The Impact of Taxation in Combating Corruption and Promoting Sustainable Development Goals in Nigeria

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Abstract
The role of taxes in combating corruption is studied, as is their potential contribution to Nigeria's progress towards the SDGs. Corruption has become a major roadblock to the country's progress, preventing both economic growth and social progress. This essay delves into the interplay between taxation, corruption, and long-term progress and stresses the value of an effective tax system in promoting openness, accountability, and economic development in Nigeria. This research builds on previous studies in the field to provide new insights into how the country's tax system might be improved to reduce corruption and boost sustainable growth. According to the data, taxes still play a critical role in setting the course for a brighter future. Nigeria can pave the way for economic prosperity, fairness, and societal progress by acknowledging taxes as a tool to combat corruption and promote sustainable development. This can contribute to a more just and stable global order.

Keywords: Taxation, Corruption, and Sustainability Development Goals
1.0 Introduction

Nigeria, as a resource-rich and populous nation in Africa, stands at the crossroads of tremendous opportunity and challenge. With abundant natural resources, a diverse population, and the potential for innovation and growth, the nation has the building blocks for achieving remarkable economic development and progress. The significance of Nigeria's potential extends beyond its borders, as its success could serve as a model for development across the African continent. The persistent threat of corruption has, however, prevented Nigeria from experiencing sustained growth despite these favorable circumstances. This deeply entrenched issue has cast a shadow over the nation's development trajectory, thwarting efforts to fully harness its potential and stifling its capacity to meet the ambitious targets set out by the Sustainable Development Goals (SDGs) (Aguolu, 2014).

Corruption in Nigeria is not confined to one sector or level of society; it is a multifaceted challenge that has permeated every facet of public and private life. Within the sphere of public administration, corruption distorts decision-making processes, leading to the misallocation of funds and resources meant for public services. This misallocation perpetuates a cycle of poverty and underdevelopment as critical sectors such as healthcare, education, and infrastructure suffer from inadequate funding due to siphoned resources (Wajib, 2017). Furthermore, the deleterious consequences of corruption undermine the confidence of the general public in governmental and authoritative bodies, engendering a feeling of disenchantment and indifference among individuals. The absence of trust in the government's capacity to provide crucial services impedes public involvement and participation, hence exacerbating challenges in achieving sustainable development. The breakdown of trust is a significant challenge since it creates a loop whereby individuals may rely on Informal networks, also known as "shortcuts," which are ways to get services, thereby potentially intensifying unethical behaviors. Nigerian authorities have been working to fight corruption, but the obstacles have been enormous. Due to corruption's systemic structure and the complex networks that support it, conventional strategies may fall short (Jackson, 2015). In order to surmount these obstacles, it is crucial to use new and all-encompassing approaches (Jackson, 2015).
The need for a reimagined approach to combating corruption arises from the realization that the issue cannot be isolated from broader developmental goals. In the face of these challenges, innovative and holistic approaches are needed to root out corruption at its core. Integrating effective taxation practices into the strategy to combat corruption could provide a transformative solution. By channeling resources through transparent and accountable tax systems, Nigeria can break the cycle of misallocation, bolster public trust, and create a more stable foundation for achieving the SDGs (Adeleke, 2013). As Nigeria grapples with the complexities of eradicating corruption, there is a unique opportunity to forge a new path—one that leverages its own strengths, embraces innovative practices, and aligns with the global vision of sustainable development. By taking strategic steps towards an accountable and transparent tax system, Nigeria can not only overcome the challenges that corruption poses but also propel itself towards a future where its immense potential is fully realized for the benefit of its citizens and the broader African continent.

One such approach with significant promise is leveraging taxation as a tool to curb corruption and promote sustainable development. The effective collection and management of taxes play a pivotal role in financing public goods and services, fostering economic growth, and advancing social welfare. When implemented with integrity and efficiency, taxation can improve transparency, accountability, and governance, thereby reducing opportunities for corruption and enhancing the delivery of public services. Moreover, a robust tax system can generate the necessary revenue to fund essential development projects and advance the SDGs, which encompass a wide range of objectives, including poverty alleviation, quality education, healthcare access, gender equality, and environmental sustainability. The other sections, apart from the introduction of the paper, are arranged as follows: Section two will consist of a literature review; section three will contain the impact of taxation in combating corruption; and sections four, five, six, and seven will include the role of taxation in achieving the SDGs, case studies of countries successfully implementing tax-based SDG initiatives, recommendations, and conclusions, respectively.
2.0 Literature Review

2.1 The Conceptual Review

2.2 Understanding Corruption in Nigeria

Corruption has entrenched itself as a formidable challenge within Nigeria’s socio-economic and political fabric. It manifests across various levels of government and society, ranging from petty bribery and embezzlement to grand-scale graft. This pervasive corruption erodes public trust in institutions, distorts market mechanisms, stifles economic growth, and perpetuates social inequalities. It siphons resources away from essential public services and development projects, leaving a detrimental impact on the lives of ordinary citizens. The intricate web of corrupt practices has impeded the nation’s progress, contributing to a cycle of poverty and underdevelopment (Uchukwumaeze, 2013).

Corruption as a term means dishonest and immoral conduct (Uchukwumaeze, 2013). Corruption is a deviation from societal norms (Held et al., 2018; Offon, 1982). and it serves as a private and selfish interest for personal aggrandizement or the furtherance of family, clique, or tribal sentiments. Corruption is more than just taking bribes. It encompasses embezzlement, nepotism, favoritism, settlement, misappropriation, misapplication, gross impropriety, extortion, influence peddling, fraud, plagiarism, examination malpractices, etc. It is the acquisition of power by anybody for capricious or arbitrary use or any other purpose for which it is not meant. It could take different forms, namely, bribery, acceptance of favor, succumbing to undue influence, or yielding to intimidation from a superior body (Held et al., 2018; Inegbedion, 2004).

In the perception of Akintola (2010), corruption implies abuse of office, abuse of privilege, undue advantage, and undeserved favor obtained through manipulation of the law, rules, or regulations. It is untoward conduct premised on graft or a promise of the same. It includes the performance of services in exchange for gratification, the non-performance of duties or services in order to confer some advantages or benefits, advance fee payments, kick-backs, upfront gratifications, pecuniary or immoral benefits from illegal conduct, sexual harassment of subordinates, weak political corruption, nepotism, and tribalism. The negative impact of
corruption in society may assume such proportions that it threatens the foundations of society and justice (Adeleke, 2013). The detrimental effects of numerous corrupt practices on the economy serve as evidence that corruption is a significant barrier to a country's economic progress. In cases where corruption manifests as tax evasion or the inappropriate utilization of discretionary tax exemptions, it leads to an adverse impact on the economy by causing a reduction in revenue (Jackson, 2015). Consequently, this always results in a decline in the quality of services and infrastructure provided by the government. The makeup of government spending may also be impacted because dishonest officials are more inclined to pick projects that provide them the opportunity to influence pricing or collect bribes. The diversion of money, which is a manifestation of corruption, has the potential to dissuade investors. This may result in a decrease in the efficacy of assistance flows while contributing to the alarming increase in state debts and the reduction of budgeted revenues (Held et al., 2018).

Within this context, taxation emerges as a critical factor in addressing corruption. Taxation constitutes a fundamental interaction between the government and its citizens, creating a framework for the collection and allocation of resources to fulfill public needs. However, when the tax system is compromised by corruption, it hampers revenue collection, undermines the provision of public services, and exacerbates inequality (Morgan, 2017; Nawaz, 2010). The nexus between taxation and corruption lies at the heart of Nigeria's developmental challenges, as a corrupted tax system perpetuates a culture of impunity and weakens the social contract between citizens and the state (Adeleke, 2013; Aguolu, 2014) and this shall be discussed in due course of the study.

### 2.3 The Concept of Sustainable Development Goals:

The SDGs are a visionary and universally recognized framework for solving humanity's most critical socio-economic and environmental issues (Lorek and Spangenberg, 2014). The United Nations adopted the Sustainable Development Goals (SDGs) in 2015. They are a set of eighteen interconnected goals that aim to end poverty, ensure social equality, promote environmental sustainability, and increase wealth for everyone (Wajib, 2017).
In the Nigerian context, the SDGs hold profound significance, offering a structured approach to address the multifaceted issues that have hindered the nation's progress (United Nation Convention against Corruption[UNCAC], 2017). Nigeria's commitment to the SDGs reflects its aspiration to create a future characterized by improved living standards, reduced inequalities, and a more balanced approach to economic growth that takes into account environmental and social considerations (Adeleke, 2013).

2.4 Taxation as a Tool to Curb Corruption

When taxation is well conceived and implemented with efficiency, it may function as a powerful remedy against corruption. Rent-seeking, bribery, and theft have fewer chances under a responsible and open tax system. The government can provide a sustainable income stream that reduces its dependency on discretionary funds vulnerable to corruption by expanding the tax base and guaranteeing fair tax laws. Furthermore, it may be argued that a strong and comprehensive tax system not only promotes fiscal responsibility but also effectively distributes resources in a way that is consistent with the objectives and preferences of the general public (Aguolu, 2014).

The implementation of well-defined tax regulations, efficient tax administration procedures, and the integration of contemporary technology may effectively mitigate opportunities for corrupt activities in the realm of tax collection. When voters see that their money is being used to make society better, it gives them a sense of social duty and cooperation, which strengthens the tax system as a whole. Furthermore, the function of taxes as a lawful method of mobilizing resources enables governments to distribute money toward crucial areas like education, healthcare, and infrastructure. This allocation of funds serves to mitigate the vulnerabilities that often give rise to corrupt practices (Aguolu, 2014).

Taxation is intrinsically linked with growth in its widest and most all-encompassing framework. The provision of freely available goods and services, together with the maintenance of a country's infrastructure, relies on the generation of income. The choice of a certain system has the capacity to either incentivize or deter investment and economic growth while also functioning as a mechanism to address market inefficiencies as well as externalities. Morgan
(2017) posits that the adoption of an equitable system may be used as a strategy to address inequality and foster the progression of the rule of law, transparency, and good governance. Examining the role of tax policy in relation to Objectives 8 and 10, among other things, reveals the complexity and variety of this function. Goals 8 and 10 of the Sustainable Development Goals of the United Nations emphasize the need to achieve a state of balance between two separate but interrelated aspects. Goal 8 places significant emphasis on the need to foster enduring, comprehensive, and sustainable economic progress with the simultaneous promotion of ample and fruitful employment prospects as well as suitable working circumstances for every person.

On the other hand, Goal 10 underscores the importance of reducing disparities and inequalities within and across nations. Together, these goals underscore the significance of striking a delicate balance between these two poles. According to Morgan (2017) and Nawaz (2010), it is essential that taxation be strategically crafted to facilitate sustainable economic development. Furthermore, it should exhibit a progressive nature, aiming to diminish inequality and foster inclusive growth. Hence, in order to achieve the above objectives, it is imperative to implement a tax policy that is equitable, mitigates disparities, and fosters sustainable economic development. In the long run, both objectives are interconnected, since an inequitable society is unable to maintain sustainable development, while bad economic performance diminishes the revenue base necessary to support public assets (Morgan, 2017; Nawaz, 2010).

2.5 Challenges in Implementing an Effective Tax System

While the potential for taxation to combat corruption is significant, Nigeria faces a range of challenges that hinder the realization of this potential. Historical factors, weak institutional capacity, and a lack of political will have contributed to a tax administration system that is susceptible to manipulation and corruption. Informal economic activities, complex regulatory frameworks, and a general lack of tax awareness further compound the challenges (Aguolu, 2014; United Nations, 2019).

The absence of an effective feedback mechanism between taxpayers and the government can perpetuate distrust and non-compliance. Taxpayers are more likely to evade or avoid taxes when
they perceive corruption within the tax administration itself. Moreover, corruption within the broader legal and judicial systems can undermine efforts to enforce tax laws and prosecute tax evaders (Morgan, 2017; Nawaz, 2010). Addressing these challenges requires comprehensive reforms that encompass legal, administrative, and cultural dimensions. Strengthening institutions, promoting transparency, enhancing taxpayer education, and fostering a culture of accountability are integral components of an effective strategy to leverage taxation as a tool against corruption in Nigeria.

In the subsequent sections, this research paper will delve into the multifaceted impact of taxation on combating corruption and explore the strategies that can be employed to strengthen the tax system's contribution to sustainable development in Nigeria.

3.0 The Impact of Taxation in Combating Corruption

3.1 Enhancing Transparency and Accountability

Taxation, when effectively implemented, can act as a powerful mechanism for enhancing transparency and accountability within a country's financial operations. A well-structured tax system necessitates clear regulations and reporting mechanisms, reducing the opportunities for corrupt practices to thrive. Transparent tax collection processes, along with robust record-keeping and auditing procedures, create a system that is less susceptible to embezzlement, bribery, and other forms of corruption (Morgan, 2017; Nawaz, 2010).

Through taxation, governments can foster a culture of accountability both within their institutions and among their citizens. As citizens become aware of their tax obligations and witness the tangible benefits derived from tax revenue, they are more likely to demand transparency in the utilization of funds. This demand for accountability can extend to various sectors, including public services, infrastructure projects, and social welfare programs, resulting in a more vigilant and engaged citizenry that actively monitors the allocation of resources (Morgan, 2017; Nawaz, 2010; United Nations, 2019).
3.2 Strengthening Institutions and Governance

A functional tax system requires well-established institutions and effective governance structures. The process of implementing and administering taxes necessitates a level of institutional integrity that can help deter corrupt practices. By investing in the capacity-building of tax administration bodies, governments can ensure that tax laws are applied consistently and fairly, reducing opportunities for bribery and other forms of corruption (Morgan, 2017; Nawaz, 2010).

Furthermore, a robust tax system contributes to an increase in government revenue, which can, in turn, lessen the reliance on external funding and aid. Governments can make decisions based on their own national interests rather than letting outside factors influence them, thanks to this fiscal autonomy. As a result, taxation can contribute to bolstering state sovereignty, reducing vulnerabilities to corrupt external actors, and strengthening a country's ability to design and implement its own development agenda (Aguolu, 2014; Morgan, 2017; Olatomiwa, 2021).

3.3 Promoting Inclusivity and Reducing Income Inequality

Taxation can be structured to promote inclusivity and reduce income inequality, thus addressing one of the underlying factors that can contribute to corruption. Progressive tax policies, where higher-income individuals and corporations are taxed at higher rates, can generate revenue that can be channeled toward social welfare programs targeting marginalized and vulnerable populations (Aguolu, 2014; Morgan, 2017; Olatomiwa, 2021).

By redistributing wealth and resources through taxation, governments can mitigate the concentration of economic power and provide opportunities for disadvantaged communities. This, in turn, can reduce social tensions and the perception of unfairness that often fuel corrupt behaviors. Moreover, tax-funded initiatives aimed at poverty alleviation, education, and healthcare can break cycles of intergenerational poverty, contributing to long-term socio-economic stability (Olatomiwa, 2021).

3.4 Digital Economy

To augment Nigeria's tax revenue, it is crucial to tackle the discrepancy present among tax-compliant entities, businesses, and registered companies. Furthermore, it is imperative to address
the issue of bridging the employment disparity between those who contribute to the tax system and those engaged in informal economic activities. Olatomiwa (2021) posits that there is a potential argument to be made about the influence of the latter in enabling immoral economic practices. The existence of bureaucratic inefficiencies, structural flaws, and corruption across several phases of economic activity highlights the need for more oversight. The country needs to come up with a plan to cut down on the amount of hidden market activity that could lead to money laundering and other financial crimes. One possible strategy for mitigating the problem of unequal enrolment of persons in databases is the use of digitalization within the economy. According to Olatomiwa (2021), the use of digital advertising, e-invoicing, e-payment, and other forms of digitalized transactions might lead to the process of digitalization. Automation, data sharing between tax agencies, lawmakers, taxpayers, and lenders, as well as the application of big data and artificial intelligence (AI), will significantly improve compliance and decrease illicit activity or loss of revenue from taxes through the shadow economy while enabling tax administrators to cooperate on a global scale (Olatomiwa, 2021). Nigeria should require non-taxpayers to get TINs, NINs, BVNs, and VCNs to be included in the database. These identification approaches will provide a competitive advantage in fighting corruption and other informal economy activities (Olatomiwa, 2021; Kaneko & Matsuzaki, 2018). Therefore, the impact of taxation on combating corruption is profound and multifaceted. A robust and transparent tax system can serve as a powerful deterrent to corrupt practices by enhancing transparency, strengthening institutions, and promoting inclusive development. As Nigeria endeavors to address corruption and achieve sustainable development goals, harnessing the potential of taxation represents a strategic and impactful approach that can contribute to a more equitable and prosperous future for the nation (Aguolu, 2014; Morgan, 2017; Olatomiwa, 2021).

In the following sections, this paper will delve deeper into how taxation can contribute to the achievement of sustainable development goals (SDGs) and examine successful international examples of using taxation as an anti-corruption measure, offering valuable insights for Nigeria's path forward.
4.0 The role of Taxation in Achieving SDGs

Taxation serves as a linchpin in the pursuit of SDGs, acting as a catalyst for resource mobilization and allocation toward critical development priorities. An effective and efficient tax system generates the necessary public revenue to fund initiatives that advance the SDGs. These initiatives include investments in education, healthcare, clean water and sanitation, renewable energy, infrastructure development, and poverty reduction programs (Morgan, 2017; United Nations, 2019).

The revenue generated from taxation provides governments with the financial means to implement targeted policies that directly impact people's lives. For instance, increased tax revenue can be directed toward improving access to quality education, which in turn contributes to poverty reduction, gender equality, and enhanced employability. Similarly, investments in healthcare infrastructure funded by taxes contribute to improved public health outcomes, aligning with SDG number three (3) (Good Health and Well-being) (Morgan, 2017; United Nations, 2019).

Furthermore, taxation can foster economic growth by creating an enabling environment for business and innovation. By funding essential infrastructure projects and public services, taxation enhances the overall quality of life, attracts foreign investment, and stimulates domestic entrepreneurship. The following are the specific areas where Taxation will strengthen the SDGs (Olatomiwa, 2021; United Nations, 2019).

4.1 Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all (Goal 8)

There is a consensus among economists on the inefficiency of corporate taxation and its potential to impede economic growth. Consequently, it is suggested that company taxes be minimized while ensuring that they provide enough revenue for developmental purposes. One potential strategy is implementing a reduced tax rate for newly established enterprises, fostering an environment conducive to initiating entrepreneurial ventures. Certain nations use a reduced tax rate specifically for small enterprises (Olatomiwa, 2021). Nevertheless, scholarly investigations
have shown that these practices may lead to intricacies in defining the borders of small businesses and might potentially discourage their expansion. Since a young company's initial few years are likely to be its most innovative and crucial for cash flow, it is preferable to concentrate the reduction then. Also, Goal 8 proposes that in order to promote widespread employment, it is essential to minimize taxes on workers (Olatomiwa, 2021).

4.2 Reduce national inequality (Goal 10).

This highlights the need for a universal social security system funded by the affluent rather than private insurance, which the less fortunate cannot afford. Low-income people may be encouraged to work and have their wages boosted if working tax credits are made available to them. However, encouraging inferior employment practices or unproductive work may require society to pay for it. Direct subsidies may assist certain industries more than tax credits in raising low wages (Morgan, 2017).

4.3 Ensure sustainable consumption and production patterns (Goal 11)

It is essential to acknowledge that several natural resource projects contribute to job opportunities, and multinational corporations often allocate investments towards infrastructure development, including educational institutions, transportation networks, and residential facilities in distant regions. Substantial initial foreign investment is a must for these ventures, which often incur losses during the first years before generating returns. Overtaxing the industry might have a negative impact on development by lowering investment, so the tax system has to provide the proper relief for capital expenditures and losses (Aguolu, 2014; United Nations, 2019).

The "polluter pays" idea allows taxes to be targeted at behaviors that contribute to climate change or environmental deterioration. This could be done by putting a tax on carbon, putting a "green tax" on how trash is gotten rid of, putting special taxes on polluting businesses, or just raising the tax on hydrocarbons and changing the way fossil fuels are currently subsidized. When creating such taxes, it is important to consider if the main goal is to generate money or stop a certain activity. The inherent characteristic of such taxes is that, if they effectively alter conduct,
they will afterwards diminish the tax revenue, and conversely, if they fail to do so, the tax revenue will remain unaffected (United Nations, 2019; Wasao, 2014).

4.4 Promote peaceful, open communities for sustainable growth, provide justice to everyone, and establish effective, accountable, and hospitable institutions at all levels (Goal 16).

To combat tax evasion, this objective entails tightening anti-money-laundering regulations and making sure developing nations may take part in the Universal Reporting Standard. Additionally necessary are registers of trusts' and corporations' beneficial ownership. There exists a certain level of contention over the need to make information publicly accessible vs. restricting access to authorized entities and individuals with a valid interest. Registers that use regulated service providers to validate entries are considered to be more reliable compared to those that just depend on self-declaration. Additional efforts may be necessary to develop mechanisms for repatriating illicitly obtained funds and preventing their reinvestment in corrupt practices. This might include exploring avenues such as the World Bank and the United Nations Stolen Asset Recovery Initiative (StAR) to ensure that these funds are used for the collective benefit rather than perpetuating corrupt activities. The focus on addressing illegal money transfers should be differentiated from efforts to combat tax avoidance since these two phenomena are distinct and need distinct approaches (Fowler, 2016; Morgan, 2017).

5.0 Case Studies of Countries Successfully Implementing Tax-Based SDG Initiatives

Numerous nations have effectively used taxes as a potent tool for promoting the Sustainable Development Goals (SDGs). For example, Scandinavian nations such as Denmark and Sweden exhibit elevated tax-to-GDP ratios, facilitating the provision of comprehensive social welfare initiatives, high-quality educational systems, and healthcare facilities to their respective populations. The aforementioned nations exemplify the efficacy of taxes in conjunction with transparent government and robust institutions in fostering an atmosphere favorable to sustainable growth and a superior standard of living (UNCAC, 2017).
Moreover, it is worth noting that emerging nations like Brazil and South Africa have used progressive taxation strategies as a means to tackle the issue of economic disparity and allocate resources towards social initiatives aimed at alleviating poverty. Through the allocation of tax money towards certain projects, these countries have achieved notable progress in attaining specific Sustainable Development Goals (SDGs) pertaining to social fairness and the elimination of poverty (Fowler, 2016; UNCAC, 2017).

These case studies underscore the transformative potential of taxation when aligned with the principles of the SDGs. Nigeria can draw valuable lessons from these examples as it endeavors to leverage its own tax system to combat corruption, enhance revenue generation, and drive sustainable development, thus moving closer to fulfilling its commitment to the global SDG agenda (UNCAC, 2017).

In the subsequent sections, this research paper will outline policy recommendations aimed at improving tax administration, addressing corruption, and harnessing the potential of taxation to promote sustainable development in Nigeria.

6.0 Recommended solutions for the Challenges

6.1 Improving Tax Administration and Enforcement

i. Strengthening Institutional Capacity: Invest in training and capacity-building programs for tax officials to enhance their knowledge and skills in tax administration and enforcement. This includes ensuring they have the necessary tools to detect and prevent corrupt practices.

ii. Implementing Modern Technology: Integrate advanced technology solutions such as digital tax platforms, data analytics, and e-filing systems to streamline tax collection processes and reduce opportunities for human intervention that may lead to corruption.

iii. Enhancing Collaboration: Foster cooperation and information sharing between tax authorities, law enforcement agencies, and relevant stakeholders to facilitate the investigation and prosecution of tax-related crimes.
6.2 Addressing Corruption in Public Institutions

i. Establishing Whistleblower Protection: Implement robust mechanisms to protect whistleblowers who expose corruption within tax administration and other public institutions, encouraging a culture of reporting and accountability.

ii. Enforcing Strict Penalties: Enact stringent penalties and sanctions for individuals involved in corrupt practices, including tax evasion, embezzlement, and bribery, to serve as a deterrent and promote a culture of compliance.

iii. Promoting Transparency: Ensure that tax-related information, including revenue collection and utilization, is made publicly accessible to enhance transparency and citizen engagement.

6.3 Investing in Tax Education and Public Awareness

i. Developing Comprehensive Tax Education Programs: Design educational initiatives that explain the importance of taxation, how tax revenue is utilized, and the direct link between taxation and public services.

ii. Collaborating with Educational Institutions: Partner with schools, universities, and community organizations to integrate tax education into curricula and community outreach programs, fostering a culture of responsible citizenship.

iii. Leveraging Digital Platforms: Utilize digital tools, such as mobile applications and social media, to disseminate user-friendly tax education content, promote public awareness, and facilitate direct communication between taxpayers and tax authorities.

6.4 Fostering International Cooperation and Transparency

i. Joining International Tax Agreements: Become a signatory to international agreements that promote information exchange and cooperation in combating cross-border tax evasion and other forms of financial corruption.

ii. Adopting Anti-Money Laundering Measures: Strengthen anti-money laundering regulations and practices to prevent the movement of illicit funds through the financial system, ensuring that tax evasion does not contribute to corruption.
iii. Participating in Peer Review Mechanisms: Engage in peer reviews and assessments conducted by international organizations to evaluate progress in combatting corruption and implementing effective tax policies.

Implementing these policy recommendations requires a concerted effort from government institutions, civil society organizations, private sector stakeholders, and the general public. By prioritizing these strategies, Nigeria can create an environment that is less conducive to corruption, while harnessing the potential of taxation as a driver of sustainable development. Through transparent and accountable tax systems, the nation can take significant strides toward achieving its developmental objectives and contributing to the global SDG agenda.

7.0 Conclusion

The intricate relationship between taxation, corruption, and sustainable development in Nigeria reveals both challenges and opportunities for the nation's progress. Corruption has long hindered Nigeria's ability to achieve its full potential, diverting resources away from essential public services and undermining the social contract between citizens and the government. However, taxation emerges as a powerful tool that can play a pivotal role in combating corruption and advancing sustainable development goals (SDGs).

This research paper has highlighted the multifaceted impact of taxation on combating corruption. By enhancing transparency and accountability, taxation creates a framework where resources are collected and allocated efficiently, reducing opportunities for corrupt practices. Strengthening institutions and governance through a well-structured tax system contributes to better fiscal management and reduces vulnerability to external pressures that may foster corruption. Furthermore, progressive tax policies can promote inclusivity, reduce income inequality, and address the underlying social disparities that can perpetuate corrupt behaviors.

Taxation also aligns inherently with the principles of sustainable development goals. It provides a reliable source of revenue to fund critical initiatives in education, healthcare, infrastructure, and poverty reduction, directly contributing to improved well-being and quality of life for citizens. Moreover, taxation facilitates public awareness and engagement, empowering citizens to actively
participate in shaping the nation's development agenda and demanding transparency in resource allocation.

In the context of Nigeria's journey toward combating corruption and achieving sustainable development, a holistic approach is necessary. The policy recommendations outlined in this paper offer a comprehensive roadmap for reforming tax administration, addressing corruption, and leveraging taxation as a driver of positive change. By prioritizing tax education, enhancing transparency, and fostering international cooperation, Nigeria can create an environment where corruption is minimized, resources are optimized, and sustainable development is realized.

As Nigeria navigates the complexities of its socio-economic landscape, the role of taxation remains central to shaping a brighter future. By embracing the potential of taxation as a tool to combat corruption and promote sustainable development, Nigeria can forge a path towards prosperity, equity, and social progress for its citizens, contributing to a global vision of a just and sustainable world.

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