respondents' tax administration assessment report

From the above results, one-third (36%) of the respondents rated the performance as excellent and good, but the study's findings cannot justify this performance assessment. However, the fair and average ratings combined to give 64% suggest that more work remains to be done in repositioning the Nigerian tax system for tax efficiency and effectiveness of the compliance and enforcement policies.

What is the ideal size of the stakeholders' engagement team, and who should qualify as a key stakeholder?

The study's results showed that most study participants believed that the list of the major stakeholders should not be restricted or limited in number and can be as large as might be required to achieve results. Literature defines a stakeholder as "an individual, organization, or association whose activities are likely to increase or decrease the efficiency of the tax authorities at the national and sub-national levels." A stakeholder's influence today could become more or less critical in the future, depending on the project phase. A situation where each organization operates separately in a silo does not portend dividends for the tax system to make the citizens and businesses tax-compliant. Unfortunately, there is no one-size-fits-all solution to stakeholder engagement. Every stakeholder has their expectations towards any proposed project. It is expected that all the agencies of government or institutions mentioned in the FIRS Establishment Act as members of the FIRS board should be recognized as stakeholders. Table 52 summarizes FIRS's key stakeholders as shown below.

Table 52

FIRS key stakeholders and their respective services

s/n	List of identified FIRS key stakeholders	Agency's services.	Representation
i.	The Government represents the Executive, Legislature, Judiciary, and agencies/depts. The activities are to be coordinated by the Federal Ministry of Finance.	Ensuring harmony between tax policy, law, and administration.	The Executive and Legislature
ii.	The Courts/Tax Appeal Tribunals	Ensure the integrity of the tax code.	The Judiciary
iii.	Taxpayers represent corporate entities, multinationals, SMEs, and Trade Bodies.	Responsibility for tax payments	Taxpayers
iv.	Tax/accounting consultancies and professional institutes, e.g., JTB, CITN, and ICAN.	Preparation of tax computations and financial accounts.	Tax/Accounting Professionals
v.	National /Sub-national tax authorities.	Regulating tax collection and enforcing compliance.	Tax Authorities
vi.	Media and Tax advocacy groups, e.g., CATA, ATAF, etc.	Promote compliance habits and attitudes	The Media

Note: Adapted from the National Tax Policy document (2012)

As unexpected challenges develop to disrupt the tax administration, the organization causing the disruption should automatically be considered a key stakeholder. Weiss (1995) suggested that the government would benefit more if it strategically engaged with its stakeholders concerning operational issues, as various industry knowledge, experience, and expertise may reside with such persons. Therefore, an engagement with stakeholders should not be regarded as an end in itself; rather, it should be seen as an opportunity to strengthen relationships with the environment where people live and operate, as this kind of interaction can improve the planning and performance of the organization.

Can stakeholders' engagement help to improve tax awareness and elicit a positive, tax-paying culture among the citizens?

The answer to this question is affirmative, judging from the study participants' responses. Most participants commented that the large-scale tax non-compliance in the country is partly related to poor tax services, which has reduced the morale of taxpayers and the level of tax awareness. Alabede & Affrin (2011) stated that the quality of tax services rendered by the revenue authorities has a direct positive impact on tax compliance. Empirical studies also showed that the quality of tax services impacts tax knowledge and awareness (Nugroho, 2012) while increasing taxpayer education tends to increase the understanding and acceptance of tax law complexity (Christensen et al. (1994). The responses from the respondents have revealed that the government's investment in tax education was grossly inadequate and most times found to be ineffective, as presented in Table 53:

Table 53

Respondents' views on the Government's investment in tax education programs

s/n	Is the level of government investment in tax education and enlightenment programs adequate?	No.	%
i.	No, government investment in tax education and enlightenment programs is inadequate.	39	81
ii.	Yes, government investment is adequate, although it might not be effective	9	19
	Total no. of survey respondents	48	100

Note: Information from respondents' answers, as summarized in Appendix K, p. 352

A combination of the factors of tax awareness and morale should result in voluntary tax compliance, more especially when the taxpayers are treated as "customers or clients" (Kirchler, 2007). Regular interaction between the taxpayers and tax authorities will develop the tendency for better understanding and such a relationship can influence taxpayers' perception of the quality of services being enjoyed. Jackson & Millron (1986) stated that the manner of interaction with taxpayers regarding quality service delivery would impact tax behaviors, thus positively influencing voluntary compliance. Tax morale, generally defined as the intrinsic motivation to pay taxes, is a vital aspect of the tax system, given that most tax systems rely on the voluntary compliance of taxpayers for the bulk of their revenues. Generally, tax compliance suggests a situation where a taxpayer decides to comply with tax laws and regulations by paying taxes timely and accurately. When the survey respondents were asked to describe their expectations from the government when citizens comply with tax obligations, their responses seemed to suggest that they expected higher government performance, as presented in Table 54 below:

Table 54

Respondents' expectations when citizens comply with tax obligations

s/n	**Taxpayers' expectations when citizens comply with tax obligations and pay taxes promptly**	**Respondents' count**	**% Support**
i.	Provide essential social amenities and fulfill social contract obligations, including proper utilization of tax monies, which demands accountability and transparency in public spending and are vital for voluntary compliance.	39	81
ii.	Establishing a safe and secure business environment promotes economic growth and provides taxpayers with tax support and assistance.	7	15
iii.	Motivating and encouraging taxpayers through regular stakeholder engagement activities and granting tax incentives/benefits where necessary.	2	4
	Total no. of respondents	48	100

Note: Compilation of views expressed by the forty-eight (48) survey respondents

In addition, Torgler & Schaffner (2007) stated that tax authorities can improve taxpayer awareness through regular cooperation. Sarker & Whalan (2011) noted that the path to stakeholder engagement lies in strategically communicating with stakeholders and helping to identify those who might want to support or pose an obstacle to enable leaders to leverage that knowledge to influence behavior. Alabede (2012) investigated the role of quality tax services against tax compliance and found that most taxpayers have a low perception of the Nigerian tax authorities' quality of tax services. The study confirmed that the relationship between the perceived quality of tax services and taxpayers' behavior is positively correlated. Thus, it can be argued that improved quality tax services will improve taxpayers' behavior and awareness of tax obligations. Stuart & Tax (1996) further clarified that the quality of tax services is determined by specific elements of physical evidence of the service environment, the action of the participants, and the processes required to facilitate service delivery, all of which are covered by reference to tax reform.

In the globalized and dynamic business environment, stakeholders' engagement should be indispensable in every profit-focused organization. High levels of stakeholder engagement will enable organizations to gain a competitive advantage over their rivals (Hovisch, Schaltegger & Windolph, 2015; Yau, 2012; Teck, 2016). Tax awareness comes through tax literacy and continuous education, which stakeholder engagement could facilitate. When this construct is aligned with quality public governance, the combination will elicit positive behavior in the citizens, leading to a conscious attitude to pay taxes without compulsion.

Limitations of the study

Researchers are usually mindful of their obligation to the academic community to give a complete and honest picture of the limitations encountered in this study. A limit is a weakness within a research design that might have influenced the study's outcomes or conclusions, a few of which are mentioned hereunder:

a. **Scope of the study:** At the stage of drawing up the study design, a conscious decision was made to narrow the scope to people between the ages of 20 to 60 years, with a bias against likely participants above this limit, who were considered irrelevant and outdated in matters of tax discourse. My experience in the field proved me wrong. However, it was then realized that experienced and knowledgeable individuals in taxation practice are 60 to 65 years old. Even though they were not involved in this study, my outside interaction with them produced beneficial outcomes that will be lessons learned for future research. If this group of persons had not been excluded, thick, rich sources of information might have been obtained from potential participants.

b. **Sample size:** As the study is purely qualitative, the sample size was limited to 46 persons (comprising 32 survey respondents, eight focus group discussants, and six interviewees). Most research literature states that sample size is less relevant in qualitative studies. At first, it was viewed that the number of study participants adequately represented the major stakeholder groups in the Nigerian tax system. Later, the research ethics committee drew my attention to the inadequacy of the number on account of my decision to use the survey questionnaire for data triangulation. In addition, a key stakeholder group was missing from the list of participants for the interview. The implication of the error is the possibility of missing the opportunity to obtain valuable data from two (2) key stakeholder groups. This correction, therefore, increased the total number of study participants to 66 (comprising 48 survey respondents, eight focus group discussants, and ten interviewees), thus ensuring that my data sources would guarantee data trustworthiness.

c. **Lack of prior research:** Searching the literature revealed that research on stakeholder engagement in tax administration is scanty and almost non-existent. A few studies exist on taxpayer/tax authority interaction and stakeholder communications. But stakeholders' engagement is a more complex and broader concept, the scope of which is just developing. Not much information is reported on the successes of stakeholders' engagement, nor how its accomplishments could be evaluated and measured. It will therefore be an opportunity to identify new gaps in the literature and describe the need for further research on the gaps.

d. **Measures used in collecting data:** After concluding data analysis, it became apparent that the constituted focus group membership (limited to tax administration officials only) could be said to be biased and may have denied me the benefit of valuable data from private sector experience and knowledge. Tax officials are often believed to be naturally inclined to defend government tax policies and actions without considering taxpayers' opinions. However, the consolation is that there was adequate representation from all stakeholder groups to contribute their separate views.

e. **Self-reported data:** All the data collected could be limited, to a large extent, because they rarely can be verified. It is difficult to affirm the accuracy of what people say at face value, whether in interviews, focus groups, or questionnaires. The reason is that self-reported data can contain several potential sources of bias that may constitute a limitation. These biases become apparent if they are incongruent with data from other sources, suggesting exaggeration (representing outcomes or embellishing events) as more significant than is indicated from other data.

In conclusion, after comparing the study results against the research problems, summarized as stemming the trend of tax non-compliance to improve voluntary tax compliance, the outcomes aligned with the research purpose of determining the impact of stakeholders' engagement on voluntary tax compliance. The study results showed that stakeholders' engagement positively correlates with voluntary tax compliance. Such an outcome was achieved through the mediating influence of some constructs, such as tax morale and social norms that influenced the citizens' behaviors, guided by trust in government and political legitimacy to promote voluntary tax compliance, as articulated in the conceptual framework. The results showed that stakeholders' engagement, properly managed, could improve tax awareness and elicit a positive tax-paying culture among the citizenry. This development, in turn, might enhance aggregate tax collection, thereby increasing the country's tax/GDP ratio and combining to achieve voluntary compliance. The expectation that stakeholder engagement can help create a new culture of compliance in Nigeria and discourage tax non-compliance generally presents a positive contribution to the existing knowledge on stakeholder engagement and tax compliance. The government and the tax authorities are advised to implement the innovative stakeholders' engagement strategy, given that most government compliance policies have failed to stem the trend of tax non-compliance.

Therefore, the results agreed with the researcher's expectation of stakeholders' engagement in promoting voluntary compliance. The intervention promises to improve general tax awareness through high tax morale, elicit a tax-paying culture among the citizenry, optimize tax collection to improve the country's tax/GDP ratio, and enhance voluntary compliance. The three (3) survey respondents who had doubts about the potential of stakeholders' engagement to promote voluntary compliance had based their opinion on the government's poor attitude to governance and the slow response to the yearnings of the citizens for quality living standards. They argue that if the government doesn't change its hostile posture, it may be impossible for stakeholders' engagement (implemented in isolation) to promote voluntary tax compliance. However, with the understanding that the engagement plan will correct the government's failures and make right the shortcomings of the tax administration, the doubts will become unfounded. By implementing the strategy, the government can improve its relationship with the citizens and provide them with quality public governance, thereby increasing their tax morale and response to government initiatives. The treasury will accrue more tax revenues, and the tax/GDP ratio will improve. Similarly, the tax authorities will significantly benefit from the engagement through increased tax awareness, resulting in a sustainable increase in domestic revenue mobilization without stress and improved taxpayer/tax authority cooperation. Also, taxpayers will become more trusted when regarded as clients, which will positively enhance the self-assessment compliance level, all of which summarize the benefits of adopting stakeholders' engagement to promote voluntary tax compliance.

Recommendations for Application

Governments in developing countries face the challenge of modernizing tax administration to ensure they can operate effectively in an increasingly dynamic economy characterized by tax non-compliance, occasioned by difficult-to-tax sectors, and in an environment of sophisticated information and communication technology (Herbert et al. 2018). Experience has shown that a reform strategy over the long term. One such consideration to help strengthen the tax system is using the stakeholders' intervention to deepen the compliance process and promote tax efficiency. From experience, short-term measures to remedy tax non-compliance usually do not yield significant improvement (Bird, 2015) against the background knowledge that stakeholder engagement is a collaborative action to bring major stakeholders together to work for a common purpose to serve collective interests. Phillips (1997) noted that stakeholder engagement is anchored on the moral assumption that an organization should have some obligations to its stakeholders. "Stakeholder concept therefore suggests the presence of an additional obligation, over and above what is due to others, simply by being human" (Phillips, 1997, p.83).

The study has presented some useful recommendations for immediate application, to address the perennial shortcomings of the Nigerian tax administration. Discussion on how to effectively manage reform in strengthening the tax system has moved to the center of tax compliance debates, and recent developments have presented opportunities for further progress on the subject. Indeed, many governments and development institutions, such as OECD, ATAF, etc., have achieved significant administrative improvements in domestic revenue mobilization, although these successes in most countries have been uneven as the critical challenges have remained. In Nigeria, the aggregate tax collection being reported yearly still falls below the minimum capacity needed to finance the stated goals of the 2030 United Nations Sustainable Development Agenda, projected as 15% of the gross domestic product (GDP) being the minimum requirement for growth (Gaspar, Jaramillo, and Wingender, 2015). So far, the revenue collection policies and plans have been characterized by a lack of fairness and equality, as well as weak tax compliance/enforcement rules generally. Tax burdens are overlooked as they affect the lower-income groups. Overall, the growing consensus is centered on the perennial challenges concerning technical and political barriers to reforms (Moore & Prichard, 2017), thus, justifying why some tax policy experts constantly question whether there is any direct relationship between the reported increases in aggregate tax collection and the broader social contract objectives.

Policymakers and tax administrators must be constantly reminded that revenue collection is not an end, and can only be socially desirable if it results in efficient and productive spending, which may help to explain the continuous situation of low development in Nigeria. At best, what is currently in place today is no more than ‘taxation without representation’, where tax responsiveness, accountability, and nation-building are grossly lacking (Prichard, 2015). The few perception surveys conducted have often revealed that most people think that their taxes are not being channeled toward improving the provision of social services and benefits (Isbell, 2017; Oyedele, 2017). The various recommendations made under this section are borne out of the collated views of the participants, most of whom have spoken from their broad knowledge of taxation and experience. The recommendations are grouped according to the tripartite construct of a tax system, comprising tax policy, law, and administration, influenced by the understanding that the recommendations would help to strengthen the country's tax administration and ultimately enhance voluntary tax compliance.

Tax Policy recommendations

i. Tax policymakers and administration officials should embrace collaboration in pursuing a governance-focused tax reform agenda, aimed at building and sustaining citizens’ trust in the government, as building trust is fundamentally about empowering taxpayers. To this end, tax policy experts must adopt and continuously implement reforms that recognize tax reciprocity and accountability as taxpayer-centered objectives (Prichard, 2010). Such a strategy must have explicit links between tax receipts and delivering broader benefits, such as commitments to specific expenditures, increased transparency, and new platforms for taxpayer engagement (IMF/World Bank, 2015). Most participants in the study have attributed the cause of tax non-compliance to the unending failure of the government to fulfill its social obligations to the citizens, and providing them with social amenities while demonstrating transparency and accountability in the use of public funds.

ii. The government should consciously develop a fair and efficient tax system with broader participation among the numerous taxpayer groups nationwide. It is in the country's interest to have a tax reform program carried out every five (5) years to secure the benefits of sustainability in the country's tax system. The tax reform should consciously address all the tripartite elements of the tax system: tax policy, law, and administration. The tax system's success depends mainly on the environment within which it operates (Gill, 2000). Still, the effective interaction of the three elements should help establish a safe and secure environment. The literature states that an effective tax administration leads to higher tax collection (Hogue, Hassel, Olason, Sabbe & Otto, 2000).

iii. Tax policy reforms should address the social dynamics that can encourage voluntary compliance in an environment that lacks efficient tax collection machinery. By entrenching the principles of simplicity, certainty, efficiency, and equity in the country's tax system and adopting cooperative compliance rules in the tax code, the tax authority strengthens its ability to achieve voluntary tax compliance. The urgency in modernizing the country's tax policy and other fiscal arrangements is propelled by the realization that Nigeria is rated as one of the world's lowest tax/GDP ratios (Adeosun, 2017). The government must adopt a combination of complementary investment in enforcement, facilitation, and trust factors in its tax policies as a necessary condition for achieving voluntary tax compliance. Most of the interviewed participants and survey respondents had recommended the reflection of the four (4) canons of taxation in the Nigerian tax statute to improve the trust factor and enhance government legitimacy over taxation.

iv. Personal income tax (PIT) administration should be centralized and managed by the FIRS to improve tax disclosure from individuals, professionals, and high-net-worth persons. The organization has tax offices spread all over the country and can monitor the tax records of all persons and businesses. The existing tax decentralization policy of the government will not affect the collection assistance arrangement between FIRS and the sub-national tax authorities. With the agreement, taxes collected from PITA sources would go directly to each state's treasury after adjusting for the "cost of collection." The FIRS will employ its staff's technical competencies and knowledge to mobilize taxes from employment income sources on behalf of the sub-nationals. The majority of focus group discussants had canvassed for a centralized personal income tax administration on the implicit acknowledgment of the failure of the current PIT taxation system. Such a strong collaboration between the three-tier tax authorities will help reduce tax evasion and other avoidance schemes. If the policy is adopted, it will remedy the defective, deficient, and ineffective system and enhance tax administration efficiency (Nwaorgu et al. 2018).

v. The requirement for submitting a tax clearance certificate (TCC) as evidence of tax payment before a contract is awarded to a company should be discouraged as this tends to limit greater attention to effective taxation. This practice would require a shift in the government's orientation towards collaborative tax practices. Emphasis on the TCC requirement has driven many taxpayers to adopt various fraudulent and corrupt practices to secure it. The TCC requirement for a contract award seems to encourage the incidence of fake clearance certificates everywhere and at all levels.

vi. Tax policy technical officers must have a good knowledge of revenue forecasting and develop revenue estimation capabilities to properly conduct revenue targets set for the revenue collecting agencies in the country. The Ministry of Finance/Budget officials in charge of revenue projection should avoid applying the rule of thumb or simple arithmetic approach. A similar consideration should apply to measuring employees' performance for bonus rewards. A well-known method most developed tax administrations use is the Tax Administration Diagnostic Assessment Tool (TADAT), which the IMF developed as a helpful performance measurement tool. Related to performance measurement is the reasonable cost of tax collection, which ordinarily should be controlled. This study recommends that there should be a gradual reduction of the 4% cost-of-collection due to the tax authority in compliance with tax administration cost objectives. This action will help avoid fraud or corrupt practices associated with organizational inefficiencies.

vii. The stakeholders' engagement as a strategic intervention aims to promote tax compliance. Most study participants suggested that the stakeholder's meeting should be implemented as a project and supported with a detailed work plan incorporating transparency and accountability with goals, deliverables, and timelines. It should embrace project monitoring and evaluation and reflect notable activities, such as tax education and digitalization of tax processes and procedures, to communicate its essence to all taxpayers. The project team must always seek strategies that can help promote tax compliance generally.

viii. There should be a strong collaboration between the FIRS and all agencies that constitute the primary origin of tax incentives, such as the Inspectorate Division of the Federal Ministry of Industries, NIPC, NEPZA, and NEPC. In all situations, such approving agencies should first seek the consent of the FIRS before any tax incentives are granted to any corporate organizations. This consideration will significantly help to minimize possible tax incentive abuses. To this extent, the tax infrastructure arrangement to defray taxes owed by companies should be discouraged because of the inherent difficulties associated with the monitoring and evaluation of the scheme. The Federal Ministry of Works (FMW) does not seem to have sufficient human resources to monitor and evaluate the scheme's implementation in collaboration with the Ministry of Finance. However, it is still imperative for FIRS to regularly collaborate with other government agencies to develop a taxpayer data repository platform, bringing the NCC, CAC, SMEDAN, CBN, and the Banks onto the platform as sources of reliable tax information.

Tax Law Recommendations

Tax legislation and law-making is the act or process of enacting tax laws and the body of laws that provide for the levying of taxes and tax administration. Tax legislation refers to all statutes, statutory instruments, orders, enactments, laws, by-laws, directives, and regulations, whether domestic or foreign. The suggested recommendations for the current application are as follows:

i. Developing a general tax code will significantly help promote voluntary tax compliance. By its design, laws relating to tax assessment, collection, and debt arrears processes should be pooled together from the original tax laws and codified in a document known as the "Tax code." Such a step will facilitate an easy understanding of the tax provisions by the taxpayers and help them better understand the issues they take to tax advisors. A tax code is a law that prescribes the taxes and levies imposed by a government on individuals, businesses, other entities, and transactions that are subject to taxes within its jurisdiction. Presently, Nigeria has different tax laws on income, consumption, and capital in various legislations, all of which should be brought together in one document to promote voluntary compliance with tax obligations.

ii. There should be a comprehensive review of all current tax laws to eliminate all tax provisions that impede voluntary compliance with tax rules. Tax rules should be clear and straightforward, as overly complicated ones are usually associated with high tax evasion. Consequently, a mix of economic-deterrent, social-psychological, and fiscal exchange theories should be appropriate for the Nigerian tax system. Specifically, the self-assessment practices should be revised to accord with international best practices to encourage voluntary tax compliance. The tax law and practice should reflect the principles of fiscal equity, certainty, convenience, and efficiency. In addition, the FIRS should collaborate with the Finance Ministry and the National Assembly technical officers assigned to taxation to minimize the use of audit rates and punishments/fines in promoting voluntary compliance and advocate for more tax cooperation rules.

iii. The three-tier government should consciously utilize taxes collected to fund basic social amenities and infrastructure to ensure that development is measurable in terms of improved living standards, health, and the well-being of the citizens. A legal provision should make this objective a mandatory responsibility of the government. In anticipation of the stakeholders' engagement intervention, there should be a law granting taxpayers the right or liberty to demand accountability from the government and explain the use of the taxes collected. The right to demand accountability from those in authority should extend to our political leaders, whose lifestyles are questionable. Such a law in the statute will warn all citizens and businesses that the government is ready and committed to implementing a transparent tax administration. Tax cheats must not be spared by any stretch of the imagination, even though tax reform canvases the adoption of tax advocacy in promoting tax compliance. Still, the government should demonstrate the will to prosecute all tax offenders, no matter how highly placed the defaulters might be in society. There should be no sacred cows.

iv. The Nigerian constitution should be amended by expanding the definition of "citizens" to include corporate entities and other trade or business associations. It is not enough to assume that incorporated entities enjoy the status of a legal person in law. This clarification will interpret the lawful provision more clearly. Development in tax law reform in recent times stresses the need to think and work politically when pursuing any reform agenda (McCulloch & Piron, 2019; World Bank, 2017). Often, the most critical barriers to successful tax reform are political rather than technical. Political resistance has always prevented tax policy experts and administrators from taking the necessary steps to strengthen the tax system (Prichard, 2020). Tax reform strategy should involve designing programs that empower taxpayers to push for responsiveness and accountability from the government (Moore, 2008).

Tax Administration Recommendations.

Under this section are listed recommendations within the competent handling of the various tax authorities to efficiently achieve a robust tax system that can facilitate the achievement of a voluntary tax system. The suggestions are as follows:

i. Strengthen collaboration with international tax advocacy agencies/organizations, such as the UN Tax Group, OECD, CIAT, CATA, and ATAF, for necessary exposure and also monitor positive tax developments in the global environment. The focus group session suggested that our government can learn much from other countries concerning domestic and international rules and instruments to address tax avoidance and ensure that profits are taxed where the economic activities generating the profits are performed. The necessary tools are clarified in the Base Erosion and Profit Shifting

(BEPS) guidelines articulated by the OECD. The rules are directed at countering all harmful tax practices and promoting the exchange of rulings, preventing tax treaty abuses, re-examining transfer pricing documentation, including country-by-country reporting, and enhancing the resolution of tax disputes. Also, the creation of the African Tax Administration Forum (ATAF) provides a platform for peer learning, capacity development, and dialogue on domestic and international tax issues.

ii. Improve working collaboration between the FIRS and all the sub-national tax authorities across the country in the areas of tax information sharing, centralized tax registration, and integrated database development for effective tax administration. This collaboration might cover functions, such as tax collection assistance, training, and joint audits. The objective of this collaboration is to address the numerous lapses and obvious inefficiencies that plague the tax collection systems, including simplifying the tax payment processes while, at the same time, adopting a logical, procedural sequence that efficiently manages tax non-compliance generally (Pellechio & Tanzi, 1995). This strategic approach will help to broaden the tax net and ensure that people and firms currently outside the tax net are identified and encouraged to register for taxation, especially those operating in the informal economy.

iii. Stakeholder engagement should be treated as part of organizational strategy in the corporate plan of the FIRS organization, making the actual engagement exhibit real engagement activity, rather than a mere management function. The process should be constantly monitored and evaluated to ensure that stakeholder engagement is yielding results and can promote organizational performance and sustainability. The task of identifying and mapping key stakeholders in the tax administration should be vested within the Planning Research and Statistics (PRS) function to strengthen the sponsors and project teams' trust and relationship. Empirical studies show that stakeholders' low participation in monitoring and evaluation tasks often contributes to the numerous challenges affecting stakeholder engagement. Therefore, the project leaders should intensify their efforts toward developing M&E skills in support of stakeholders' engagement activities and processes.

iv. The organizational structure of the FIRS requires an urgent review in recognition of the critical tax administration functions and the need to assign responsibilities based on skills and experience to fill all vacancies in all the departments and also to obtain optimum performance commitment from each staff. The capacity enhancement programs should be designed to improve the technical skills and knowledge of the workforce. The current performance measurement is focused only on attaining revenue targets. The organization's ability to innovate and develop products and services diminishes when we over-emphasize revenue targets. Further design of performance measures in taxpayer service, registration, filing, collection, debt management, and audit functions would become critical given their impact on total revenue and cost of collection.

v. Tax authorities should widen the tax net by attracting businesses in the informal economy, including affluent, high-net-worth (HNW) individuals, professionals, and consultants. This consideration will improve the self-assessment compliance rate significantly. Piketty (2014) emphasizes that the real problem of our time is tax avoidance by the rich, who do not pay their fair share. Tax compliance of the wealthy directly impacts the state's capacity to finance public goods, influences the general population's tax compliance, and can cause social and political turbulence (Finer, 1999; Weber & Wildavsky, 1986). The wealthy's tax behavior is also socially significant because they, having satisfied society's measures of success, prompt other citizens to imitate their tax behavior (Fassin, 2005). The study participants have identified affluent, high-net-worth individuals and those operating in the informal economy as the sole cause of tax non-compliance.

vi. The tax authorities should cultivate regular engagement with all categories of taxpayers, developing separate tax education messages for each group based on their peculiarities. The organization should treat taxpayers as customers to help boost tax morale and improve the citizen-government relationship. In addition, the FIRS should create new partnerships with external stakeholders, particularly industry and professional groups.

vii. Tax authorities should constantly strive to improve tax assistance programs for the different categories of taxpayers and support businesses financially, when necessary, to ensure the survival and continuity of the enterprises during difficult times. Examples of tax assistance include locating tax offices proximally to the taxpayers, establishing helplines, providing FIRS interactive assistance, free legal clinics, and free tax software to enhance voluntary compliance. Compliance will be improved when tax education and enforcement functions are balanced to achieve the desired impact on tax compliance (Misra, 2004).

viii. Tax education and enlightenment programs, including tax messages from the tax authorities, should always be communicated in three (3) Nigerian languages to ensure that the messages on tax obligations get to the citizens. This step will improve their awareness of tax obligations and elicit a positive tax attitude and behavior. Also, tax education should be designed for the primary, secondary, and tertiary levels to teach the knowledge of taxation in their school curricula and increase the youths' interest in taxation.

ix. Computerization of the entire tax operations should be pursued as a continuous exercise. This project will ensure that all the registered taxpayers are captured for taxation. As soon as this goal is achieved, there will be a need to de-emphasize the use of the withholding tax (WHT) system as it would affect prominent business entities whose physical locations and financial activities are known to the tax authorities. This step will help improve the level of government trust and legitimacy.

x. Full implementation of the self-assessment tax system should be pursued, away from the current confused practice. This approach will require some amendments to the legislation, including changes to the current tax processes, as well as automated tax processes and human resource management support (staff recruitment, training, and skills development), all of which would demand careful planning, execution, monitoring, and evaluation. The top management of FIRS must understand the conditions under which a full self-assessment tax system will succeed. The whole process requires a systematic, transparent, and focused effort to improve compliance.

Earlier studies show that the non-pecuniary drivers of compliance, chiefly tax morale, are generally rooted in ethics, social norms, and perceptions of tax systems, and these constitute the main determinants of voluntary tax compliance (Luttmer & Singhal, 2014). Conceptual tax compliance theories also state that fairness, equity, reciprocity, and accountability are the main four (4) drivers of trust, known to play a major role in strengthening tax morale. For this reason, the majority of the study participants suggested that the operational tax code for the country must reflect the aforementioned drivers or elements.

Recommendations for Future Research

As taxation is known to be dynamic and constantly changing, due to developments in the contemporary business environment, the government and tax administrators are advised to embrace a regular reform agenda to modernize the tax system towards simplifying the processes associated with tax assessments and collection. People ordinarily expect tax authorities and policy experts to pursue their routine tasks with social considerations in mind, develop progressive new ideas that benefit the people, sharpen their problem-solving skills, and possibly challenge themselves in new ways. Future research in taxation should seek to contextualize its findings within the larger body of research. By looking into the future for solutions, it is possible to discover the way of nature and how human interactions affect it. With this approach, it will become easy to gain a deeper understanding of people and why they respond the way they do. Through compliance research, the government can improve the knowledge of the citizens by keeping them regularly informed with tax compliance knowledge while encouraging businesses outside the tax net to transit to the formal economy

Apart from taxation being an essential fiscal policy tool and a primary source of public revenue, research has shown that the interaction of the tripartite elements of taxation, comprising tax policy, law, and administration, plays a pivotal role in the economy. As new development emerges, its effects are sure to impact revenue collection and tax compliance, either favorably or adversely, depending on the response of the government and tax authorities to the trends. Recommendations have been suggested, that can help to significantly improve domestic revenue mobilization efforts, strengthen the tax system, and ultimately enhance voluntary compliance in the years to come. These recommendations are stated below:

Recommendations for future research on tax policy.

i. Participants in the focus group discussion suggested a policy shift from direct taxation to an indirect approach to improve tax collection and enhance voluntary compliance.

However, there has been no empirical study yet to support this recommendation, considering the peculiarities of the Nigerian tax system. I am inclined to think that investigating the likely outcome of a policy shift towards indirect taxation across the country will guide the government on which direction to follow in creating a stable and sustainable revenue base for the country. Ozdemir (2009) states that a shift from direct to indirect approaches has advantages and disadvantages, which must be evaluated before determining how Nigeria should proceed.

ii. The recent reform of the Nigerian tax administration has suggested the idea of bringing the customs and tax administration together under a single agency known as the Nigerian Customs and Revenue Agency (NCRA) to be responsible for administering all taxes, including import duties, to the exclusion of states and local government assigned functions. A study should be conducted on the suggestion to determine how relevant and applicable to Nigeria, and paying attention to the issues of autonomy and integration-related benefits and the modalities for exchanging information. Such experiments are typical in most tax jurisdictions because of their potential for increasing revenue, transparency of operation, and full transactional disclosure by importers, who are also taxpayers. Fjeldstad and Moore (2009) stated that the primary objective of tax administrations in sub-Saharan Africa was to improve tax revenue in the respective countries. Ghana was Africa's first Revenue Administration experiment in the mid-1980s (De Wulf, 2005). More than 15 other countries in Africa have since adopted the model.

iii. There should be an investigation into Nigeria's continuous and extensive use of the withholding tax system. As a policy, the Nigerian tax administration extensively uses the withholding system for taxpayers with compliance challenges. The procedure may be suitable concerning non-wage payments to non-residents. However, when it began to subject regular business income or turnover to the withholding system, the policy continued to reduce taxpayer morale and trust in the government, leading to tax non-compliance. Without an obligation to withhold tax on payments to non-residents, the likelihood of collection or enforcement is minimal. Dependence on withholding taxes reflects the weakness in the tax administration and the culture of tax non-compliance. A similar trend exists in the VAT system due to its poor design, reflected in the absence of a registration threshold and restricted input tax claims. As it would be risky to dismantle the present withholding system, it is possible to recommend a gradual relaxation of the system for non-wage withholding as the tax administration strengthens and the compliance culture evolves.

Recommendations for likely future research on tax laws.

i. A study should investigate the delay in ratifying double taxation agreements (DTAs) negotiated by government officials between Nigeria and other countries in the last ten (10) years. Double taxation agreements seek to reduce foreign investors' tax burdens and provide them with legal security. The arrangements can also be an effective weapon in the fight against fraud and tax evasion. We often experience similar delays when tax bills are submitted to the Assembly to be passed into law for good tax practice. This continuing uncertainty has often resulted in numerous tax disputes between the FIRS and multinational companies, which does not project a good image of Nigeria. The expected study will reveal the reasons for the constant delay and the failure of members of the National Assembly to expedite action on their legislative duties as it concerns promulgating effective tax laws to promote voluntary compliance.

ii. Conduct a study on the adequacy of the 4% cost of collection basis approved for the FIRS. The current rate may not be the best arrangement for the immediate future as the ratio may be affected by factors beyond the domain of the tax administration, such as changes in tax policy, tax rates, macroeconomic performance, and the nature and type of revenues to be collected. A few years from now, there will be a need to conduct a cost review to ensure that the tax authority is adequately funded to maintain and improve its tax operations and undertake the necessary investments required in its modernization program. Currently, the approved 4% cost of collection permits the organization to engage in frivolous and unproductive projects and bloated recruitment exercises that negatively impact organizational performance. Such unprofessional acts could encourage corrupt practices, leading to fraud.

iii. A study should examine the tax losses attributable to the numerous tax exemptions and waivers to ensure that waivers, exemptions, and concessions are approved based on verifiable and deserving grounds to the applicants. Tax incentives aim to stimulate economic activities among companies and self-employed businesses (Akinyomi, 2011) and represent fiscal policies of the government aimed at reviving, rehabilitating, and stabilizing existing firms. However, tax incentives could sometimes result in undesirable inequities, a rationale informing the need for regular review of the fiscal incentives policies to ensure equitability among the companies.

iv. Conduct a study to review identifiable tax policy issues, particularly relating to VAT, and determine the competencies of Ministry of Finance (MoF) officials to handle tax change proposals and new tax laws development. Officers responsible for tax policy coordination must ensure that tax policies conform with constitutional and legal requirements, monitor tax policy research and international tax development, and evaluate the impacts of tax change proposals, including tax exemptions. Tax policy experts should guide the tax administration to raise essential revenue without excessive government borrowing, and should do so without discouraging economic activity, and without deviating too much from tax systems in other countries.

Recommendations for likely future research on tax administration.

i. Investigate the factors that motivate taxpayers in Nigeria to perform their normal tax obligations voluntarily despite the common knowledge of the government's failure to provide citizens with essential social goods and services that could guarantee them a better living standard and improved well-being. In particular, the study should examine the role of sanctions in correcting tax non-compliance in promoting voluntary tax compliance. Revenues alone may be necessary but not enough if it is not applied for good governance. Similarly, a good tax administration is insufficient, although required to effectively and efficiently mobilize domestic resources.

ii. Conduct a study to determine the potential tax base of businesses within the country as a precursor to estimating the "revenue gap. “The tax administration must have a good knowledge of the size and spread of its taxpayer population, including those offering online services to customers. This task is not always easy, but the authorities must know the size of those outside the tax net. In some cases, the concern might be that many potential taxpayers are unknown to the tax authorities. In other instances, it could be that taxpayers in the tax system are substantially under-reporting. Still, in a few cases, both concerns might pose serious challenges. Unless a careful study of the unreported base and its determinants is undertaken, no tax administration can adequately allocate resources to improving fiscal outcomes.

iii. Undertake a study that will help identify the major stakeholders of FIRS and what services each provides so that the tax authority can better establish the likely areas of collaboration in enhancing effective tax administration. The key to building a successful stakeholder engagement is creating a mapping to help determine what each stakeholder needs, what it can deliver, and how best to communicate with the entities.

iv. Conduct a study to determine the size of the informal underground economy in Nigeria according to their respective trade sectors. The study should extend across the country to confirm the integrity of the statement that SMEs represent the engine of growth of any economy among developing economies. Tax authorities must increase and improve the facilities and assistance offered to those taxpayers who may wish to fulfill their tax obligations. In addition, they should create and strategize on the tools or instruments that would enable them to discover the non-compliant taxpayers and make them willingly comply. Tax information and assistance constitute the right of taxpayers to facilitate compliance with tax obligations, especially when we consider the complexity entailed by the tax system.

v. A study should be initiated with a specific focus on affluent and high-net-worth individuals across the thirty-six (36) states of the federation and the local government areas. Tax authorities at the two-tier level should, as a matter of necessity, be able to identify and know all the millionaires and successful persons in the country and their respective places of residence for tax purposes. The researchers should be able to link these affluent individuals to their registered companies or other corporate entities where they have substantial investments. A related inquiry to this study is the need to understand why personal income taxes have contributed little to Nigeria's aggregate revenue basket. Taxing personal income is a daunting challenge for all tax authorities in Nigeria, and investigating this area will help improve compliance.

vi. From my interaction with the research participants, it was apparent that stakeholders' engagement in tax administration is relatively new. Not many were familiar with how it can add value to tax administration. The understanding will lead to new thinking about structuring organizations, driving innovation, and measuring value. The FIRS leadership should proactively reach out to its critical stakeholders to develop a positive relationship before a crisis arises. The communication process should be conducted with transparency and integrity, not just when the organization needs something from them.

vii. Most people in leadership positions are now aware of the need for companies to embrace new ways to actualize stakeholder engagement and understand that stakeholder engagement processes are essential for broader business objectives, including employee engagement and sustainable growth. Through advanced practices in stakeholder management, organizations have significantly improved their ability to analyze and showcase the social value of their work. Stakeholders' mapping should begin with the internal stakeholders, ensuring that every critical stakeholder is well-informed and prepared for the challenges ahead. Project teams should have a record of everyday interactions that employees and managers have with external stakeholders. At the same time, they should be able to identify pressure points and train teams to engage thoughtfully.

viii. To deepen stakeholders' engagement practices within the organization, the FIRS should initiate studies, forming advisory stakeholder groups on diverse strategic issues to engage the stakeholders in deep discussions over time. The FIRS leadership and the entire senior management should commit to integrating stakeholders' input into critical business decisions and build mechanisms to support the system. It is necessary to ensure that key executives within the organization are purposely involved in the engagement process to understand the issues and encourage strategic decision-making based on stakeholders' input. The organization should consciously develop plans that consider the entire entity, analyze the business-related tasks likely to affect the external stakeholders, and create a feedback mechanism to capture all grievances and ensure their remediation.

ix. There should be a study on granting general tax amnesty initiatives to enhance tax collection and improve voluntary tax compliance, as was recently witnessed in 2016 when the Nigerian government implemented the Voluntary Assets and Income Declaration Scheme (VAIDS) and Voluntary Offshore Assets Regularization Schemes (VOARS). Tax policy experts must confirm if such an initiative is appropriate in an environment of enormous tax non-compliance, where relevant tax records are unavailable. The principle of tax amnesty is that taxpayers are allowed to voluntarily disclose and pay taxes owed to avoid tax evasion penalties. The tax amnesty usually covers taxes, penalties, and interests for repatriated foreign incomes earned on or before a stated prior year date and which ought to have been taxed in the domestic country. The benefits of tax amnesty are numerous, including avoiding expensive prosecutions (mainly when so many violators are involved) and prompting offenders to come forward who might otherwise have eluded authorities. The initiative often promotes reconciliation between offenders and the larger society.

x. The Nigerian government should support a study into developing a realistic, modern enforcement system, different from the traditional enforcement approach, where damage is done before a reaction can commence. In the conventional enforcement approach, the officials accept the work as it emerges and often organize their activities around weaknesses rather than consider them as opportunities for action." (Sparrow, 1994). The proposed system, termed "Right from the Start," is a new compliance approach grounded on the understanding that the tax administration has a role in creating a conducive environment to promote compliance. A good investment in such an initiative would generate payback regarding tax compliance and filing of correct tax returns. The strategy requires tax authorities to support taxpayers, simplify the legislation and bookkeeping and filing processes, and influence the environment to control taxpayers' compliance behavior.

xi. The government should sponsor a study into the potential factors influencing the tax environment to improve taxpayers' behavior. Tax policy and administration experts need to familiarize themselves with the critical drivers and motivations behind taxpayers' compliance, mindful of the generally poor attitude of the government towards its social contract obligations and the lack of transparency and accountability in the use of tax monies. Besides the factors of economy, norms, and deterrence, the government must also strive to understand the taxpayers' perspective in influencing their behavior toward tax obligations. Research shows that most people underestimate the importance of external factors when considering the reasons behind taxpayers' behavior, rather than attribute their negative response attitude to poor moral character. This attribution problem is often explained as a common occurrence in social psychology" (Gilbert & Malone, 1995), and tax administrations are not immune to this phenomenon as it pertains to taxation. Further research in this area will help to unveil the environmental compliance factors, rather than attributing non-compliance to taxpayers' character, leading to a preference for strategies that target the individual taxpayer, rather than focusing on the environmental issues.

Conclusions of the Study

All governments recognize taxation as a source of funding for their socioeconomic programs. Currently, the tax base in Nigeria is mainly comprised of registered companies, which arguably have a relatively high level of compliance. However, there is also the huge informal sector of the economy termed the "underground economy" which holds the key to unlocking untapped tax revenues needed to bridge the gap occasioned by the continual fall in crude oil receipts. The structure of the Nigerian tax administration is, undoubtedly porous, opening the room for tax malpractices, avoidance schemes, and tax evasion, which are responsible for the sub-optimal performance, and leading to the country's current low 6% tax/GDP ratio. This ratio appears to be the lowest among the member countries of both ECOWAS and the African Union. This 6% tax/GDP ratio for Nigeria, is unacceptable given the country's size and position in Africa. Several tax reforms have been implemented in past years, aimed at improving the country's tax base and encouraging the citizens toward fulfilling tax obligations, but with little improvement.

The major functions of any tax administration lie in those activities that cover compliance with tax laws and improving taxpayers' customer service satisfaction (Walsh, 2012), both of which seek to change taxpayers' behavior. The success of these functions depends on taxpayers' compliance, primarily influenced by tax deterrence, norms (personal and social), fairness and trust, tax simplicity, and the role of government, including other socioeconomic considerations (European Commission Fiscal Reports, 2020). The great majority of revenue authorities have moved away from the routine administrative tax assessment system to a method of self-assessment, that relies on taxpayers voluntarily complying with tax obligations, keeping proper tax records, filing correct tax returns, and paying taxes, as and when due. The conclusions derived from this study are summarized as follows:

The study is an inquiry into the causes of the persistent tax non-compliance among the citizens in Nigeria, using the Federal Inland Revenue Service (FIRS) as a point of reference for assessing the effectiveness and efficiency of the Nigerian tax administration, to understand what practical strategies should be adopted to enhance voluntary compliance and correct the apparent lapses in the country's tax system, against the background knowledge that an efficient tax system is dependent on voluntary compliance and the efforts to mobilize the needed tax resources required for development, which is the goal of all modern tax administrations (OECD, 2019; Nwaorgu et al., 2016). The level of tax non-compliance or low compliance is often measured by reference to a country’s tax/GDP ratio, which in Nigeria, still revolves around 6%, and is considered very low, in comparison to other countries’ performances. This low ratio is often attributed to the failure of the citizens to comply with tax obligations. Tax non-compliance is a common problem among most tax administrations in developing countries, particularly where the informal market dominates the economy. In such situations, countries usually experience a slow adoption of information technology and other modern initiatives to strengthen their tax systems. Tax non-compliance has brought about the recurring concerns of inadequate tax contributions among the different taxpayer groups, resulting in the current 6% tax/GDP ratio. The dire situation hinders the ability of the government to provide citizens with essential basic amenities. Numerous compliance/ enforcement actions have been implemented in the past years to stem the negative trend of tax non-compliance, although the impact of the efforts has been insignificant.

Despite the numerous benefits of taxation to governments all over the world, there are still a few people who consider tax as an undesirable levy imposed on them by their government while accusing the government of not utilizing the tax revenue in a manner that achieves efficiency, economy, and effectiveness of spending (Ekoja & Saratu, 2014). The consequences of poor tax policies and inefficient tax administration manifest in low tax/revenue collection, and even the little tax revenues collected are often wasted through corruption and embezzlement (Ogbonna & Ebimobowei, 2012). The reasons adduced for the lack of significant impact on the government's compliance/enforcement strategies include the aggressive nature of tax penalties and fines, which fail to consider the plight of taxpayers, their circumstances, and business challenges. Therefore, the study recommended adopting cooperative tax compliance policies and regular interaction with taxpayers and their agents so much that new laws and policies are approved for implementation, only after extensive consultation

The study revealed that the survey respondents and other participants fully understood the constitutional requirements for compliance with tax laws, which provide that "every citizen shall declare their income annually and pay the tax due to the relevant tax authority. However, they often fail to comply with tax obligations because they are generally discouraged by the government's lack of concern and nonchalant attitude toward the citizens' yearnings. They also cannot identify what the government has done with tax monies so far collected. Other reasons attributed to tax non-compliance include the failure of social contract obligations by the government, improper use of public funds, and poor knowledge of the tax laws often attributed to low tax education, all of which could be properly addressed by stakeholders' engagement intervention. In addition, the challenges of small firms operating in the informal economy, including professionals, self-employed persons, and wealthy, high-net-worth individuals, mostly unknown to the tax authorities, majorly contribute to the problems of tax non-compliance. The tax authorities generally rely on coercive and punitive tax measures to enforce compliance weaknesses, failing to understand that such policies have some limitations in contemporary tax environments worldwide. Overall, the compliance rate for the self-assessment tax system currently stands below 40%. Therefore, the majority of study participants recommended regular interaction with taxpayers and implementing programs that embrace tax collaboration, education, and partnership with taxpayers in the aforementioned groups.

The study noted that the government had always exhibited a lackadaisical attitude concerning the reasonable use of tax monies, including regular provision of essential public goods and services to the citizens. The approach has often resulted in low tax morale and created a lack of trust in the government. Improving the effectiveness and visibility of public spending financed by taxation can help to promote government trust and legitimacy in promoting voluntary compliance. The starting point to building this trust is to first address taxpayers' concerns that many others are not paying their fair share and that the system is regressive and skewed in favor of the powerful and well-connected.

There is mounting evidence that the perception of such an unfair and inequitable tax system could undermine tax morale and public support for tax reforms (Mellon et al., 2021).

The study further noted the numerous challenges affecting the Nigerian tax administration, which tend to limit its overall performance. Some of these identified difficulties include the lack of enduring cooperation among the different tax authorities, slow implementation of tax automation, inability to penetrate the large, informal economy, unreliable tax database, and absence of information exchange between government agencies and tax authorities. Other identified problems are the lack of trust and confidence in the government, failure to demonstrate transparency and accountability, and ignorance of the tax laws and practices, given that the population is largely uneducated. Analysis of the various responses tends to suggest that the government (as a significant stakeholder in the tax system) is the leading cause of tax non-compliance among the stakeholders due to its continued failure to fulfill its social contract obligations to the citizens, wrong utilization of tax monies, and failure to provide social amenities to the people. Study participants also accused the taxpayers and their consultants of worsening tax non-compliance as their actions have been limiting compliance efforts generally even though a greater portion of the blame still rests with the government.

Most tax administrations in developed tax jurisdictions have embraced the introduction of specialized or streamlined tax regimes for small businesses as vital for the long-term development and legitimacy of their tax system. In this regard, taxpayer segmentation, based on size and other characteristics, and tailoring treatment according to their capacity and needs will help the government optimize the tax potential of the SMEs to contribute to the revenue/tax basket. If the approach does not yield immediate short-term revenue gains, there is hope they will do so in the long term. Progress has been made in reforming the Nigerian tax administration, but more risk-management techniques should still be encouraged to ensure that the tax administration does not suffer from severe quality governance problems. Several research studies have shown what socioeconomic benefits are likely derivable from a well-organized tax administration.

The study observed inadequate government investment in tax education and regular tax enlightenment activities. On a few occasions, when where partial support was provided, the programs were ineffective in design and implementation. The government should always be at the forefront of motivating taxpayers concerning their compliance obligation, as this is vital for boosting citizens' tax morale. It is apparent from the findings that for the Nigerian tax system to be efficient, an entirely new tax compliance approach is needed to address the inefficiencies plaguing the tax administration, hence, the suggestion for a stakeholders' engagement intervention. The objectives of voluntary tax compliance can only be realized through regular taxpayer interaction, supported by continuous tax education and focused tax enlightenment programs, improved governance, and the demonstration of transparency and accountability in the use of public funds.

Profit-shifting schemes by multinationals are gradually becoming a major concern, and it will be beneficial for the tax authorities to strengthen staff capacity and the legislative frameworks of the tax system. This challenge demands greater collaboration between the Nigerian tax authorities and those of the other countries representing the headquarters of the foreign companies in Nigeria. The companies' income tax (CIT) law is likely to come under severe pressure from globalization influence in the coming years, given that international tax competition continues to result in lower rates of CIT worldwide. Although personal income taxes are complicated to enforce in developing countries' tax environments where tax inefficiencies are common, the adoption of modern computer-assisted gadgets and information and communication technology (ICT) tools can help improve tax efficiency and encourage tax fairness. High-net-worth individuals and professionals would then be taxed more effectively, if the government can entrench a broader sense of tax fairness needed to support the tax compliance objective, by restricting any likely opportunities for tax avoidance and evasion, thus strengthening detection and enforcement activities.

Tax morale would improve when the taxpayers believe that the government is applying tax resources to good use. Tax compliance literature reveals that where governments can draw clear links between tax revenues and public services, taxpayers are more likely to be more tax-compliant and would generally support tax administration reforms (Ali, Fjeldstad & Sjursen, 2013). Similarly, when citizens are permitted to contribute toward shaping the country's tax system and also make input into the broader government priorities, tax morale tends to improve (Touchton, Wampler & Peixoto, 2019). The outcome will, undoubtedly reflect the adoption of fair and equitable compliance and enforcement processes. In most cases, the government's compliance and enforcement policies are viewed as ineffective because they antagonize and violate the fundamental rights of the citizens.

This study on stakeholders' engagement to optimize voluntary tax compliance has examined the various challenges that limit the success of voluntary compliance in Nigeria and has investigated why the government's compliance and enforcement policies have not been significantly impactful. The identified challenges range from the misuse of tax monies, tax apathy linked to the failure of the government to provide basic public goods and services, inadequate taxpayer education, absence of an enabling tax-friendly environment to the multiplicity and diversity of taxes. All these challenges were examined for improvement possibilities, but the verdict seems to suggest that regular interaction and collaboration between taxpayers and the tax authorities would, go a long way, to improve trust in the government and enhance voluntary tax compliance generally.

The study, in addition, noted that Nigeria has been unable to translate its rebased annual GDP of over $540 billion into prosperity and economic well-being for its vast population. Currently, a large proportion of the estimated population of over 200 million people lives in abject poverty, posing a significant challenge to the 2030 UN Sustainable Development Goals, aimed at reducing poverty and improving the well-being of all citizens. For this reason, the study participants have advised the government to, periodically conduct tax reform, once every five (5) years. The realization that tax could create distortion in the income levels of citizens and make tax reform to deliver a functional tax system, which can adequately mobilize taxes to meet the government's revenue projection while minimizing financial distortions. In this context, stakeholder engagement is recommended as a strategy for strengthening tax reform and helping to improve voluntary compliance. From a project management perspective, the stakeholder theory should consider the needs of the major stakeholders with a vested interest in any project under consideration.

This study has also examined the stakeholders' engagement processes to understand their critical features or characteristics, with a vast potential for improving tax awareness and capacity to optimize tax collection and improve the country's tax/GDP ratio. The features or key activities should be such that can strengthen the engagement process and must permit delegation of duties and authorities, provide regular feedback from team members, and provide a solid voice for all stakeholders to demand accountability and transparency from the government.

The study revealed that a well-coordinated stakeholder engagement team that is supported by critical organizational resources should be able to elicit positive collaboration and cooperation for the benefit of the whole members. Study participants considered the stakeholder theory in the firm as appropriate and relevant in tax administration generally and could easily facilitate the achievement of voluntary compliance. The idea legitimizes stakeholders' value as not based on their intrinsic worth but as an effective means of improving efficiency, profitability, competitiveness, and economic success (Kelly & Parkinson, 1998). Thus, stakeholders' engagement should not be considered an end but an effective means of achieving specific goals (Stoney & Wistansley, 2001). Similarly, stakeholders' meetings can positively impact tax awareness and elicit a positive tax-paying attitude, resulting in a culture of voluntary compliance. Earlier studies have provided evidence that wellnurtured relationships with significant stakeholders often positively affect organizational performance (Ayuso et al., 2007).

The study suggested that stakeholders' engagement positively affects firm performance (Hillman & Keim, 2001). Regular interaction with taxpayers can lead to optimum tax collection, narrow the tax gap, and increase the country's tax/GDP ratio. However, many scholars advocated the importance of engagement with external stakeholders (Hart & Sharma, 2004; Sharma & Vredenburg, 1998) to establish meaningful relationships, which can become the source of competitive advantage. The form and design of stakeholders' engagement in support of tax optimization and voluntary tax compliance should always encourage trust and be capable of building the platform for sustainable collaboration to boost tax morale. The framework should allow taxpayers to challenge the government on how it uses the tax monies and encourage the adoption of cooperative compliance policies as available in developed tax systems.

The study revealed that stakeholders' engagement has great potential to promote voluntary tax compliance, judging from the 94% response obtained from sixty-six (66) study participants. The negligible 6% who disagreed with the probable potential of the strategy to deliver the expected outcome must have expressed doubts based on their knowledge of the recalcitrant attitudes and behaviors of government officials concerning the issues of accountability and transparency in public governance. On the ideal size of a stakeholders' engagement project team, the literature states that the stakeholders' list could be as long as permissible, provided it suits the needs of the project under study. More importantly, stakeholder membership can change throughout the project's journey, just as a particular stakeholder's influence might become more or less critical depending on the project's phase. All agencies or departments of the government whose activities would impact the efficiency of the FIRS should be regarded as critical stakeholders, identified and mapped to determine their respective influence and nature of interests. The study identified several other key stakeholders, apart from the five (5) major stakeholder groups described in the national tax policy document, comprised of the government, tax authorities, taxpayers, professional tax consultants, and the media/advocacy group. The list of key stakeholders can be as extensive as imaginable because the more significant the project team participants, the better the outcome. In the meantime, the FIRS stakeholders' list should include all organizations on its Board, including other sister agencies, such as NIPC, NEPC, SMEDAN, NEPZA, NCC, NIMC, and the Banks.

Concerning how stakeholders' engagement can help improve tax awareness and elicit a positive tax-paying culture among the citizens, the study established a strong relationship between the government's regular interactions with citizens and tax awareness to produce a positive tax-paying culture. When the government supports tax education, combined with frequent interactions with taxpayers, the citizens' tax morale will improve. Kirchler (2007) also states that aligning tax awareness and morale tends to promote voluntary compliance, especially when the taxpayers are treated well as clients. Jackson & Millron (1986) noted that the way taxpayers are approached regarding the provision of quality service delivery could impact their behaviors, thus influencing voluntary compliance significantly. Most participants indicated that the lingering tax non-compliance being witnessed in the country is partly associated with poor services offered by the tax authorities, which tends to reduce the morale of taxpayers and reduce the awareness of tax obligations.

Concerning the specific features that stakeholders' engagement must possess to improve tax receipts, such that can sustain the desired level needed to improve the country’s tax/GDP ratio, the participants have suggested key tasks, such as collaboration with major stakeholders, delegation of duties, and regular feedback. These specific features must, in addition, emphasize the need for the government to commit to social contract obligations and reflect true accountability and transparency in the utilization of public funds. The general feeling that the positive response and attitude of the government can improve the quality of public goods offered to the citizens tends to significantly influence tax behavior. Empirical studies have shown that the quality of governance positively correlates with voluntary compliance (McGee, Benk, Yildirim & Kayikci, 2011). Also, Phillips and Sandall (2009) explained the relationship between quality governance and tax compliance, noting, in particular, that citizens pay more taxes to support government programs when the authorities openly demonstrate accountability in the utilization of tax revenues. In other words, government response can positively or negatively influence taxpayers' compliance behavior, depending on the attitudes posed, in responding to the citizens' quest for social amenities. Another study by Ser (2013) indicated that if individuals perceive the government as fair, they will have more confidence in its activities and would be encouraged to comply with normal tax obligations, as and when due.

The study has recommended a few compliance innovations that could discourage fraudulent tax practices and properly reposition the tax administration on the path of integrity and efficiency in supporting voluntary compliance. Attaining a sustainable revenue balance within the economy is the goal of all governments (Chouinard et al., 2014), without which meaningful development cannot be achieved. This would probably explain why governments all over the globe continually search for new revenue sources through which additional taxes could be mobilized to fund developmental programs and other expenditure budgets in their annual budgetary plans (Kwanga, 2017). Given this revenue objective, a combination of complementary investments in enforcement, facilitation, and government trust can help to achieve voluntary tax compliance, generate sustainable political support for reform, and create conditions likely conducive to building a more robust fiscal contract (Prichard et al., 2019). A critical challenge for all governments is finding the right combination of the aforementioned features to help mobilize higher taxes to finance broader developmental objectives (Cobham & Jansky, 2017).

This study has been able to identify a few areas of tax innovation that can help improve our tax administration, measured by tax efficiency and voluntary compliance, with a specific focus on agreed performance metrics for tax administrations, fiscal decentralization, and revenue assignments, restricted use of withholding system, determination of the cost-of-collection, and the recognition of taxpayers as king, all of which currently limit the efforts of the tax officials, in the effort to improve citizens' compliance with their tax obligations. Undoubtedly, developing a standard benchmark for measuring tax administration performance, and achieving clarity over the nature of tax data repository would help facilitate effective comparison among countries' tax administrations (Sabatini & Jimenez, 2012). Sub-national governments require revenue autonomy to enhance accountability (Purohit, 2012) and the literature has proved that more revenue control vested in the sub-national authorities is strongly associated with more robust macroeconomic stability (Martinez-Vazquez & McNab, 2006). It is therefore recommended that future studies should inquire how stakeholders' engagement can impact the quality of public governance and its role in enhancing tax compliance. It is hoped that as more reliable tax data becomes available, it will be possible to determine if those relationships earlier examined in the study would consistently remain over time. Future studies should also consider the appropriate governance arrangement for reporting engagement activities while analyzing the impact of stakeholders' engagement practices as may affect organizational performance metrics.

Prospects.

The Nigerian tax system uses a withholding mechanism to collect direct and indirect taxes (Kiabel & Nwokah, 2009). Most countries resort to this step for contracts of services, including wages and salaries, and those with tax compliance issues (Lubian & Zarri, 2011). The withholding of business income is particularly common in developing countries, where governments lack the resources and capacity to measure accurately and impose tax on the firms' activities (Slemrod, 2008; Brockmeyer & Hernandez, 2019). But as soon as the tax authority acquires the technical resources and capacity to monitor all movements of financial transactions conducted by businesses, it should immediately initiate appropriate steps to de-emphasize the withholding system of taxation for proper tax accounting. Until very recently, there has been little systematic information on how "efficient a tax administration may be in employing administrative inputs, e.g., personnel, materials, information, laws, procedures, to generate "output" (Alm & Duncan, 2014). The more effectively they can apply their financial resources, the better it is for the tax administration (Sabatini & Jimenez, 2012). On the whole, it is predicted that strategic stakeholders' engagement will facilitate some improvement in compliance efforts, improve tax awareness, and elicit a better taxpaying attitude among the citizens, purposely aimed at increasing the tax/GDP ratio, defined as a measure of how well a nation can effectively direct and manage its economic resources.

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APPENDICES

Appendix A: UNICAF University Ethics Committee Approval

N

UNICAF UNIVERSITY

UREC Decision, Version 2.0

Unicaf University Research Ethics Committee Decision

Student's Name: Samuel Sunday Ogungbesan

Student's ID #: R1811D6935330

Supervisor's Name: Dr Nissar Ahmad Yatoo

Program of Study: UU-DBA-900-3-ZM

Offer ID /Group ID: R1811D6935330

Dissertation Stage: DS3

Research Project Title: Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration.

Comments: No comments

Decision*: A. Provisionally approved without revision or comments

Date: 17-May-2022

*Provisional approval provided at the Dissertation Stage 1, whereas the final approval is provided at the Dissertation stage 3. The student is allowed to proceed to data collection following the final approval.

APPENDIX B.

Survey Questionnaire for the Study on Stakeholders' Engagement As a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration (Qualitative Study).

The questionnaire should take 30 minutes and include only twenty (20) questions divided into Parts A, B, and C. The first part, 'A,' contains demographic information on the participant. Part B is in a YES or NO format, while Part C should be answered in written form.

Participating in this research indicates that you understand that your responses are anonymous and will not be identified with you. You may skip any question that you find intrusive or offensive, but it will help me immensely if you respond to as many questions as may give you comfort.
You can withdraw anytime (before or post-completion) without any consequences or explanation. Where this occurs, the information obtained will be deleted.

1. Gender ……………… **A**. Male; **B**. Female; **C**. …………. Specify; **D**. Prefer not to answer.
1. Age ………………………
2. Please specify your ethnicity: **A**. Hausa, **B**. Yoruba; **C**. Ibo; **D**. Foreigner, or Non-Nigerian.
3. Where is your home/business located? **A**. Northern Nigeria; **B**. Southern Nigeria; **C**. Abuja; **D**. Lagos.
4. Level of education: **A**. High School; **B**. HND/BSc Degree level; **C**. MSc/Ph.D. Degree; **D**. FSLC/Primary 6
5. Marital status: **A**. Married; **B**. Separated; **C**. Single; **D**. Prefer not to say.
6. What is your religion? **A**. Christianity; **B**. Islam; **C**. Specify; **D**. Prefer not to say.
7. Employment status: **A**. Employed; **B**. Still seeking opportunities; **C**. Retired; **D**. Prefer not to say.
8. Taxpayer Category: **A**. Employee/Self-employed; **B**. Partnership; **C**. A company; D. Government/MDA.
9. Current tax status: **A**. Registered and filing tax returns; **B**. Registered but not filing returns; **C**. Yet to register for tax; **D**. Exempted from taxation.
10. The number of years spent in the organization……………………………
11. How long have you been in business operation? ………………….

PART B: Answer **YES** or **NO** to the following questions. **YES / NO**

1. Are you aware that the 1999 Nigerian Constitution, in Section 24 (f), states that every citizen must declare their income and pay tax to the relevant tax authority annually? ………………………………………..
2. Do governments in Nigeria collect adequate revenues to provide social services for the citizens? ………….
3. Is the level of tax awareness in Nigeria adequate? **……………………………………………………..**
4. Do our governments make judicious use of tax revenues collected from the taxpayers for citizens' benefits? ……………………………………………………………………………………………..
5. Do you think that sanctions, high rates of penalty, or increased tax audits have ever successfully deterred tax non-compliance? **………………………………………………………………**
6. Do you think that tax education and cooperation can promote tax compliance? **…………………………**

7. Are the current penalties/punishments on defaulting taxpayers for tax non-compliance adequate? …………

8. Is the self-assessment tax system currently operating efficiently in Nigeria? **………………………………**

9. Is compliance with the current self-assessment tax system satisfactory? **…………………………………..**

10. The "Stakeholder theory" in firms or organizations has been proven to promote better cooperation between the firm and its primary stakeholders, leading to higher productivity and increased shareholder value. Can this same theory be applied in taxation in the form of "stakeholders' engagement" to promote voluntary tax compliance and optimize tax/revenue collection? …………………………………

……

PART C:(Answers to be provided in the participant's words and writing).

11. What is your understanding of the concept of voluntary tax compliance?

…….

12. What are likely factors responsible for Nigeria's continuing low tax compliance or non-compliance?

……..

13. Which group of taxpayers is associated with non-compliant attitudes and uncooperative behaviors towards tax regulations?

………..

14. Empirical studies indicate that low tax compliance permeates every aspect of the business sector. Non-filing annual tax returns and late payment of taxes has become a daily occurrence among the various taxpayer groups, suggesting that all the government's efforts to improve tax compliance have failed to impact significantly. Will you agree that most of the steps taken in the past years to address the issue of tax non-compliance have yielded only a negligible impact so far?

……

15. Aside from punishments, penalty imposition, and increased tax audits, what other likely actions should the government at the two-tier level adopt to improve tax compliance?

……….

16. Today, can you say that the governments at all levels have made sufficient investments in tax education and enlightenment that taxpayers will be willing to support and cooperate with the various tax authorities in Nigeria?

………

17. Stakeholders' engagement connotes regular dialogue and effective interaction between the tax authorities and taxpayers, on the one hand, and meaningful collaboration between the tax authorities and other stakeholders, on the other hand, to improve the tax administration system. Do you think the strategy of stakeholders' engagement will work effectively in Nigeria to improve tax compliance?

……..

18. Will collaboration between the tax authorities, taxpayers, and other stakeholders promote tax awareness among the population, build a tax-paying culture among the citizens, and facilitate continuous tax revenue yield for the government? If so, what form should this strategic collaboration take to be successful?

………

19. When taxpayers (individuals and companies) comply with the legal provisions requiring them to declare their income correctly and pay their taxes to the relevant tax agencies, what should they expect in return from the government, particularly tax revenue receipts?

……

20. How will you rate the current tax administration system in Nigeria? Please explain.

…….

Respondent's name: ………………………………………………. Date ………………………………

Appendix C: Focus Group Discussion/Question Guidelines

PART A

1. Briefly explain your understanding of the concept of “Voluntary Tax Compliance.” How is compliance to be measured?
2. What is your reaction to the provision of Section 24 (f) of the 1999 Nigerian Constitution that states that every citizen shall “declare his income honestly to appropriate and lawful agencies, and pay his tax promptly?”
3. In your opinion, what are the likely causes of tax non-compliance or low tax compliance in Nigeria, and what efforts have the various tax administrations at the two-tier level taken in the past to address the concerns of non-compliance with tax obligations?
4. Do you think introducing the Self-assessment tax regime in 1993 has improved tax collection in Nigeria? If YES, what is the current level of compliance with the self-assessment regulation, and how can the tax system be improved?
5. In your view, which particular taxpayer groups are known for not complying with tax obligations in Nigeria? What can the government and the relevant tax authority do to encourage deviant taxpayers to change their attitude and become tax-compliant?
6. Recall the various tax strategies embarked upon in the last five (5) years to build compliance, e.g., TIN registration, VAIDS, Tax education/Enlightenment, and other tax administration actions. These efforts yielded only a negligible impact. Why is it so?
7. Besides the strategies of increased audit, punishment, and penalty imposition, what other likely actions can the tax authorities consider for promoting tax compliance?
8. What should the government do to improve tax awareness among the citizens and develop a culture of paying taxes to support the government in providing social services to the public?

9. Now, at a general level, please suggest a few tax compliance initiatives to promote voluntary tax compliance amongst the different taxpayer groups.
10. Suggest possible enforcement actions to deal with the problems of tax non-compliance in Nigeria.
11. The “Stakeholder theory” in organizations or firms advocates the need for the firms to work with their stakeholders, suppliers, customers, employees, and communities, to achieve higher performance and increase shareholders’ value. How relevant will the theory apply to tax administration, considering the need to increase tax collection and improve the tax administration system?
12. How can the strategic stakeholders’ engagement promote voluntary tax compliance, and what form should the strategy take?
13. How will a properly implemented stakeholders’ engagement improve tax collection and the country’s tax/GDP level by increasing it from 6% to at least 15% within three (3) years of implementing the proposed strategy?
14. What specific tasks should be articulated in the proposed stakeholders' engagement strategy to meet the IMF/World Bank minimum tax/GDP ratio of 15% for countries desirous of attaining the 2030 UN Development goals?
15. What is the combined contribution of tax audit and investigation activities yearly, in terms of value, compared to annual total tax collection from self-assessment and regular assessment?

PART B: Demographic information on the participant

1. What is your gender? **A**. Male; **B**. Female; **C**. Specify; **D**. Prefer not to answer.
2. Age ………………………
3. Please specify your ethnicity: **A**. Hausa, **B**. Yoruba; **C**. Ibo; **D**. Foreigner, or Non-Nigerian.
4. Where is your home/business located? **A**. Northern Nigeria; **B**. Southern Nigeria; **C**. Abuja; **D**. Lagos.

5. Level of education: **A**. High School; **B**. HND/BSc Degree level; **C**. MSc/Ph.D. Degree; **D**. FSLC/Primary 6
6. Marital status: **A**. Married; **B**. Separated; **C**. Single; **D**. Prefer not to say.
7. What is your religion? **A**. Christianity; **B**. Islam; **C**. Specify; **D**. Prefer not to say.
8. Employment status: **A**. Employed; **B**. Still seeking opportunities; **C**. Retired; **D**. Prefer not to say.
9. Taxpayer Category: **A**. Employee/Self-employed; **B**. Partnership; **C**. A company; D. Government/MDA.
10. Current tax status: **A**. Registered and filing tax returns; **B**. Registered but not filing returns; **C**. Yet to register for tax; **D**. Exempted from taxation.
11. The number of years spent in the organization……………………………
12. How long have you been in business operation? ……………….

Appendix D: Questions Guide for the Face-to-Face /Phone Interviews

PART A

1. Previous studies on the Nigerian tax administration have indicated that only a few taxable persons in Nigeria have registered for taxation. The same trend applies to businesses, e.g., self-employed, partnerships, companies, and tax agents. What are the likely reasons for this significant tax non-compliance?

2. Considering that in all countries, stakeholders in the tax administration sphere comprise the government, tax authority, taxpayers, tax professionals/consultants, and the media/advocacy groups, which particular group among these stakeholders will you hold responsible for the poor tax compliance situation in the country?

3. In past years, successful governments in Nigeria have implemented a few compliance strategies and taken necessary steps to address the issue of low tax compliance at all levels of government, all aimed at improving tax compliance. The efforts have yielded only a little result, often reflected in the meager additional tax yields. What likely challenges could be hindering the expected improvement concerning voluntary tax compliance?

4. Various tax policy interventions have been implemented to enforce tax compliance and increase tax collection, e.g., vigorous tax enlightenment/education, timely tax audit/investigation, collaboration with the Police, EFCC, and ICPC to arrest tax evaders, and administrative penalties/interests on late tax filing and payment. Still, these policies seem to have little impact on changing taxpayers' attitudes and behavior regarding tax compliance. What reasons will you provide for this discouraging trend of tax non-compliance?

5. The self-assessment tax system introduced in 1993 and fully adopted by the government in 1996 was meant to promote voluntary tax compliance. The underlying principle was that tax filing and payment would be made concurrently, on or before the due date, and that all taxpayers (individuals and companies) would fully embrace the tax regime. However, this expectation is only partially achieved as it has failed to raise tax awareness or improve the citizens' tax-paying culture. Today, the compliance report on the self-assessment system is less than 40%. Where did the tax scheme go wrong with the government and tax policy experts?

6. Stakeholder theory in organizations stresses the interconnected relationship between a business and its customers, suppliers, employees, investors, communities, and others who have a stake in the firm, positing that a firm should create value for all stakeholders, not just the shareholders. Therefore, the theory emphasizes the importance of cooperation, assistance, and collaboration to achieve organizational goals. What will be the idea's relevance if applied to tax administration regarding tax compliance?

7. The stakeholder approach identifies and models the groups of an organization's stakeholders. Both describe and recommend methods by which management can give due regard to the interests of those groups. Which groups will you consider critical stakeholders in the Nigerian tax administration sphere?

8. Suppose the government adopts the stakeholders' engagement strategy to promote voluntary tax compliance; what likely strategic features will you expect to find in the proposed plan to achieve a successful and impactful outcome?

9. How can stakeholders' engagement strategy help improve general tax awareness and promote a positive tax-paying culture among the citizens and businesses, influencing tax attitudes and behavior, thereby providing sustainable and continuous tax revenue to the government for funding development?

10. What other strategic steps does the government need to take to improve the country's low tax/GDP ratio to achieve the average ratio of 19% currently achieved by countries in the African sub-region?

PART B: *Demographic information*

1. What is your gender? **A**. Male; **B**. Female; **C**. …………. Specify; **D**. Prefer not to answer.
2. Age ………………………
3. Please specify your ethnicity: **A**. Hausa, **B**. Yoruba; **C**. Ibo; **D**. Foreigner, or Non-Nigerian.
4. Where is your home/business located? **A**. Northern Nigeria; **B**. Southern Nigeria; **C**. Abuja; **D**. Lagos.
5. Level of education: **A**. High School; **B**. HND/BSc Degree level; **C**. MSc/Ph.D. Degree; **D**. FSLC/Primary 6
6. Marital status: **A**. Married; **B**. Separated; **C**. Single; **D**. Prefer not to say.

7. What is your religion? **A**. Christianity; **B**. Islam; **C**. Specify; **D**. Prefer not to say.

8. Employment status: **A**. Employed; **B**. Still seeking opportunities; **C**. Retired; **D**. Prefer not to say.

9. Taxpayer Category: **A**. Employee/Self-employed; **B**. Partnership; **C**. A company; D. Government/MDA.

10. Current tax status: **A**. Registered and filing tax returns; **B**. Registered but not filing returns; **C**. Yet to register for tax; **D**. Exempted from taxation.

11. The number of years spent in the organization……………………………

12. How long have you been in business operation? ……………………….

………

Appendix E: Informed Consent Sample Form for Survey Respondents

UNICAF UNIVERSITY

Informed Consent Form

Part 1: Debriefing of Participants

Student's Name: OGUNGBESAN, Sunday Samuel

Student's E-mail Address: akinsam3756@gmail.com

Student ID #: R1811D6935330

Supervisor's Name: Dr. Nissar Ahmad Yatoo

University Campus: Unicaf University Zambia (UUZ)

Program of Study: Doctorate of Business Administration

Research Project Title: Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration,

Date: 17-Apr-2022

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150 words).

The purpose of the study is to support the efforts of the Nigerian tax authority in finding a lasting solution to the problems of tax non-compliance or low tax compliance generally. The study therefore aims to evaluate the relationship between stakeholders' engagement and voluntary tax compliance, in the hope that a carefully implemented engagement strategy will bring about improvement in tax awareness and promote a positive tax-paying culture among the generality of the citizens and businesses. The significance of the study can be measured from the perspectives of the increasing, continuous and sustainable revenue flow yearly to finance development, and the eventual achievement of a higher tax/GDP ratio within the first 3 years of implementing the proposed strategy. In light of the above, you have been selected as a research participant, and will be requested to complete a research questionnaire on the subject of inquiry, truthfully and with all sense of responsibility.

The above named Student is committed in ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, OGUNGBESAN, Sunday Samuel **, ensure that all information stated above is true and that all conditions have been met.**

Student's Signature: SSOgungbesan (signed) 25/5/22

Appendix F: Informed Consent Sample Form for the Interviewed Participants

UNICAF UNIVERSITY

Informed Consent Form

Part 1: Debriefing of Participants

Student's Name: OGUNGBESAN, Sunday Samuel

Student's E-mail Address: akinsam3756@gmail.com

Student ID #: R1811D6935330

Supervisor's Name: Dr. Nissar Ahmad Yatoo

University Campus: Unicaf University Zambia (UUZ)

Program of Study: Doctorate of Business Administration

Research Project Title: Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration,

Date: 17-Apr-2022

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150 words).

The purpose of the study is to support the efforts of the Nigerian tax authority in finding a lasting solution to the problems of tax non-compliance or low tax compliance generally. The study therefore aims to evaluate the relationship between stakeholders' engagement and voluntary tax compliance, in the hope that a carefully implemented engagement strategy will bring about improvement in tax awareness and promote a positive tax-paying culture among the generality of the citizens and businesses. The significance of the study can be measured from the perspectives of the increasing, continuous and sustainable revenue flow yearly to finance development, and the eventual achievement of a higher tax/GDP ratio within the first 3 years of implementing the proposed strategy. In light of the above, you have been selected as a research participant, and will be required to participate in a "one-on-one" interview with me, (either in person or by telephone), at a suitable and convenient date, when we can together examine the subject of inquiry.

The above named Student is committed in ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, OGUNGBESAN, Sunday Samuel **, ensure that all information stated above is true and that all conditions have been met.**

Student's Signature: SSOgungbesan (signed) 25/5/22

Appendix G: Informed Consent Sample Form for the Focus Group Participants

UNICAF UNIVERSITY

Informed Consent Form

Part 1: Debriefing of Participants

Student's Name: Ogungbesan, Sunday Samuel

Student's E-mail Address: akinsam3756@gmail.com

Student ID #: R1811D6935330

Supervisor's Name: Dr. Nissar Ahmad Yatoo

University Campus: Unicaf University Zambia (UUZ)

Program of Study: Doctorate of Business Administration

Research Project Title: Stakeholders' engagement as a strategy for optimizing voluntary tax compliance: A case study of the Nigerian tax administration.

Date: 17-Apr-2022

Provide a short description (purpose, aim and significance) of the research project, and explain why and how you have chosen this person to participate in this research (maximum 150 words).

The purpose of the study is to support government efforts to find a lasting solution to the concerns of tax non-compliance or low tax compliance generally. The study therefore aims to establish a strong relationship between stakeholders' engagement and voluntary tax compliance in Nigeria, believing that a carefully implemented strategy of stakeholders' engagement will improve tax awareness among the different taxpayer groups, leading to establishing a tax-paying culture among the generality of the citizen. The significance of the study can be assessed from the perspective of the increasing, continuous and sustainable tax/revenue flow to fund development , and the likely achievement of a high tax/GDP ratio within the first three (3) years of implementing the proposed strategy. In light of the above, you have been selected as a research participant to participate in a focus group discussion, comprising of eight (8) participants, where you will be expected to freely share your perspective and experience on the subject of inquiry.

The above named Student is committed in ensuring participant's voluntarily participation in the research project and guaranteeing there are no potential risks and/or harms to the participants.

Participants have the right to withdraw at any stage (prior or post the completion) of the research without any consequences and without providing any explanation. In these cases, data collected will be deleted.

All data and information collected will be coded and will not be accessible to anyone outside this research. Data described and included in dissemination activities will only refer to coded information ensuring beyond the bounds of possibility participant identification.

I, Ogungbesan, Sunday Samuel **, ensure that all information stated above is true and that all conditions have been met.**

Student's Signature: SSOgungbesan 25/5/22

Appendix H: Gatekeeper Letter to CD/CEG Concerning Logistics for the Focus Group

UNICAF UNIVERSITY

Gatekeeper letter

Address: 10, Port Said Street, Wuse Zone 4, ABJ

Date: 21-Feb-2022

Subject: Request for Research Facilitation

Mrs Faozat Ogunniyi,
Coordinating Director, Enforcement Group,
Federal inland Revenue Service,
Headquarters, Revenue House,
Zone 5, Wuse,
Abuja, FCT. (Contact no: 08038042003).

I am a Doctoral student at the UNICAF University, Zambia Campus, currently pursuing a doctorate degree program. As part of my doctoral degree I am conducting a study on "Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance - A Case Study of the Nigerian Tax Administration." I am now at the stage of conducting actual survey to evaluate the relevance and impact of stakeholders' engagement on voluntary tax compliance.

In this regard, I am writing to inquire if you would be willing to to provide me with some level of administrative support, in the form of selection of eight (8) FIRS senior officers, on the level of Assistant Director (ADT) as research participants to form a Focus Group, and also to provide a comfortable meeting room within your office facilities for the discussion. The discussion is expected to take, at least, three (3) hours of your valuable time on a day to be notified as soon as the UNICAF Ethics Committee approval is obtained.

The study aims to evaluate the impact of stakeholders' engagement as a strategy to promote voluntary tax compliance, with the expectation that this strategic approach will elicit a positive tax-paying culture in Nigeria.

Your role specifically is to assist in selecting the eight (8) participants and also provide a conducive room for the Focus Group discussion, but you will not be required to participate in any form of research activities that might involve data collection and analysis. Selected persons must be from the areas of Tax Audit, Investigation, Taxpayer services, Tax operations, Programs & Processes.

Thank you in advance for your time and for your consideration of this project. Kindly please let me know if you require any further information or need any further clarifications.

Yours Sincerely,
SSOgungbesan 20/5/22

Student's Name: OGUNGBESAN, Sunday Samuel
Student's E-mail: akinsam3756@gmail.com
Student's Address and Telephone: 10, Port Said St., Wuse Zone 4, ABJ (08033118047)
Supervisor's Title and Name: Dr. Nissar Ahmad Yatoo
Supervisor's Position: Professor
Supervisor's E-mail: n.yatoo@unicaf.org

Appendix I: Gatekeeper Letter to CD/TOG Concerning the Provision of Logistic Support

UNICAF
UNIVERSITY

Gatekeeper letter

Address: 10 Port Said Street, Wuse, Zone 4, Abuja

Date: 22-Feb-2022

Subject: Request for Research Facilitation

Alhaji Kabir Abba,
Coordinating Director, Tax Operations Group,
Federal Inland Revenue Service, Headquarters.
Abuja, FCT. (Contact no: 08036195060).

I am a doctoral student at Unicaf University, at the Zambia campus, currently pursuing a doctorate degree program. I am at the stage of conducting an actual research survey regarding my project topic titled "Stakeholders' engagement as a strategy for optimizing voluntary tax compliance: A case study of the Nigerian tax administration."

In this regard, I am writing to inquire if you would be willing to support my research project by providing necessary administrative support, by way of directing your field officers in all the regional/zonal jurisdictions to provide me with office space and other resources that may be required during my visits. The required administrative resources will not cover research participation in any way.

Subject to approval by UNICAF Research Ethics Committee (UREC) this study will be using questionnaire administration on selected participants from the six (6) geopolitical zones of the country, including Lagos and Abuja, which are designated as special areas.

The project seeks to evaluate the impact of stakeholders' engagement on tax compliance.

In light of the above, I am appointing you as a "Gatekeeper" specifically for the purpose of instructing your field officers in the Regions/Zones to support my research project by providing necessary resources, as may be required during my visits to their respective tax jurisdiction. The officers will not be required to participate in any form of research activities, connected to data collection and analysis. Adequate arrangement will be made by me for the retrieval of all completed questionnaires.

Thank you in advance for your time and for your consideration of this project. Kindly let me know if you require any further information or need any further clarifications.

Yours Sincerely,
SSOgungbesan (signed) 20/5/22

Student's Name: Ogungbesan, Sunday Samuel
Student's E-mail: akinsam3756@gmail.com
Student's Address and Telephone: 10 Port Said Street, Wuse Zone 4, Abuja (09085000205)
Supervisor's Title and Name: Dr. Nissar Ahmad Tatoo
Supervisor's Position: Associate Professor
Supervisor's E-mail: n.yatoo@unicaf.org

Appendix J: Summary of Demographic Information on all Sixty-six (66) Study Participants

						Summary of the Demographic Information on the Research Participan					
Region	Reference	Gender	Age	Ethnicity	Location	Marriage	Religion	Tax catego	Tax status	Education	Yrs in business
S/South	SQ/OOI	Female	30 yrs	Ibo	P/Harcour	Single	Xtianity	Company	Yes	HND.	10 yrs
	SQ/002	Male	**54 yrs**	Hausa	P/Harcour	Married	Islam	Employee	Yes	MSc.	32 yrs
	SQ/003	Male	**60 yrs**	Ibo	P/Harcour	Married	Xtianity	Consultan	Yes	MSc.	20 yrs
	SQ/004	Male	**45 yrs**	Delta Ibo	P/Harcort	Married	Xtianity	Govt/MDA	Yes	HND.	13 yrs
	SQ/005	Male	**50 yrs**	Ibo	P/Harcour	Married	Xtianity	Enterprise	Yes	MSc.	10 yrs
Abuja	SQ/006	Male	**55 yrs**	Yoruba	Abuja	Married	Xtianity	Consultan	Yes	BSc.	13 yrs
	SQ/007	Male	**45 yrs**	Yoruba	Abuja	Single	Xtianity	Govt/MDA	Yes	MSc.	22 yrs
	SQ/008	Male	**49 yrs**	Yoruba	Abuja	Married	Xtianity	Company	Yes	MSc.	12 yrs
	SQ/009	Male	**58 yrs**	Ibo	Abuja	Married	Xtianity	Consultan	Yes	MSc.	2 yrs
	SQ/010	Female	48 yrs	Ibo	Abuja	Married	Xtianity	Employee	Yes	MSc.	21 yrs
S/West	SQ/011	Male	45 yrs	Yoruba	Ibadan	Married	Xtianity	Govt/MDA	Yes	BSc.	20 yrs
	SQ/012	Male	50 yrs	Yoruba	Ibadan	Married	Xtianity	Company	Yes	MSc.	10 yrs
	SQ/013	Male	46 yrs	Yoruba	Ibadan	Married	Xtianity	Consultan	Yes	MSc.	20 yrs
	SQ/014	Male	52 yrs	Yoruba	Ibadan	Married	Islam	Employee	Yes	MSc.	30 yrs
	SQ/015	Female	56 yrs	Yoruba	Ibadan	Married	Xtianity	Enterprise	Yes	MSc.	3 yrs
	SQ/016	Male	43 yrs	Yoruba	Ibadan	Married	Islam	Employee	Yes	BSc.	6 yrs
JTB/ Abj	SQ/017	Female	54 yrs	Ibo	Abuja	Married	Islam	Associatio	Yes	MSc.	12 yrs
Media/Ab	SQ/018	Male	59 yrs	Yoruba	Abuja	Married	Xtianity	Media	Yes	MSc.	28 yrs
CITN/Lag	SQ/019	Female	52 yrs	Yoruba	Lagos	Married	Xtianity	Institute	Yes	PhD.	26 yrs
S/East	SQ/020	Male	55 yrs	Ibo	Onitsha	Married	Xtianity	Consultan	Yes	BSc.	16 yrs
	SQ/021	Male	51 yrs	Ibo	Awka	Married	Xtianity	Govt/MDA	Yes	BSc.	30 yrs
	SQ/022	Male	60 yrs	Ibo	Onitsha	Married	Xtianity	Employee	Yes	BSc.	31 yrs
	SQ/023	Male	60 yrs	Ibo	Onitsha	Married	Xtianity	Enterprise	Yes	MSc.	12 yrs
	SQ/024	Male	52 yrs	Hausa	Onitsha	Married	Xtianity	Employee	Yes	BSc.	27 yrs
	SQ/025	Male	48 yrs	Ibo	Onitsha	Married	Xtianity	Company	Yes	BSc.	15yrs
Lagos	SQ/026	Male	60 yrs	Yoruba	Lagos	Married	Xtianity	Consultan	Yes	BSc.	5 yrs
	SQ/027	Female	38 yrs	Yoruba	Lagos	Married	Xtianity	Company	Yes	BSc.	29 yrs
	SQ/028	Male	52 yrs	Yoruba	Lagos	Married	Islam	Employee	Yes	MSc.	30 yrs
	SQ/029	Male	45 yrs	Yoruba	Lagos	Married	Xtianity	Enterprise	No	BSc.	10 yrs
	SQ/030	Male	54 yrs	Yoruba	Lagos	Married	Xtianity	Govt/MDA	Yes	BSc.	15 yrs
N/West	SQ/031	Male	56 yrs	Hausa	Sokoto	Married	Islam	Employee	Yes	PhD.	29 yrs
	SQ/032	Male	52 yrs	Hausa	Sokoto	Married	Islam	Enterprise	Yes	MSc.	23 yrs
	SQ/033	Female	48 yrs	Hausa	Sokoto	Married	Islam	Company	Yes	PhD.	6 yrs
	SQ/034	Male	57 yrs	Yoruba	Sokoto	Married	Islam	Consultan	Yes	MSc.	20 yrs
	SQ/035	Male	57 yrs	Hausa	Kano	Married	Islam	Employee	Yes	BSc.	25 yrs
	SQ/036	Male	48 yrs	Hausa	Kano	Married	Islam	Enterprise	Yes	MSc.	18 yrs
N/Central	SQ/037	Male	43 yrs	Yoruba	Jos	Married	Xtianity	Company	Yes	BSc.	13 yrs
	SQ/038	Male	60 yrs	Ibo	Jos	Married	Xtianity	Consultan	Yes	MSc.	35 yrs
	SQ/039	Female	44 yrs	Ibo	Jos	Married	Xtianity	Govt/MDA	Yes	BSc.	12 yrs
	SQ/040	Male	57 yrs	Yoruba	Jos	Married	Xtianity	Enterprise	No	BSc.	3 yrs
	SQ/041	Male	35 yrs	Hausa	Minna	Married	Islam	Enterprise	Yes	BSc.	10 yrs
	SQ/042	Male	46 yrs	Hausa	Minna	Married	Islam	Employee	Yes	BSc.	27 yrs
N/East	SQ/043	Male	38 yrs	Hausa	Maiduguri	Married	Islam	Company	Yes	HND.	20 yrs
	SQ/044	Male	59 yrs	Hausa	Maiduguri	Married	Xtianity	Employee	Yes	BSc.	30 yrs
	SQ/045	Male	56 yrs	Hausa	Maiduguri	Married	Xtianity	Govt/MDA	Yes	HND.	29 yrs
	SQ/046	Male	60 yrs	Ibo	Maiduguri	Married	Xtianity	Consultan	No	PhD.	18 yrs
	SQ/047	Male	55 yrs	Hausa	Gombe	Married	Xtianity	Govt/MDA	Yes	MSc.	18 yrs
	SQ/048	Male	56 yrs	Hausa	Gombe	Married	Islam	Employee	Yes	BSc.	22 yrs
Abuja	INT/049	Male	60 yrs	Yoruba	Abuja	Married	Xtianity	Enterprise	No	BSc.	22 yrs
	INT/050	Male	59 yrs	Yoruba	Abuja	Married	Xtianity	Employee	Yes	BSc.	27 yrs
	INT/051	Male	56 yrs	Ibo	Abuja	Married	Xtianity	Employee	Yes	PhD.	27 yrs
	INT/052	Female	60 yrs	Yoruba	Abuja	Married	Islam	Employee	Yes	MSc.	30 yrs
	INT/053	Male	53 yrs	Hausa	Abuja	Married	Islam	Employee	Yes	BSc.	23 yrs
	INT/054	Male	56 yrs	Hausa	Abuja	Married	Xtianity	Media	Yes	MSc.	29 yrs
	INT/055	Male	60 yrs	Yoruba	Lagos	Married	Xtianity	Consultan	Yes	MSc.	35 yrs
	INT/056	Female	56 yrs	Ibo	Abuja	Married	Xtianity	Govt/MDA	Yes	MSc.	32 yrs
	INT/057	Female	53 yrs	Hausa	Abuja	Single	Xtianity	Employee	Yes	BSc.	23 yrs
	INT/058	Female	42 yrs	Ibo	Abuja	Single	Xtianity	Consultan	Yes	MSc.	15 yrs
	FOC/059	Male	50 yrs	Yoruba	Abuja	Married	Xtianity	Employee	Yes	MSc.	23 yrs
	FOC/060	Female	52 yrs	Ibo	Abuja	Married	Xtianity	Employee	Yes	MSc.	27 yrs
	FOC/061	Male	60 yrs	Yoruba	Lagos	Married	Xtianity	Employee	Yes	MSc.	23 yrs
	FOC/062	Male	49 yrs	Yoruba	Abuja	Married	Islam	Employee	Yes	PhD.	18 yrs
	FOC/063	Female	56 yrs	Yoruba	Abuja	Married	Xtianity	Employee	Yes	LLB.	20 yrs
	FOC/064	Male	45 yrs	Yoruba	Lagos	Married	Xtianity	Employee	Yes	PhD.	24 yrs
	FOC/065	Male	51 yrs	Ibo	Lagos	Married	Xtianity	Employee	Yes	BSc.	22 yrs
	FOC/066	Male	45 yrs	Yoruba	Lagos	Married	Xtianity	Employee	Yes	BSc.	20 yrs

APPENDIX 'K'

Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration.

This survey aims to assess the effectiveness of the Nigerian tax administration and investigate the relationship between stakeholders' engagement, as a strategic intervention, and its likely effect on tax compliance. Part 'A' of the questionnaire requires the respondent's consent to be a part of the survey, while Part B requests demographic information of respondents. Part 'C' contains graded questions related to the phenomena of the study. You are required to truthfully and honestly answer all the questions, to ensure the research's credibility. **Participation is expected from five (5) key groups, comprising (a). Taxpayers (Companies, Enterprises, and Employees), (b). Government MDAs, (c). Tax authorities, (d). Tax professional, and (e). Media/Tax advocacy covers the country's six (6) geopolitical regional locations.**

Part 'A': Informed Consent Requirement

☐

Please mark 'X' in the box on the left-hand side as evidence of your intention to voluntarily participate in this survey, an indication that you understand your responses are anonymous and will not be identified with you. The researcher protects respondents' confidentiality and anonymity, including their information in line with research ethics. As this participation is voluntary, I understand that I am free to withdraw at any time, without giving any reason, and without any adverse consequences or penalty. I am, therefore, willing to offer my consent in support of the research.

Name: -------------------------------------- Signature: ---------------------- Date: ------------

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PART 'B': To be completed by the respondent.

1. Gender: **A**. Male; **B**. Female; **C**. Bi-sexual; D. Prefer not to answer.
2. Age Bracket: A. Below 20 years; B. 20-40 years; C. 41-50 years; D. 51-60 years.
3. Please specify your ethnicity: **A**. Hausa, **B**. Yoruba; **C**. Ibo; **D**. Non-Nigerian.
4. Where is your home/business located? **A**. Northern Nigeria; **B**. Southern Nigeria; **C**. Abuja; **D**. Lagos.

5 Level of education: **A**. High School; **B**. HND/BSc Degree level; **C**. MSc/Ph.D. Degree; **D**. FSLC/Primary

6 Employment status: **A**. Employed; **B**. Still seeking opportunities; **C**. Retired; **D**. Prefer not to say.

7 Group Representation: **A**. Government; **B.** Tax Authority; **C**. Taxpayer; **D**. Tax professional; **E**. Media.

8 Taxpayer category: **A.** Employee; **B.** Enterprise / Self-employed; **C.** Company; D. Exempted person.

PART 'C':

Select the most appropriate answer agreeable to you, from the five (5) boxes provided against each question below:

	A = 5 Strongly Agree	B = 4 Agree	C = 3 Neutral	D = 2 Disagree	E = 1 Strongly Disagree
1. Do you agree that the current level of tax awareness in Nigeria is adequate?	A	B	C	D	E
2. Do you agree that our governments have regularly demonstrated accountability in the use of tax monies?	A	B	C	D	E
3. Do you agree that the government has always judiciously used tax monies to provide social benefits for the citizens?	A	B	C	D	E
4. Do you agree that imposing fines, penalties, and frequent tax audits can significantly reduce tax non-compliance?	A	B	C	D	E
5. Will you agree that sanctions, high penalties, or frequent tax audits have ever successfully deterred tax non-compliance?	A	B	C	D	E
6. Do you agree that the current penalties and fines regime are adequately sufficient to prevent tax offenses?	A	B	C	D	E
7. Do you agree that tax education and public enlightenment programs can help to promote voluntary tax compliance?	A	B	C	D	E
8. Do you agree that the government has sufficiently invested in tax education and enlightenment to promote compliance?	A	B	C	D	E
9. Will you agree that the citizens' non-compliant attitudes and behaviors are linked to inadequate tax education?	A	B	C	D	E
10. "Stakeholder theory" has proven to promote cooperation between the firm and its stakeholders. Do you agree that stakeholder theory is applicable and relevant in taxation?	A	B	C	D	E
11. Do you agree that stakeholders' engagement strategy can significantly help to promote voluntary tax compliance?	A	B	C	D	E
12. Do you agree that stakeholders' engagement can help improve tax awareness, and elicit a tax-paying culture?	A	B	C	D	E
13. Will you agree to regular tax collaboration with key stakeholders and sustained tax education forming part of the inherent components of the stakeholders' engagement strategy?	A	B	C	D	E
14. Do you agree that adopting a cooperative and friendly the approach in the tax laws will help promote compliance?	A	B	C	D	E
15. Do you agree that citizens have a right to demand accountability and transparency from the government when they have paid their taxes as required by law?	A	B	C	D	E

APPENDIX "L'

Summary of Regional Data of Registered Taxpayers (Corporate and Individuals) Issued with Tax Identification Number (TIN) as of December 2022.

s/n	Location/Regions	No. of Registered Taxpayers with TIN	%	Distributed Forms	Forms Returned	%
1.	Lagos	1,870,850	27.0	327	317	
2.	Abuja	900,780	13.0	163	152	
3.	South-West Region	831,490	12.0	140	133	
4.	South-East Region	623,617	9.0	115	115	
5.	South-South Region	692,908	10.0	117	115	
6.	North-Central Region	727,553	10.5	128	120	
7.	North-West Region	762,198	11.0	140	115	
8.	North-East Region	519,680	7.5	105	103	
	Total	6,929,076	100.0	1,235	1,170	95%

Source: Data Obtained from the Joint Tax Board (JTB) as of December 2022.

APPENDIX 'M'

OFFICE OF THE EXECUTIVE CHAIRMAN

20, SOKODE CRESCENT, ZONE 5, WUSE, PMS. 33, GARK', ABUJA, NIGERIA Email: oec@firs.gov.ng Website: www.firs.gov.ng
Tel: +234 (0) 98766434

24th May, 2022.

Mr. Samuel S. Ogungbesan, UNICAF
University, Lusaka, Zambia.

Re: Research on 'Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance."
Request for Administrative and Logistic Support

I am directed to acknowledge your letter of May 15th, 2022 notifying the Service of the proposed study on the subject matter of promoting voluntary compliance through stakeholders' engagement for the benefit of the Nigerian tax administration.

I am pleased to inform you that FIRS Management wishes you a successful study and would be glad to collaborate with you in any areas where you might require some assistance.

The Service hereby supports the proposal, on the condition that you will comply with all ethical requirements relating to the anonymity and confidentiality of persons who would be involved in the study.

You are advised to liaise with Mrs. F. Ogunniyi, Group Lead/ Enforcement to serve as a Gatekeeper, to help you with the selection of knowledgeable officers to form the Focus group, including notifying the field officers to provide your study teams with necessary administrative and travel logistics, as may be required.

We look forward to the findings of your research to benefit tax administration generally in our efforts to optimize tax collection in the country.

Thank you.

Yours faithfully,

Bashir Umar.
For the Executive Chairman,
Federal Inland Revenue Service.

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REAF_DS - Version 3.1 AP

UNICAF UNIVERSITY
RESEARCH ETHICS APPLICATION FORM
DOCTORAL STUDIES

UREC USE ONLY:
Application No:
Date Received:

Student's Name: OGUNGBESAN, Sunday Samuel

Student's E-mail Address: akinsam3756@gmail.com

Student's ID #: R1811D6935330

Supervisor's Name: Dr. Nissar Ahmad Yatoo

University Campus: Unicaf University Zambia (UUZ)

Program of Study: UUM: DBA - Doctorate of Business Administration

Research Project Title: "Stakeholders' Engagement as a Strategy for Optimizing Voluntary Tax Compliance: A Case Study of the Nigerian Tax Administration"

1. **Please state the timelines involved in the proposed research project:**

Estimated Start Date: 08-Mar-2021 Estimated End Date: 15-Jun-2023

2. **External Research Funding (if applicable):**

2.a. Do you have any external funding for your research?

☐ YES ☑ NO

If YES, please answer questions **2b** and **2c**.

2.b. List any external (third party) sources of funding you plan to utilise for your project. You need to include full details on the source of funds (e.g. state, private or individual sponsor), any prior / existing or future relationships between the funding body / sponsor and any of the principal investigator(s) or co-investigator(s) or student researcher(s), status and timeline of the application and any conditions attached.

2.c. If there are any perceived ethical issues or potential conflicts of interest arising from applying or and receiving external funding for the proposed research then these need to be fully disclosed below and also further elaborated on, in the relevant sections on ethical considerations later on in this form.

1

3. **The research project**

3.a. Project Summary:

In this section fully describe the purpose and underlying rationale for the proposed research project. Ensure that you pose the research questions to be examined, state the hypotheses, and discuss the expected results of your research and their potential.

It is important in your description to use plain language so it can be understood by all members of the UREC, especially those who are not necessarily experts in the particular discipline. To that effect ensure that you fully explain / define any technical terms or discipline-specific terminology (use the space provided in the box).

The purpose and underlying rationale for this research project is to find a solution to the lingering issue of tax non-compliance or low tax compliance in Nigeria, and particularly to draw the attention of all taxable persons and businesses, including government ministries, departments and agencies to their respective duties and responsibilities to tax provisions. A government, whose citizens have developed a tax-paying culture, can be relied upon to regularly provide public goods and services to its people. The study seeks to identify key stakeholders in the Nigerian tax administration and encourage them to understand their roles in building a sustainable positive tax culture and supporting government in funding annual national budgets. It is expected that effective collaboration between the tax authorities and key stakeholders will engender a strong compliance culture, resulting in possible increase in the level of tax collection, such that will help to reduce the current tax gap in anticipation of an improvement in the country's tax/GDP ratio. Regarding the study, a few research questions were posed, such as: "How the proposed stakeholders' engagement can influence the taxpayers to make them become tax-compliant," and "How the proposed strategy can achieve a sustainable and continuous tax/revenue flow to government, such that can guarantee a tax/GDP ratio of 15% within three years of implementing the strategy." The supporting hypothesis is that implementing the stakeholders' engagement strategy will improve tax compliance and ultimately optimize tax collection, while the null hypotheses states that the strategy implementation might worsen tax compliance and reduce overall tax collection. The expected results include establishing a strong correlation between stakeholders' engagement and voluntary tax collection which would manifest through improved tax awareness, improved tax-paying culture among the citizens and businesses, continuous and sustainable tax inflow to the treasury, and a higher tax/GDP ratio for the country. In terms of the study's potentials, if the strategy is implemented, duly recognizing the roles and capability of the major stakeholders and allowing effective collaboration between them and the various tax authorities, the central and subnational governments will, undoubtedly, have access to more funding to provide adequate socia goods and services to the public, thereby ensuring socio-economic development and improvement in the well-being of the citizens.

Appendix 'N3'

REAF_DS - Version 3.1

3.b. Significance of the Proposed Research Study and Potential Benefits:

Outline the potential significance and/or benefits of the research (use the space provided in the box).

The significance of the research project lies in the emergence of an understanding between the taxpayers and government, which creates improved tax awareness and a positive tax culture among the citizens and businesses generally. Such a situation elicit the spirit of patriotism in the individual and groups, as well as strenghten the collaboration between tax authorities and their stakeholders. This association becomes even mre important, considering that tax administration has, in recent times, become a "service" with automated systems to help reduce the compliance burden, and also boost revenue collection upfront. The benefits of the study are inherent in the understanding that it will be possible to articulate different tax strategies to suit the needs and expectations of the different taxpayer groups, since the challenges and behavious of each group are different, but could be analysed by compliance research. All taxpayers would be expected to act in consonance with the tax regulation, and would have a voice on the issue of how tax administration is managed in the country because they are also a major stakeholder in the system. There will be simple harmony between tax policy, law and administration in the overall effort to develop appropriate tax regulation and processes as the tax authorities can now be held accountable. Government will also understand the need to spend taxpayers' money judiciously. On the whole, direct communication with taxpayers and other stakeholders will enable the tax authorities to understand each others' perspectives.

4. Project execution:

4.a. The following study is an:

- [x] experimental study (primary research)
- [ ] desktop study (secondary research)
- [ ] desktop study using existing databases involving information of human/animal subjects
- [ ] Other

If you have chosen 'Other' please Explain:

Appendix 'N4'

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4.b. Methods. The following study will involve the use of:

Method	Materials / Tools
Qualitative:	☑ Face to Face Interviews
	☑ Phone Interviews
	☑ Face to Face Focus Groups
	☐ Online Focus Groups
	☐ Other *
Quantitative:	☑ Face to Face Questionnaires
	☐ Online Questionnaires
	☐ Experiments
	☐ Tests
	☐ Other *

*If you have chosen 'Other' please Explain:

5. Participants:

5 a. Does the Project involve the recruitment and participation of additional persons other than the researcher(s) themselves?

☑ YES **If YES, please complete all following sections.**

☐ NO **If NO, please directly proceed to Question 7.**

Appendix 'N5'

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5 b. Relevant Details of the Participants of the Proposed Research

State the number of participants you plan to recruit, and explain in the box below how the total number was calculated.

Number of participants: 46

(i). Lagos & Abuja: 4 participants each (Employee, self-employed, partnership & company) total = 8 persons; (ii). From the 6 zones of Nigeria: 4 persons from each zone, with similar characteristics as above totalling 24; (iii). Focus Group = 8 persons; (iv). One person each from the CITN, JTB & ANAN, totalling 3; and (v). Three (3) selected officers from the FIRS, all totalling 46 participants selected for the study.

Describe important characteristics such as: demographics (e.g. age, gender, location, affiliation, level of fitness, intellectual ability etc). It is also important that you specify any inclusion and exclusion criteria that will be applied (e.g. eligibility criteria for participants).

Age range From 20 To 60

Gender
- ☑ Female
- ☑ Male

Eligibility Criteria:

- Inclusion criteria: Participants should have a fair knowledge of tax administration and practice to qualify for selection
- Exclusion criteria: Retired tax officers who are no longer involved in tax practice and have not been appearing in annual tax conferences and tax programs would not be approached

Disabilities: Any disability not affecting a person's ability to think clearly would qualify one as a subject, but not a disability that impairs the ability to think clearly.

Other relevant information (use the space provided in the box):

Participants who can provide informed consent for themselves will be qualified to participate in the study. However, individuals who have mental disability and are not in a position to provide their own consent will not be allowed as participants in the study.

Appendix 'N6'

5 c. Participation & Research setting:

Clearly describe which group of participants is completing/participating in the material(s)/ tool(s) described in 5b above (use the space provided in the box).

i. Face-to-Face interview = 3
ii. Phone interview = 3
iii. Focus Group = 8
iv. Questionnaires = 32
Total 46

From the list of those to be interviewed, there could be a possibility for interview opportunity, should the need arise for additional information.

5 d. Recruitment Process for Human Research Participants:

Clearly describe how the potential participants will be identified, approached and recruited (use the space provided in the box).

Letter of request to interview key functionaries of the Nigerian Tax Agency (FIRS) will be forwarded to the Chief Executive of the organization. For tax consultants in practice outside the researcher's location, request for phone interview will be made to them in advance. For the Focus group participantsselection and notification will be made on my behalf by the Gatekeeper, based on the prescribed conditions already specified in the Gatekeeper's letter. Participants from the business environment will be purposively selected and notified with an introduction letter. The existing taxpayer database located at the FIRS headquarters will provide a comprehensive lists of compliant taxpayers, including the the list of tax-deviants.

5 e. Research Participants Informed Consent.
Select below which categories of participants will participate in the study. Complete the relevant Informed Consent form and submit it along with the REAF form.

Yes	No	Categories of participants	Form to be completed
☑	☐	Typically Developing population(s) above the maturity age *	Informed Consent Form
☐	☐	Typically Developing population(s) under the maturity age *	Guardian Informed Consent Form

* Maturity age is defined by national regulations in laws of the country in which the research is being conducted.

Appendix 'N7'

REAF_DS - Version 3.1

5 f. Relationship between the principal investigator and participants.

Is there any relationship between the principal investigator (student), co-investigators(s), (supervisor) and participant(s)? For example, if you are conducting research in a school environment on students in your classroom (e.g. instructor-student).

☐ YES ☑ NO

If YES, specify (use the space provided in the box).

6. Potential Risks of the Proposed Research Study.

6 a. i. Are there any potential risks, psychological harm and/or ethical issues associated with the proposed research study, other than risks pertaining to everyday life events (such as the risk of an accident when travelling to a remote location for data collection)?

☐ YES ☑ NO

If YES, specify below and answer the question 6 a.ii.

6 a.ii Provide information on what measures will be taken in order to exclude or minimise risks described in 6.a.i.

Appendix 'N8'

REAF_DS - Version 3.1

6 b. Choose the appropriate option

		Yes	No
i.	Will you obtain written informed consent form from all participants?	☑	☐
ii.	Does the research involve as participants, people whose ability to give free and informed consent is in question?	☐	☑
iii.	Does this research involve participants who are children under maturity age? **If you answered YES to question iii, complete all following questions.** **If you answered NO to question iii, do not answer Questions iv, v, vi and proceed to Questions vii, viii, ix and x.**	☐	☑
iv.	Will the research tools be implemented in a professional educational setting in the presence of other adults (i.e. classroom in the presence of a teacher)?	☐	☑
v.	Will informed consent be obtained from the legal guardians (i.e. parents) of children?	☐	☑
vi.	Will verbal assent be obtained from children?	☐	☑
vii.	Will all data be treated as confidential? If NO, explain why confidentiality of the collected data is not appropriate for this proposed research project, providing details of how all participants will be informed of the fact that any data which they will provide will not be confidential.	☑	☐
viii.	Will all participants /data collected be anonymous? If NO, explain why and describe the procedures to be used to ensure the anonymity of participants and/or confidentiality of the collected data both during the conduct of the research and in the subsequent release of its findings. My research project does not call for anonymity because the subject focus is how to improve voluntary compliance in the country. everyone will be glad to offer suggestions and will be proud to be associated with the research. Participants will however be at liberty to disclose or withhold their personal identity. Similarly, the data being collected are in no way offensive , although I will still be duty bound to keep them safely as required. Already, some of the materials are in the public domain.	☐	☑

OGUNGBESAN, Sunday Samuel R1811D693533

Appendix 'N9'

UNICAF UNIVERSITY

		Yes	No
ix.	Have you ensured that personal data and research data collected from participants will be securely stored for five years?	☑	☐
x.	Does this research involve the deception of participants? If YES, describe the nature and extent of the deception involved. Explain how and when the deception will be revealed, and who will administer this debrief to the participants:	☐	☑

6 c. i. Are there any other ethical issues associated with the proposed research study that are not already adequately covered in the preceding sections?

☐ Yes ☑ No

If YES, specify (maximum 150 words).

6.c.ii Provide information on what measures will be taken in order to exclude or minimise ethical issues described in 6.c.i.

6 d. Indicate the Risk Rating.

☐ High ☑ Low

Appendix 'N10'

7. **Further Approvals**

Are there any other approvals required (in addition to ethics clearance from UREC) in order to carry out the proposed research study?

☑ YES ☐ NO

If YES, specify (maximum 100 words).

Only letters to institutions/organizations for permission in support of the research project will be required.

8. **Application Checklist**

Mark √ if the study involves any of the following:

☐ Children and young people under 18 years of age, vulnerable population such as children with special educational needs (SEN), racial or ethnic minorities, socioeconomically disadvantaged, pregnant women, elderly, malnourished people, and ill people.

☐ Research that foresees risks and disadvantages that would affect any participant of the study such as anxiety, stress, pain or physical discomfort, harm risk (which is more than is expected from everyday life) or any other act that participants might believe is detrimental to their wellbeing and / or has the potential to / will infringe on their human rights / fundamental rights.

☐ Risk to the well-being and personal safety of the researcher.

☐ Administration of any substance (food / drink / chemicals / pharmaceuticals / supplements / chemical agent or vaccines or other substances (including vitamins or food substances) to human participants.

☐ Results that may have an adverse impact on the natural or built environment.

9. **Further documents**

Check that the following documents are attached to your application:

		ATTACHED	NOT APPLICABLE
1	Recruitment advertisement (if any)	☐	☑
2	Informed Consent Form / Guardian Informed Consent Form	☑	☐
3	Research Tool(s)	☑	☐
4	Gatekeeper Letter	☑	☐
5	Any other approvals required in order to carry out the proposed research study, e.g., institutional permission (e.g. school principal or company director) or approval from a local ethics or professional regulatory body.	☑	☐

Appendix 'N11'

UNICAF UNIVERSITY

10. <u>Final Declaration by Applicants:</u>

(a) I declare that this application is submitted on the basis that the information it contains is confidential and will only be used by Unicaf University for the explicit purpose of ethical review and monitoring of the conduct of the research proposed project as described in the preceding pages.

(b) I understand that this information will not be used for any other purpose without my prior consent, excluding use intended to satisfy reporting requirements to relevant regulatory bodies.

(c) The information in this form, together with any accompanying information, is complete and correct to the best of my knowledge and belief and I take full responsibility for it.

(d) I undertake to abide by the highest possible international ethical standards governing the Code of Practice for Research Involving Human Participants, as published by the UN WHO Research Ethics Review Committee (ERC) on http://www.who.int/ethics/research/en/ and to which Unicaf University aspires to.

(e) In addition to respect any and all relevant professional bodies' codes of conduct and/or ethical guidelines, where applicable, while in pursuit of this research project.

☑ **I agree with all points listed under Question 10**

Student's Name: OGUNGBESAN, Sunday Samuel

Supervisor's Name: Dr. Nissar Ahmad Yatoo

Date of Application: 22-Feb-2022

Important Note:
Save your completed form (we suggest you also print a copy for your records) and then submit it to your UU Dissertation/project supervisor (tutor). **In the case of student projects, the responsibility lies with the Faculty Dissertation/Project Supervisor.** If this is a student application, then it should be submitted via the relevant link in the VLE. Please submit only electronically filled in copies; **do not** hand fill and submit scanned paper copies of this application.

Tables

Table 3

Nigeria's Tax-to-GDP Ratio among the Continental Blocs (2018)

s/n	Continent/Regional Bloc	Tax-to-GDP ratio (%)
1.	OECD/Europe	34.3
2.	Latin America & Caribbean	23.1
3.	Africa	16.5
4.	North America (USA & Canada)	29.1
5.	Asia and the Pacific	11.9
6.	Nigeria*	5.9

Note: Compiled from different economic reports by the researcher

Table 4

Nigeria's Tax-to-GDP ratio among the BRICS (Developing countries) in 2018

s/n	Country	Tax-to-GDP ratio (%)
1.	Brazil	32.3
2.	Russia	24.2
3.	India	10.9
4.	China	17.5
5.	South Africa	28.6
6.	Nigeria	5.9

Note: Report compilation was done by the researcher from various economic reports

Table 5

Tax/GDP ratio Among the ECOWAS countries

s/n	Country	Tax-to-GDP ratio (%)
1.	Benin Republic	10.8
2.	Burkina Faso	15.1
3.	Cape Verde	20.1
4.	The Gambia	18.2
5.	Ghana	12.3
6.	Guinea	10.8
7.	Guinea Bissau	10.2
8.	Ivory Coast	11.8
9.	Liberia	13.5
10.	Mali	14.5
11.	Mauritania	15.1
12.	Niger	11.8
13.	Nigeria	5.9
14.	Senegal	16.3
15.	Sierra Leone	10.2
16.	Togo	17.3

Note: Adapted from the 2015 West African Monetary Agency (WAMA) Report

Table 6

Nigeria's Tax/GDP ratio among African countries in 2018

s/n	Countries	Tax-to-GDP ratio (%)
1.	Seychelles	32.9
2.	Tunisia	32.1
3.	South Africa	29.1
4.	Morocco	27.8
5.	Cape Verde	21.2
6.	Mauritius	20.4
7.	Lesotho	20.2
8.	Namibia	19.4
9.	Togo	19.4
10.	Malawi	18.3
11.	Kenya	17.4
12.	Eswatini	17.2
13.	Rwanda	17.1
14.	Burkina Faso	16.8
15.	Egypt	16.7
16.	Senegal	16.5
17.	Mauritania	16.0
18.	Cameroun	14.6
19.	Mali	14.1
20.	Ghana	14.1
21.	Ivory Coast	13.1
22.	Botswana	12.1
23.	Uganda	11.8
24.	Madagascar	11.4
25.	Niger	11.1
26.	Congo	8.5
27.	Democratic Republic	7.5
28.	Chad	7.1
29.	Equatorial Guinea	6.3
30.	Nigeria	5.9

Note: Information from Revenue Outlook, Africa (2018)

Table 7

Registered Taxpayers in Nigeria (2016)

Type of tax	No. of registered taxpayers	No. of active taxpayers	Active payers (%)
Personal Income Tax (PIT)	761,050	14,823	1.95
Personal Income Tax (PAYE)	77,000,000	14,000,000	20.00
Companies Income Tax (CIT)	1,003,010	56,329	5.62
Value Added Tax (VAT)	1,505,831	77,082	5.12

Source: International Survey on Revenue Administration (ISORA)

Table 8

Comparison of the Tax Gap Figures and Impact on Countries' Tax/GDP Ratios

s/n	Country	Net ODA (USD billions)	Tax Gap (USD billions)	Tax/GDP ratio
1.	Nigeria	2.50	46.94	3.40%
2.	Indonesia	(0.11)	43.28	10.36%
3.	Bangladesh	2.50	14.98	8.23%
4.	Mexico	0.81	11.85	13.90%
5.	Sudan	0.81	8.52	6.08%
6.	Pakistan	2.95	6.69	12.60%
7.	Egypt	2.13	6.63	13.01%
8.	Myanmar	1.53	4.66	7.63%
9.	Philippines	0.29	4.04	13.68%
10.	Malaysia	(0.05)	3.66	13.77%

Source: Staff calculations based on ICTD/UNU-WIDER Tax Revenue Dataset and World Bank WDI. Missing data for 2016 was replaced with IMF Article IV estimates. (Figure excluded earnings from crude oil sales).

Table 9

Computing the indices for measuring economic growth and development (2014 – 2020), excluding the details of revenues from States' IGR and Customs/Import duties

Year	Estimated population	GDP value N' b	GDP value $'b	Per capita income $	Total tax collection N' b	Total tax collection $' b	Tax/GDP Ratio %	Official exchange rate N = $
2014	170.0 m	89,043.62	568.49	3,223	4,714.60	30.02	5.29	N157/$1
2015	181.1 m	94,144.46	492.43	2,719	3,741.75	19.48	3.97	N192/$1
2016	185.9 m	101,489.49	404.65	2,176	3,307.46	13.12	3.26	N252/$1
2017	190.8 m	113,711.63	375.75	1,969	4,027.94	13.34	3.54	N302/$1
2018	195.8 m	127,736.10	397.19	2,028	5,320.89	16.57	4.16	N321/$1
2019	200.9 m	144,210.49	448.12	2,230	5,261.91	16.34	3.64	N322/$1
2020	206.1 m	152,320.10	432.29	2,097	4,952.22	14.06	3.25	N352/$1

Source: Raw data from the National Bureau of Statistics, Central Bank of Nigeria, and FIRS, and analysis by the researcher.

Table 10

Computation of the effective Tax-to-GDP ratio for 2017- 2020 (including States' IGR and customs duties)

Year	Estimated population	GDP value N' b.	Total tax collection N' b.	IGR of the States N' b.	Customs/ Import duties N' b.	Aggregate Tax collection N' b.	Tax/GDP Ratio %
2017	190.8 m	113,711.63	4,027.94	936.50	1.037.00	6,001.44	5.27
2018	195.8 m	127,736.10	5,320.89	1,170.00	1,201.00	7,691.89	6.02
2019	200.9 m	144,210.49	5,261.91	1,334.06	1,341.00	7,936.97	5.50
2020	206.1 m	152,320.10	4,952.22	1,306.07	1,562.00	7,820.29	5.13

Source: Raw data from the National Bureau of Statistics, Central Bank of Nigeria, and FIRS, and analysis by the researcher.

`Table 11

Summary of Revenue Targets and Actual Collections (2000 – 2020)

Year	Target N' billion	Actual N' billion	% Inc/Dec (+/-)
2000	380.5	455.30	19.65
2001	500.7	586.60	17.15
2002	396.2	433.90	9.51
2003	572.9	703.10	22.32
2004	800.0	1,194.80	49.35
2005	1,304.4	1,741.80	33.53
2006	3,054.1	1,866.20	**(38.90)**
2007	1,753.3	1,846.20	6.32
2008	2,274.4	2,972.20	30.68
2009	1,909.0	2,197.60	15.11
2010	2,557.3	2,839.30	11.02
2011	3,639.1	4,628.50	27.18
2012	3,635.5	5,007.70	37.74
2013	4,468.9	4,805.60	7.53
2014	4,086.1	4,714.60	15.38
2015	4,572.2	3,741.75	**(18.17)**
2016	4,200.1	3,307.46	**(21.26)**
2017	4,889.67	4,027.94	**(17.63)**
2018	6,747.03	5,320.89	**(21.14)**
2019	8,802.38	5,261.91	**(40.23)**
2020	5,076.85	4,952.22	**(2.46)**

Source: Federal Inland Revenue Service (FIRS)

Table 12

Calculation of Efficiency cost and Performance trend for the FIRS (2014 - 2020)

Description	2014 N' b	2015 N' b	2016 N' b	2017 N' b	2018 N' b	2019 N' b	2020 N' b
GDP (Yearly)	89,043.62	94,144.46	101,489.49	113,711.63	127,736.10	144,210.49	152,320.10
Oil collection (PPT)	2,453.94	1,289.96	1,157.80	1,520.48	2,467.58	2,114.26	1,516.99
Non-oil collection	2,260.61	2,451.79	2,149.49	2,507.46	2,853.31	3,147.64	3,435.23
Total collection	**4,714.56**	**3,741.75**	**3,307.46**	**4,027.94**	**5,320.89**	**5,261.91**	**4,952.22**
Cost of collection (Based on 4% of non-oil taxes)	**90.42**	**98.07**	**85.97**	**100.29**	**114.13**	**125.90**	**137.40**
Cost (as % of total collection)	1.917%	2.620%	2.599%	2.489%	2.144%	2.392%	2.774%
Cost (as % of GDP)	0.101%	0.104%	0.084%	0.088%	0.089%	0.087%	0.090%

Source: Raw statistical information from the National Bureau of Statistics (NBS), Federal Inland Revenue Service (FIRS), and OECD.

Table 14A

Analysis of Study Participants Within the Key Stakeholder Groups (Qualitative Study)

s/n	Stakeholder Group	Survey	Interview	Focus	Total	%
1	Government, Depts.	8	1	-	9	14
2	Taxpayers	28	2	-	30	45
3	Tax Consultants	9	2	-	11	17
4	Media/Advocacy	3	1	-	4	6
5	Tax Authorities	-	4	8	12	18
	Total	48	10	8	66	100

Note: Analysis compiled by the researcher from the details in Appendices J and K

Table 14B

Analysis of Study Participants Within the Key Stakeholder Groups (Quantitative Study)

s/n	Stakeholder Group	Survey	%
1	Government, Depts.	173	15
2	Taxpayers	414	35
3	Tax Consultants	258	22
4	Media/Advocacy	138	12
5	Tax Authorities	189	16
	Total	1,172	100

Note: Analysis compiled by the researcher from the data collected.

Table 18

Leading causes of tax non-compliance as suggested by research participants

s/n	Interviewed Participants	Reasons adduced as the leading causes of tax non-compliance	Frequency
1.		(a). Lack of accountability and transparency linked to: • Lack of physical evidence of the reasonable utilization of tax monies • Citizens are often motivated by the value of money's worth and therefore compelled to provide virtually all their basic social needs by themselves, such as electricity, water, security, sanitation, hospitals, etc., • Low tax morale as the citizens cannot feel the impact of the government in their lives through regular provision of social amenities. • The absence of critical infrastructure and other essential public amenities promotes economic growth and improves the citizens' well-being. • Lack of trust in the government at all levels and its numerous agencies that have continuously failed to honor social contract obligations by constantly providing social amenities for the citizens. • Low citizens' perception of the use of public funds.	6
		(b). Other reasons proffered include:	
		• Inadequate tax education and low awareness of tax regulations due to the absence of tax advocacy.	1
		• Corruption within the government, including the tax administrations.	1
		• The flouting of tax laws by High-Net-Worth persons without punishments or commensurate sanctions.	1
		• A weak political leadership.	1
		Total number of participants	10

Note: Participants' responses to interview questions were compiled from the analysis of interview transcripts.

Table 20

Reasons for the interviewed participants' low rating on the self-assessment tax system

s/n	Reasons for the low-performance rating on the self-assessment tax system	Frequency
1.	**a. Low-performance rating attributed to administration inefficiencies:**	
	✓ Absence of strong collaboration among the major stakeholders in tax administration	1
	✓ Engagement with taxpayers often fails to recognize and address those business challenges that might require government support, such as tax benefits or incentives.	1
	✓ Lack of government political will to enforce the tax laws to the letter.	1
	✓ Absence of a reliable database, including regular exchange of credible taxpayer information between the tax authorities and other government agencies.	3
	b. Tax advocacy and enlightenment activities related to:	
	✓ Lack of a continuous and sustainable tax education program for all taxpayers; and	1
	✓ Absence of a well-coordinated tax education program for the different taxpayer groups, identifying their peculiar challenges and circumstances.	1
	c. Demonstration of government accountability and social contract obligations:	
	✓ The government fails to continuously explain what tax monies have been used for when the social amenities are unavailable, and the network system has completely failed to protect the lives of the citizens and businesses.	1
	✓ Government's failure to regularly demonstrate accountability and transparency concerning the reasonable use of tax monies.	1
	Total number of Participants	10

Note: Information compiled from the analysis of the participant's responses

Table 21

Reasons for the low rating on the Self-assessment tax system by Focus group participants

s/n	Reasons Proffered by Focus Group Discussants for the Low-Compliance Rating on the Self-assessment Tax System	Frequency
	a. Lack of critical infrastructure for promoting growth and fulfilling social contract obligations:	
	• Lack of critical infrastructure to promote growth and the failure of the government to fulfill its social contract with the citizens.	3
	• Failure by the government to provide basic functional amenities to the citizens.	
	• Lack of patriotism resulted from the vast distance between the citizens and the government due to the government's non-response to the people's yearnings.	2 1
	b. Inefficiencies of the tax administration linked to:	
	• The tax authorities fail to critically focus on the taxation of the informal economy and the high-net-worth individuals, who are known to possess financial muscle, to engage professional consultants to manage their accounts to take advantage of loopholes in the tax system.	1 1
	• Lack of meaningful collaboration among the major tax administration stakeholders and effective coordination between the tax authorities at all levels by sharing taxpayers' information.	
	• Lack of political will to prosecute tax evaders.	
	• There is a lack of transparency in using the infrastructural tax scheme, as there are currently no prescribed monitoring and evaluation standards to check possible abuses.	
	Total number of Focus group participants	8

Note: Data compiled from the comments made by participants during the Focus group sessions

Table 27

Summary of the responses made by survey respondents, interview participants, and focus group discussants on what key features the SE strategy should possess.

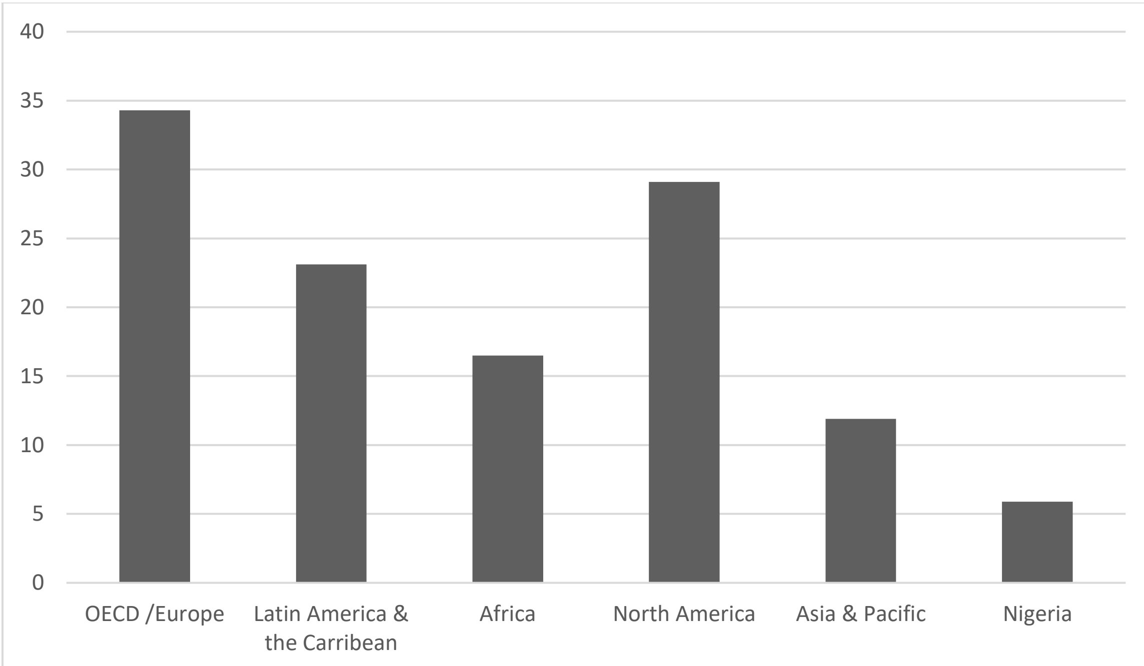
s/n	Suggested key features or tasks	Survey	Interview	Focus Group	Total
1.	The SE strategy should be supported by the government and implemented as a continuing project, with delegated tasks, defined deliverables, and timelines.	7	3	1	11
2.	The SE strategy should feature activities that can help build the citizens' trust and morale, giving taxpayers more voice and holding the government accountable for deviations from expectations.	6	1	2	9
3.	The SE intervention should aim to improve tax administration processes, supported by database integration and information-sharing, assisted by a simplified accounting system.	6	-	2	8
4.	The suggested SE strategy should feature regular tax education to improve tax awareness, encourage stakeholder collaboration and coordination, and adopt cooperative compliance strategies.	23	4	2	29
5.	The suggested SE strategy must encourage government accountability, transparency, and reasonable utilization of tax monies to provide basic social amenities.	6	2	1	9
	Total	48	10	8	66

Note: Information compiled from the answers provided by all the study participants on likely key activities to drive the stakeholders' engagement strategy.

Figures

Figure 1

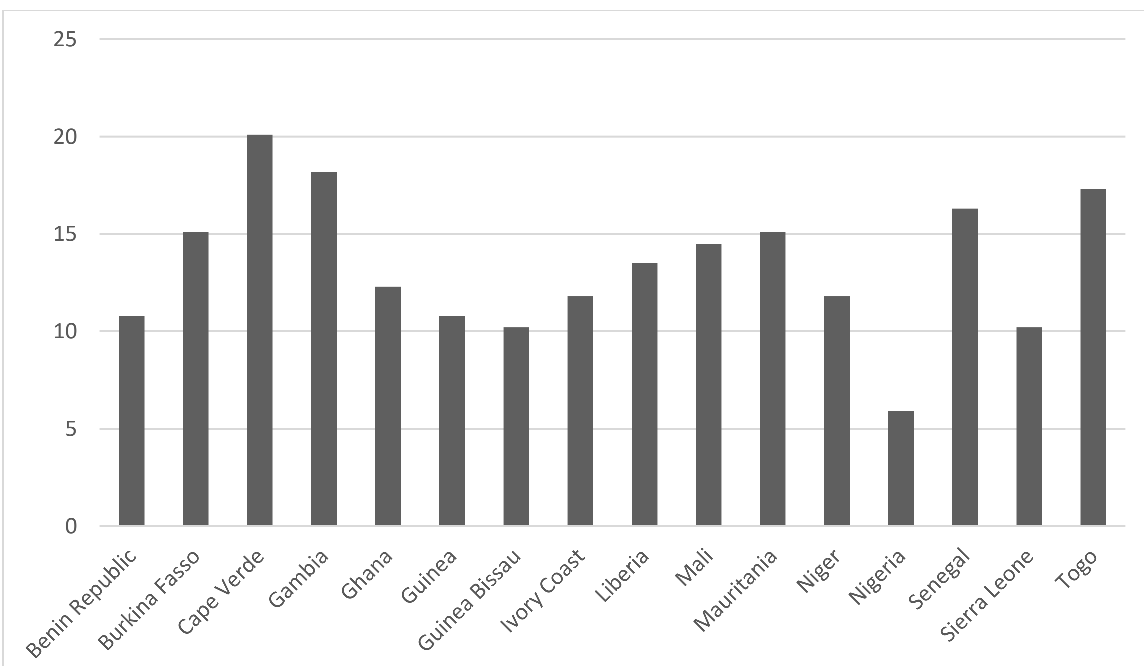
Nigeria's Tax/GDP ratio among Continental/Regional Blocs (2018)



Note: Compiled from various countries' economic reports.

Figure 2

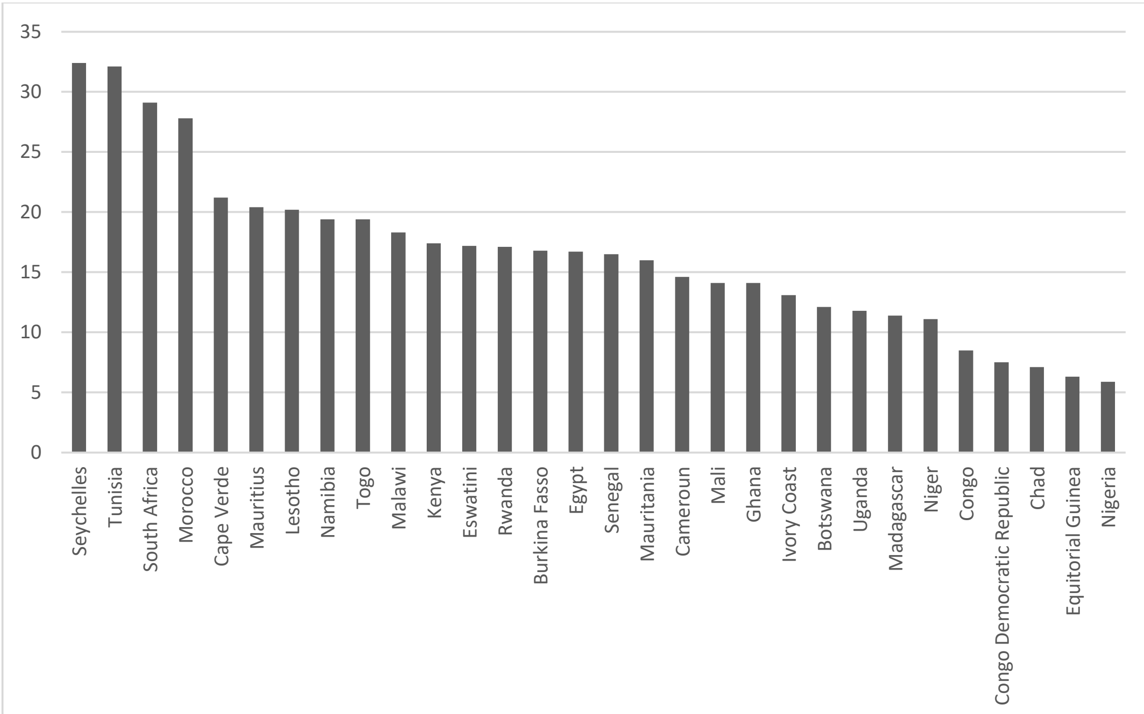
Nigeria's Tax/GDP Ratio among the ECOWAS Member Countries (2018)



Note: Adapted from the West African Monetary Agency (WAMA) Report, 2015

Figure 3

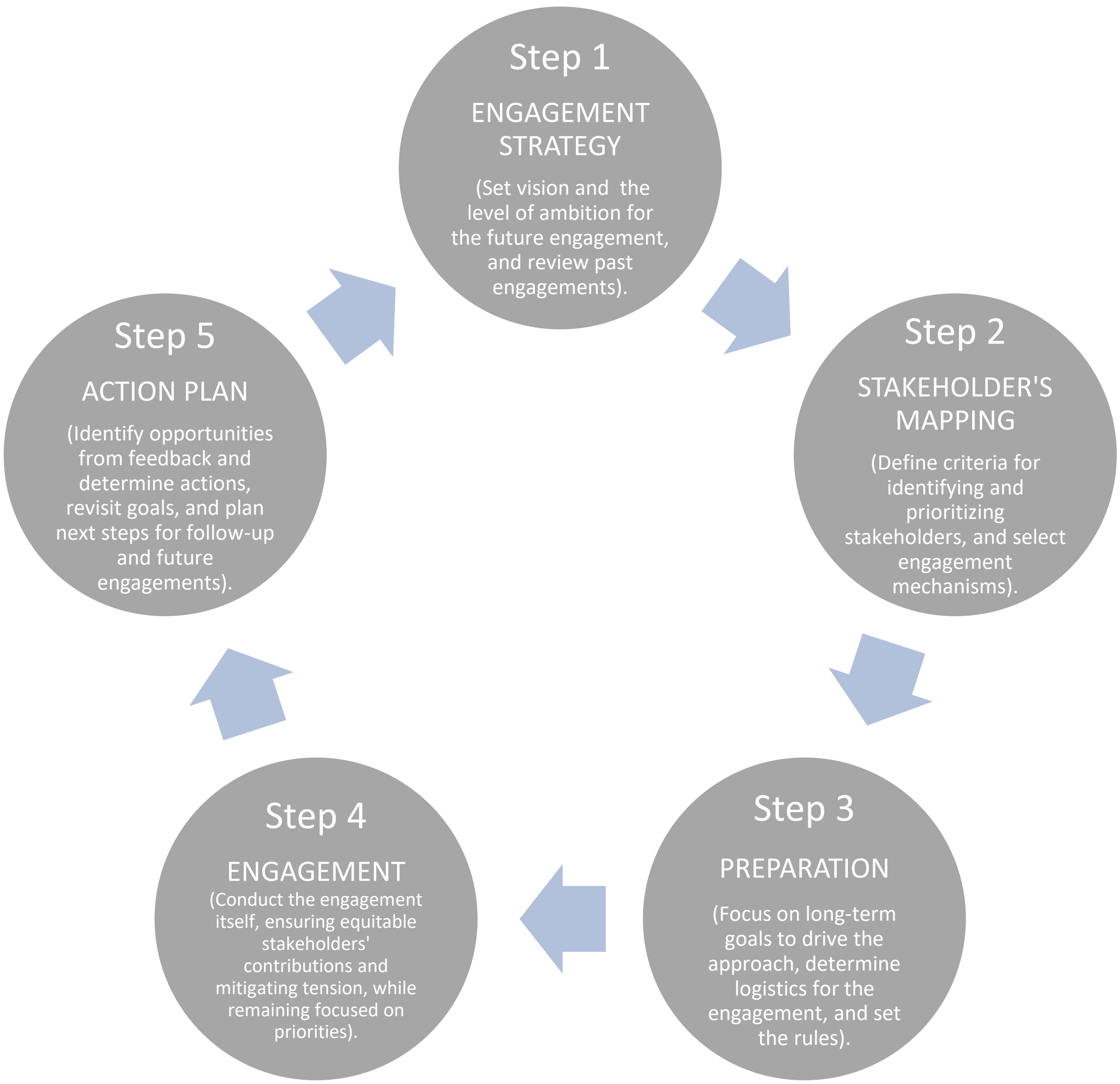
Nigeria's Tax-to-GDP Ratio among Thirty (30) African Countries (2018)



Note: Adapted from Revenue Statistics in Africa Report, 2018. IMF/OECD.

Figure 5

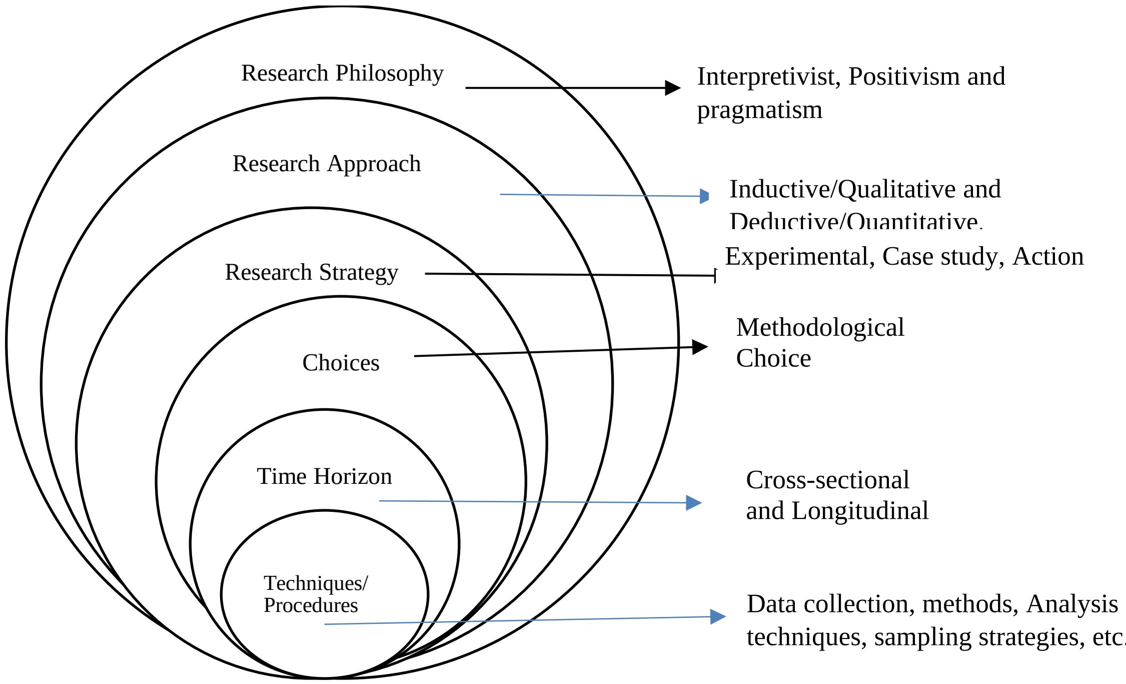
BSR's Five (5)-Stage Stakeholder Engagement Framework



Note: Redrawn Framework Adapted from Krick et al. (2005, p. 11)

Figure 6

Saunders' Layers of Research Onion (2007) Explained



Note: Illustrating the Research Onion Adapted from Saunders & Lewis (2012)