Structural Equation Modelling of the Effect of Government Performance on Tax Morale among Nigerian Taxpayers

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Abstract
The paper assessed the effects of government performance on tax morale of individuals in Nigeria. The study adopted data from the Afrobarometer survey of Nigerians adults (n = 2,400). The data was collected through interview survey of individuals in Nigeria. Desk review of several journal articles were made to give basis for the study. Data were analysed using structural equation modelling by drawing inspiration from the theory of planned behaviour and motivation theory. Generally, the study found that government performance, measured along performance on economic activities, improvement in infrastructure facilities and improvement in social issues, exerted significant influence on tax morale of individual taxpayers in Nigeria. Notably, it was found that, citizens had negative perception of any effort of government in controlling crime alone, until food is available and people are living in reasonable condition. The results from the study gave significant factors that stakeholders and future researchers should focus on as determinants of tax morale as well as critical areas of government activities that individuals give priorities to when assessing government performance. The results also gave direction that several factors significantly interact and modify each other and, resultantly, influence tax morale of individuals in Nigeria. The paper recommended that stakeholders in taxation in Nigeria should be paying more attention to tax morale and the performance of governments to ensure measures are put in place to induce tax morale in addition to the deterrence measures.
Keywords: Afrobarometer, Economic management, Fiscal exchange, Government performance, Infrastructure provision, Tax morale

1   Introduction

The system of human beings living together in a community calls for existence of government as the coordinating agent. Based on the principle of social contract theory, there exists symbiosis that demands responsibility from both the government and the citizens. The argument is that a contractual relationship exists between government and the citizen which provides mutual expectation in a symbiosis relationship whereby government provides public goods financed by citizens who enjoyed the benefit (Field & Frey, 2007).The government is responsible for the provision of public goods and services for the benefit of the citizens. These citizens, in returns for the benefit received provide the needed fund to finance the provision of such goods and services, mainly in forms of taxes (Beale & Wyatt, 2017; Otto, Michael, Phillip, Gertraud, Martina &Martin, 2015). This simple rule is fundamental to the operation of social contract theory and its absence crumbles the foundation of civil society. Meanwhile, there is evidence that governments all over the world are facing challenges in raising this needed fund from the citizens (Beale & Wyatt, 2017, Kira, 2017; PwC/World Bank, 2017). Ensuring their readiness to pay tax is posing serious concern to stakeholders including the researchers (Beale & Wyatt 2017; Fakile, Adeigbe & Faboyede, 2014; PwC/World Bank, 2017). Earliest studies, by the rational economist/deterrent theorists on taxation, were focusing on the reasons why people evade taxes until the adequacy of the approach was established. The preposition was that human beings are rational utility maximisers who always carry out cost-benefit analysis for the gains to be made when evasion is not discovered, against the cost of punishment (penalties and fines) when evasion is discovered.

Evidence from later studies revealed that actual compliance level in real life is far higher than the prediction of the deterrence theory. These findings were thus taken to be suggesting that there are other factors behind the compliance asides punishment as offered by the economic rational theory. The studies now started looking for reasons why people pay taxes. Focus then expanded to incorporate behaviour (sociological and psychological)

factors like reciprocity and fiscal exchange paradigm into the model. Major discovery in the effort of searching for psychological factors is the concept of tax morale, as the driving force pushing person to comply generally with payment of taxes. Researchers are also focusing on issues like reciprocity whereby governments are expected to supply public goods and services that will be commensurate with the taxes paid by citizens in a fiscal relationship (Alkerlof, 1982). Feld and Frey (2007) also argued that the contractual relationship between the government and citizens loyalty and mutual expectations in a fiscal exchange. The quality of public products is therefore of importance in term of citizens' perception of the efficiency of government's performance. This is considered a potential factor that can influence the motivation of taxpayers to voluntarily register and be truthful in disclosing their income for tax purpose. If the mutual expectation fails, taxpayers could therefore adopt cheating on taxes by hiding their income and assets from tax authorities, as a reaction behaviour to express their displeasure with government activities (Lewis, 1982).

This gap in knowledge justifies the need to empirically examine this relationship and the exchange therein. It is based on this that the current study examined government performance and tax morale of Nigerians with a view to assessing if government performance has significant influence on tax morale. The rest of the paper is organized in this order; Section 2 explains the review of earlier literature on tax morale and government performance as well as relevant theory to back the study. This is followed by Section 3 on methodology adopted by the study. Results presentation and discussion of findings are in Section 4, while Sections 5 and 6 contain the conclusion and recommendations respectively.

2   Literature Review
2.1   Conceptual Review
Tax Morale
The word tax morale was coined, by Gunter Schmolders, in 1960, as a concept to understand the reasons why people pay taxes, rather than reasons why people evade taxes (Ramona-Anca & Larissa-Margareta, 2013). It refers to the willingness, the internalized obligation and the inherent motivation to pay tax (Alm & Torgler 2006). It is the belief in contributing to common purse (Porcano, Tsakumis, and Curatola, 2010). Torgler and Schneider (2009) sees it as a moral obligation, not a legal issue. Tax morale therefore refers to the attitude of a group of taxpayers within a society, based on moral and not legal obligation, towards the urge of discharging or neglecting their tax responsibilities.

Government Performance
Government is the agent of the state, consisting of "… those rulers, leaders, officials, officers, or employees of the state who hold specific positions of power or offices of public trust in accordance with the constitution and the laws of the state" (Obeleagu-Nzelibe, Amobi & Emejulu, 1996). For some check and balance, it usually consists of several arms. Government in Nigeria comprises of three arms for effective governance. These are the legislative who make the laws, the executives that carry out the laws by doing the actual job of governance, and the judiciary that interprets and enforces the application of the laws. In Nigeria, the President and the Ministers at federal, the Governors and Commissioners at the state and the Local Government Chairmen and Supervisors at the Local Councils discharge the executive function. The legislative functions are carried out by the Senators and members of the House of Representatives, members of the House of Assembly and Councillors at federal, state and local council respectively. The judiciary function is discharged by the police, lawyers, judges and the prison service. These sets of people receive remuneration for the activities performed.

Roles of government in a society

According to Adam Smith (1796), the duties performed by any government is basically three. They are; (i) protecting society from externals aggressors, (ii) protecting members of society against other members' injustice or oppression, and (iii) creating and maintaining some public works. The fundamental aim of government is to

secure the right to life; this comprehends the safety of fellow citizens (Encyclopaedia Britannica, 2020; Hassan, 2011; Nayeiju & Omoleinwa, 2018; Obeleagu-Nzelibe *et al.,* 1996).

Obeleagu-Nzelibe *et al.,* (1996) in their work, classified the functions performed by government in Nigeria to socio-political and economic functions. The socio-political functions include protection of the state's sovereignty, protection of individual citizens and their properties, the establishment of system of justice and the promotion of citizens' general welfare like provision of public education, health services, public parks, social benefits to the old and indigent people. The economic functions of government include provision of a system of economic institutions to assist in the management of scarce resources to meet the needs of all. Areas covered by such institutions are healthy competition, price control and fiscal policy, as well as organization and regulation of business life. Other aspects of economic function is regulation of national and international trade and commerce, printing of national currencies, ensuring efficient production of public goods and services and ensuring reasonable and stable price level, spending in line with public interest, and provision of public utilities like electricity, roads, railway and communication services. Another important economic function of government is source for finance of government activities through taxes, and borrowings.

2.2   Theoretical Review

This study is considered an attitudinal research assessing the perception of government-citizens relationship. On this note, the Social Contract theory, supported by the principles of fiscal exchange, was adopted as the theoretical basis. The proposition is that, there is a psychological contract between the government and the citizens, which imposes fiscal obligations on the shoulders of each party in a social relationship. The government has obligation to provide public goods and services, which in return, the citizens benefiting from the goods and services supplied are indebted to discharge certain contractual obligations, of which the principal one is to provide the required fund to finance the government's activities. In line with this terms of this contractual relationship, taxes are considered to be the prices paid by the citizens in exchange for public goods enjoyed (Agbetunde, 2004). Therefore, failure of either party to discharge its own duty fouled the contract term. It is therefore a rational expectation that, citizens as the consumers of public goods would compare the value benefited from government services against the amount they paid as taxes. The efficiency or otherwise of government performance would show the quality of the public products supplied in reciprocal for taxes paid. It is therefore expected that this "quality" should be commensurate to the "price" paid in form of tax.

2.3   Empirical Review

In a bid to examine the reasons behind voluntary tax payment, outside the deterrence principles, several studies had been carried out on tax morale. Torgler, Demir, Macintyre and Schaffner (2008) assessed the reasons behind tax morale and established that a significant relationship existed between tax morale and tax evasion even after controlling for factors like trust in authority, tax administration, tax system, tax awareness, perceived tax burden, and corruption. Torgler and Schneider (2007) adopted the World Value Survey and European Value Survey for its analysis. Their conclusion was that social factors like trust and pride are not the major determinants of tax morale, but perception of low tax compliance generally among taxpayers as well as peer or social norms.

Torgler (2007) on Switzerland taxpayers established strong influence of institutions (formal and informal) on tax morale. Torgler (2011) also gave empirical evidence from Europe that suggested that democracy, governance, accountability, efficient and transparent legal structures as well as trust contribute to tax morale. Torgler, Schaffner and Macintyre (2010) examined tax morale with emphasis on the relevance of governance and institutional qualities.

OECD (2013) studied tax morale eliciting citizens' attitudes across Asia, Europe and Latin America. The study established relationship between taxpayers and government as a major tax morale determinant. When

government is perceived as making judicious use of tax revenue, citizens' trust in government would improve thereby increasing tax morale. Ramona-Anca and Larissa-Margareta (2013) supported this findings by establishing that government's efficiency in public expenditure improves tax morale.

Study of Tjondro (2018) on Indonesian tax consultants (60) and contractors (70) examined factors that influence satisfaction and tax morale. The study established democratic system; trust in government agency and perception of other taxpayers as key determinants of tax morale. Finding of Torgler (2003) is noted to be supporting these findings. The study used Structural Equation Modelling to argue that satisfaction with democratic system is the most dominant factor of tax morale. Doerrenberg and Peichi (2017) examined the role of reciprocity and social norms on tax morale among German citizens. The study found if government performance is perceived to be commensurate to taxpayers' expectation in relation to the amount paid as tax, tax morale will be enhanced. This reciprocity on tax morale is much related to Frey and Meier's (2004) concept of "conditional cooperation". Other earlier studies supporting the relevance of government performance on tax morale include survey and experimental (laboratory) studies of Alm (2012), Alm, Jackson and McKee (1993), Besley, Jensen and Persson (2015), Frey and Meier (2004) Frey and Torgler (2007), and Lamberton, De Neve, and Norton (2014).

Ali, Fjeldstad and Sjursen (2013) examined factors that dictate tax compliance behaviour in four African countries; Kenya, Tanzania, Uganda and South Africa using data from Afrobarometer survey on attitude and perception of individual taxpayers. With the aid of binary logit regression, they found that an improved perception about the challenges in evading taxes would improve probability of tax compliance in Kenya and South Africa. They also found that individual taxpayer's satisfaction with government's provisions of public services is significant factor behind tax morale in all the four countries. It also found that taxpayers in Tanzania and South Africa perceived that the way they treats their ethnic group influenced their readiness to pay taxes.

Arising from the review made here, it can be deduced that extensive studies have being carried out on tax morale especially outside African sub-region, with variances of results. It is therefore glaring from this review that research on tax morale is still young and underexplored. Only few of them focused on developing Sub-Saharan African economy like Nigeria. Furthermore, very few ones, to the knowledge of the researcher, examined government efficiency and tax morale with a view to assessing their relationship, despite the allegations of inefficient public performance in Africa generally and their low tax to GDP ratios. It is also observed that earlier studies on the topic using macro data from WVS or EVS and Afrobarometer mostly adopted one indicator to measure each of the variables. This study adopted several indicators to assess each variable. On this note, this study examined tax morale and government performance in Nigeria with a view to assessing the effect of the later on the former.

3   Methodology

3.1   Method of Data Collection

The study adopted survey using quantitative approach to measure respondents' view on tax morale and government performance. This approach has support of Armah-Attoh and Awal (2013), Ogunbameru and Ogunbameru (2010) and SPSS (2010). Data were collected mainly from primary data sourced through interview. Sample of 2400 Nigerians within the taxpaying age were purposefully selected. The survey was conducted in English, Hausa, Yoruba, Igbo, Pidgin, Tiv, Ibibio and Ijaw languages.

Data from the Afrobarometer database was adopted for the study using data collected in the Round 6 survey via questionnaire tagged "The Quality of Democracy and Governance in Nigeria" (Afrobarometer, 2018). The questionnaire contains 120 items out of which factors for latent variables of tax morale and government performances were selected. Tax morale was measured with six selected items. These are items 26.e, 42b, 42c,

43, 44 and 65c. The question items are drafted as; TM1: Q26e. Citizens pay taxes- Tax Payment, TM2: Q42b. People must obey the law- (Obeying Law), TM3: Q42c. People must pay taxes- (Compulsion of Taxes), TM4: Q43. Obey government always vs. only if vote for it- (Obeying Government), TM5: Q44. Citizens must pay taxes vs. no need to tax the people- (Need for Taxes), and TM6: Q65c. Pay more taxes to increase health spending- (Increasing Tax for Infrastructure). Government performance was measured with the 13 items measured in Question 66, viz; "How well or badly would you say the current government is handling the following matters, or haven't you heard enough to say? These were classified into three performance measures as, economic, social and infrastructural development performance areas. Performance on Economic Issues were measured with four items of PEI1- Q66a. Handling managing the economy, PEI2-Q66c. Handling creating jobs, PEI3-Q66d. Handling keeping prices down, and PEI4-Q66e. Handling narrowing income gaps. Performance on Infrastructural Facilities used PIF1- Q66g. Handling improving basic health services, PIF2- Q66h. Handling addressing educational needs, PIF3-Q66i. Handling providing water and sanitation services, PIF4- Q66l. Handling maintaining roads and bridges, and PIF5- Q66m. Handling providing reliable electric supply. Performance on Social Issues was measured with PSI1-0 Q66b. Handling improving living standards of the poor, PSI2- Q66f. Handling reducing crime, PSI3- Q66j. Handling ensuring enough to eat, and PSI4: Q66k. Handling fighting corruption.

3.2   Method of Data Analysis

Data were analysed using SEM. The analysis entailed hypothesising and testing the structural model that best fit the data. The overall fit of the hypothesized model was tested by using the maximum likelihood through the AMOS-SPSS application out and other goodness-of-fit indices.

4   Results and Findings
4.1   Descriptive Analysis
Table 1: Descriptive Statistics

Characteristics	Frequency	Percentage (%)
Gender:		
Male	1202	50.1
Female	1198	49.9
Tribe/Ethnic Group:		
Hausa	588	25
Igbo	415	17
Yoruba	543	23
Others	850	36
Age:		
18 - 25 years	748	3
26 - 35 years	985	41
36 - 45 years	399	17
46 - 65 years	161	7
Above 65 years	107	10

Source: Authors' Computation (2020)

Gender analysis showed respondents to comprise of 50.1% being male and 49.9% being female, almost equal. These consists of Yorubas as 23%, Igbo as 17%, Hausas as 25% and other minority tribes as 36%. This testifies that the responses cover all tribes in Nigeria. Age distribution showed that 31% were between 18 to 25 years age group, 41% were between 26 and 35 years, 17% between 36 and 45 years, 7% were between 46 and 65 years and 10% were above 65 years. Altogether, almost 89% of them were in their active age therefore, taxpaying age bracket. This suggests that the data could be useful for reliable prediction of the behaviour or attitude of taxpayers in Nigeria, at least in the near future.

4.2   Inferential Analysis to Test the Hypotheses: Structural Modelling

Results of the relative fit test of the structural model gave CFI of 0.979, NFI of 0.971 and TLI of 0.969. These values are above the 0.9 benchmark required (Bayram & Bell, 2010). Therefore, this model is considered to

have goodness of fit. Result of the RMSEA (0.034) also testify to the model's fit. With a value of 0.051, the model thus have goodness of fit (Bayram & Bell, 2010). The test of reliability gave *P*-value of the structural equation model to be 0.000, testifying that the result is significant (p < 0.05) and therefore good for reliable decision making and projection into the future.

Restatement of the Hypotheses

The three hypotheses tested for support from the SEM are stated here as follows:
Hypothesis 1 (H1$_1$): Taxpayers' perception of government provision of infrastructure facilities have significant effect on tax morale among Nigerian taxpayers;

Hypothesis 2 (H2$_1$): Taxpayers' perception of government efforts in general economic management have significant effect on tax morale among Nigerian taxpayers;

Hypothesis 3 (H3$_1$): Taxpayers' perception of government performance in social development of citizens have significant effect on tax morale among Nigerian taxpayers

The results of the initial and improved models, including the paths, are presented in Figures 4 and 5. The three hypotheses were tested at 5% significant level (P < 0.05).
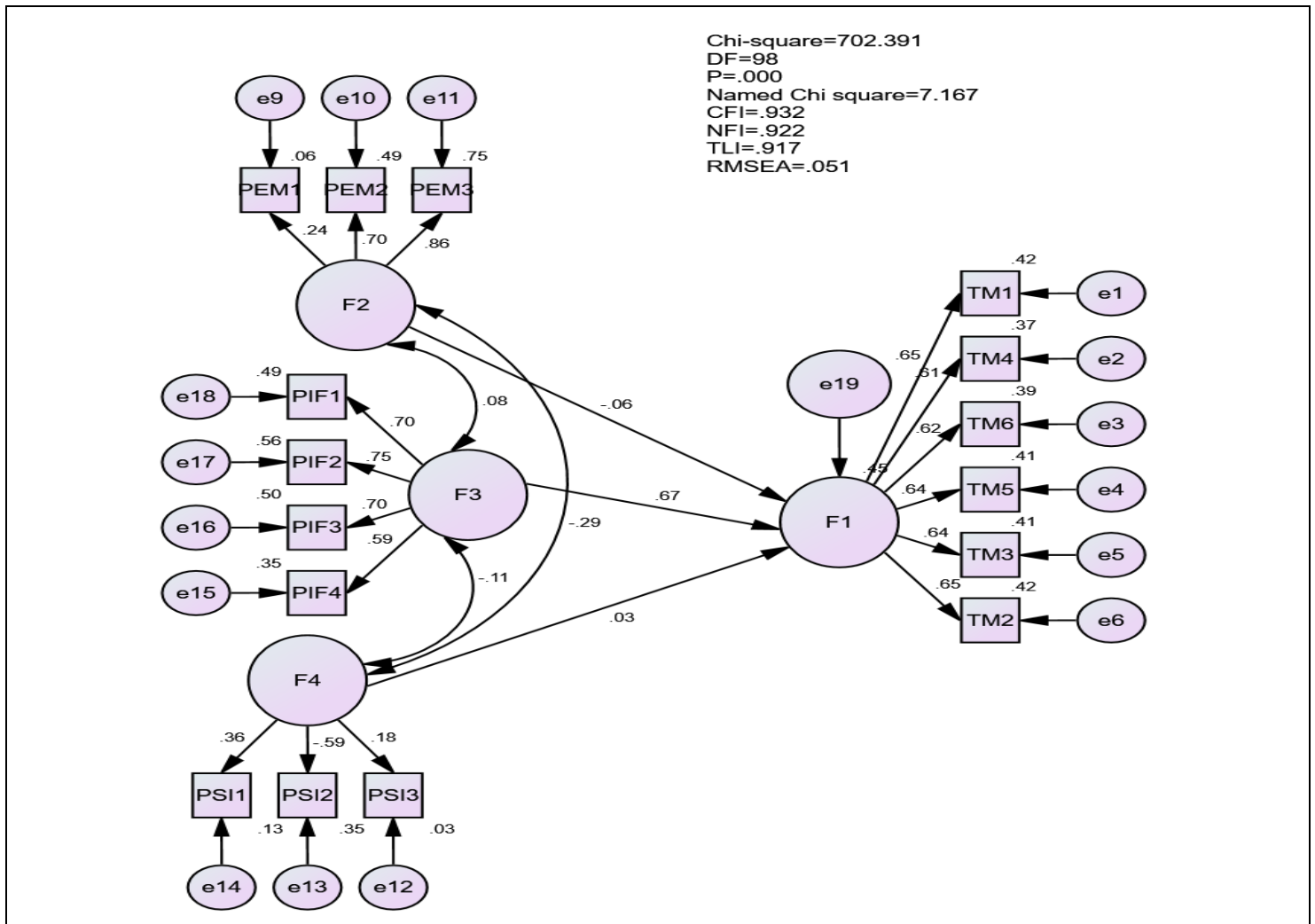
Figure 4: SEM of the Effect of Government Performance on Tax Morale

Source: Authors' Computation (2020)

Hypothesis 1: PEM ⟹ TM

The result in figure 4 revealed that $P = 0.000$ with factor loading on the path as 0.06 testifying that perception of citizens on the performance of government in economic management has significant effect on tax morale. With $P < 0.05$, this testifies that hypothesis 1 is supported by the data therefore, suggesting that government performance on economic management has significant effect on tax morale of Nigerians.

The individual contributions of each of the factors used as proxies showed that keeping prices down (PEM3) gave the highest individual contribution of 0.86 to variance in tax morale caused by government performance on economic factors. This is followed by creation of jobs (0.70) and then managing the economy as the third (0.24). These suggest that any unit increase in government performance on economic factors that focused on reducing inflation would contribute 86% to variation in tax morale of Nigerians. The inducement of tax morale would be 70%, if more jobs are created and 24% if government improves the general economy of the country.

It is noteworthy that government performance in keeping prices of goods and services down is found to be given highest preference in assessing government performance by Nigerians in determining their tax morale level.

Hypothesis 2: **PIF ⟹ TM**

The second hypothesis stating that government performance on providing infrastructure facilities has significance effect on tax morale of Nigerians is supported by the data used for the SEM ($p < 0.05$). The result is however found remarkable because the relationship is found to be negative, testifying that the more citizens perceived government is putting more efforts on infrastructure facilities, the more the effect of reducing tax morale. That is, an improvement in this area would reduce their tax morale by 0.67. The implication is that government performance on improving infrastructural facilities has significant effect on tax morale of Nigerians.

Analysis of individual contributions of each factors used to measure performance in infrastructure facilities shows that education gave the highest value (0.75) followed by health giving 0.70 and provision of water and sanitation facilities contributed 0.70 while effort in maintaining roads and bridges contributes 0.59. These suggest that a unit improvement in government efforts in providing education facilities would induce 75% improvement in citizens' tax morale. The change would be 70%, 70% and 59% respectively if the change is contributed by improvement in health, water and sanitation facilities and maintenance of roads and bridges.

Hypothesis 3: PSI ⟹ TM.

The result on Figure 4 ($p = 0.000$) also revealed that the data supports the hypothesis ($p < 0.05$). It can therefore be inferred that government performance on social issues has significant effect on tax morale among Nigerians. Consideration of the contribution to variation in tax morale (0.03) shows that a unit improvement in the perception of government performance in providing social affairs of citizens, Nigerians tax morale would improve by 3%.

Of the influence of government performance on social factors on tax morale, efforts on improvement of living standard contributed 36% (factor loading = 0.36) and getting enough food on the table of citizens contributed 18% (factor leading = 0.18). However, crime reduction effort contributed negative of 0.59% (factor leading -0.59). These suggest that a unit improvement in government effort in each of these aspects of performance would individually contribute 36%, 18% improvement respectively if improvement is perceived in living

standards, getting enough food, and 59% reduction if the effort is on reducing crime only. The implication of these results is that government that is fighting crime alone would reduce the morale of taxpayers in Nigeria.

Improvement to the Model

An effort was made to improve these results by reducing the tax morale factors to four. This effort eliminated Tax morale factors 2 and 3, leaving tax morale factors TM1, TM4, TM5 and TM6.

By ignoring the idea of citizens obeying the law (TM2) and citizens perceiving taxes as being compulsory (TM3), the modification that holds tax payment, obeying government paying more taxes to increase government services and need of citizen to pay taxes, as factors to measure tax morale, the model gave better results.
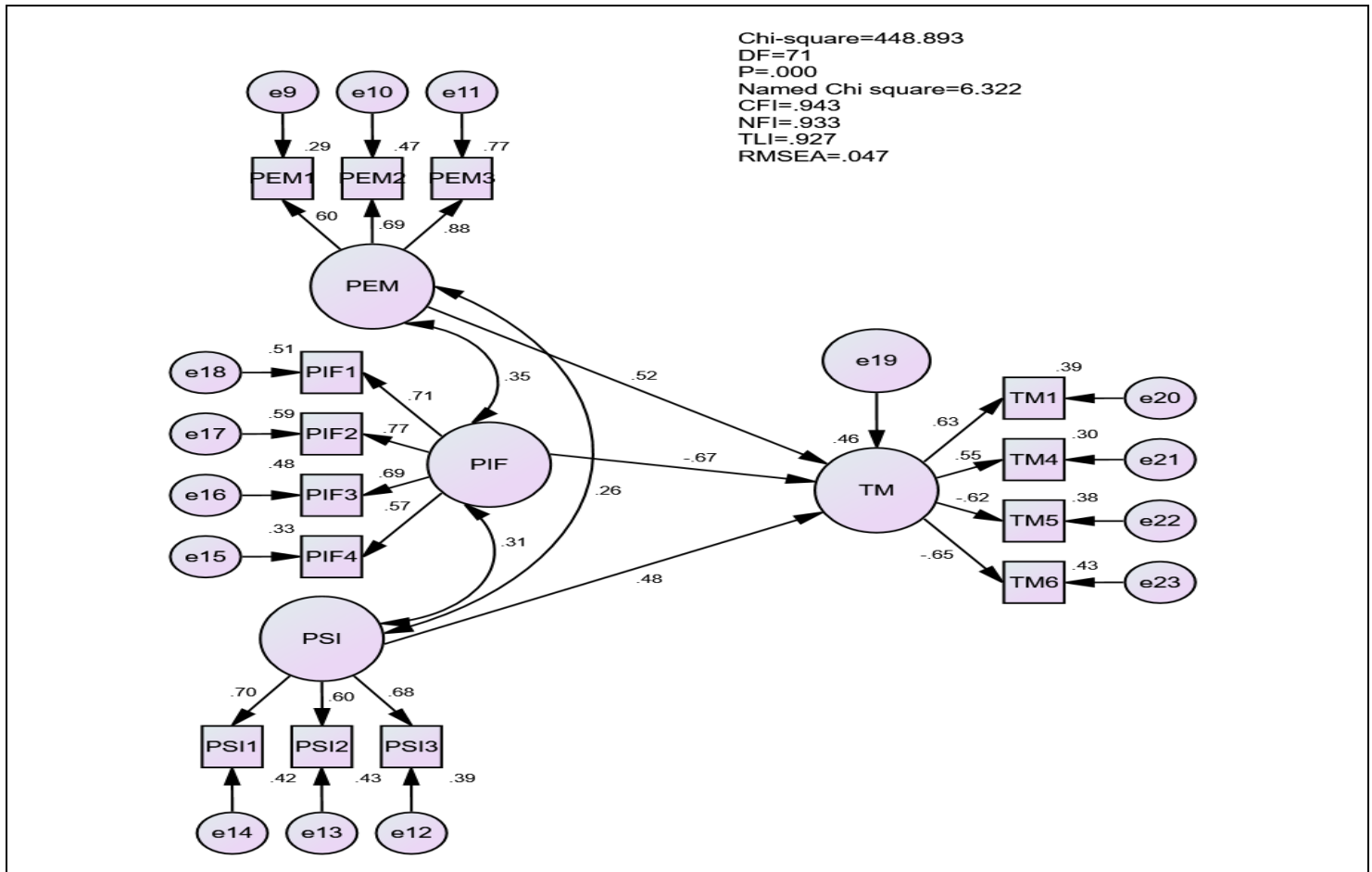

Figure 5: SEM of the Effect of Government Performance on Tax Morale (Improved model)

Source: Authors' Computation (2020)

By ignoring the idea of citizens obeying the law (TM2) and citizens perceiving taxes as being compulsory (TM3), the modification that holds tax payment, obeying government paying more taxes to increase government services and need of citizen to pay taxes, as factors to measure tax morale, the model gave an all-round improvement in the results.

Hypothesis 1: PEM ⟹ TM

The result on Figure 5 revealed that value on the path was 0.52 testifying that perception of citizens on the performance of government in economic management has significant positive effect on tax morale. The

implication of this is that if citizen's perception of government efforts in economic management is improved by a unit, the tax morale among them would be enhanced by 0.52. This testifies that hypothesis 1 is supported by this data used in this model suggesting that performance of government on economic management has significant effect on tax morale of Nigerians.

The individual contributions of factors used as proxies show that keeping prices down (PEM2) gave the highest individual contribution (0.88) to variance in tax morale caused by government performance on economic factors. This is followed by creation of jobs (0.69) and then managing the economy as the third (0.60). These suggest that any unit increase in government performance on economic factors that focused on keeping inflation under control would contribute 88% to improvement in tax morale of Nigerians. The inducement of tax morale would be up by 69% if more jobs are created and 60% if government improves the general economy of the country.

It is noteworthy that government performance in keeping prices of goods and services down is found to be given highest preference in assessing government performance by Nigerians in determining their tax morale level.

Hypothesis 2: **PIF** $\Longrightarrow$ **TM**
The second hypothesis stating that Government performance on providing infrastructure facilities has significance effect on tax morale of Nigerians is supported by the data used for the SEM ($P < 0.05$). The implication is that government performance on improving infrastructure facilities has significant effect on tax morale of Nigerians. The result is however found remarkable because the relationship is found to be negative, testifying that the more citizens perceived government is putting more efforts on infrastructure facilities, the more the effect of reducing tax morale. That is, an improvement in this area would reduce their tax morale by 0.67.

Analysis of individual contributions of each factors used to measure performance in infrastructure facilities shows that education gave the highest value (0.77) followed by health (0.71). Provision of water and sanitation facilities contributed 0.69 while effort in maintaining roads and bridges contributes 0.57. These suggest that a unit improvement in government efforts in providing education facilities would induce 77% improvement in citizens' tax morale. The change would be 71%, 69% and 57% respectively if the change is contributed by improvement in health, water and sanitation facilities and maintenance of roads and bridges.

Hypothesis 3: PSI $\Longrightarrow$ **TM.**
The result on Figure 5 also revealed that the data supports the hypothesis ($P<0.05$). It can therefore be inferred that government performance on social issues has significant effect on tax morale among Nigerians. Consideration of the contribution to variation in tax morale (0.48) shows that a unit improvement in the perception of government performance in providing social affairs of citizens, Nigerians tax morale would improve by 48%.

Of the influence of government performance on social factors on tax morale, efforts on improvement of living standard contributed 70% (factor loading = 0.70), getting enough food on the table of citizens contributed 68% (factor loading = 0.68) and crime reduction effort contributed 60% (factor loading 0.60). These suggest that a unit improvement in government's effort in each of these aspects of performance would individually contribute 70%, 68% and 60% respectively, if the effort is perceived in improving living standards, getting enough food and reducing crime respectively.

Another significant finding is that government performance in crime control got negative perception from the citizens until the government performance in getting enough food and improving the living standards of the

poor are ensured. This implication is that citizens would have negative of any effort of government in controlling crime alone, until food is available and people are living in reasonable condition. So any government that wants to control crime effectively must first ensure enough food and good living condition for its citizenry, otherwise negative consequence of efforts in reducing crime.

4.4   Summary of Results and Discussion of Findings

The study examined the influence of government performance on tax morale among individual taxpayers in Nigeria. Survey design was adopted using questionnaire as instrument administered on individual Nigerians of 18 years and above in selected states within the country. The population covers Yoruba, Igbo, Hausa and Minority tribes in Lagos metropolis, south-West Nigeria. The responses collected were analysed with SPSS 23 using SEM. Findings from the study are as summarised as follows:

Effects of government performance on tax morale: The study also found that government performance in economic management issues have significant effect on Tax morale of individual taxpayers in Nigeria. Results of analysis of the individual influence found that government performance in the aspect of handling the economy as well as in in the aspect of creating jobs have significant influence on tax morale of individual taxpayers in Nigeria. **G**overnment performance in the aspect of creating jobs and in the aspect of narrowing gaps between rich and poor did not have significant influence on tax morale of individual taxpayers in Nigeria. Government efforts in keeping prices down and in narrowing the gap between the rich and the poor did not have significant influence on tax morale of individual taxpayers in Nigeria.

The study found that government performance in the provision of infrastructural facilities does not have significant effect on Tax morale of individual taxpayers in Nigeria. Similarly on the individually influence of each proxies, none of them has significant effect on Tax morale of individual taxpayers in Nigeria. Government performance in the aspect of addressing education needs of the citizens in Nigeria.

Similar to the case of economic management, the study found that government performance on social issues among citizens has significant influence on tax morale of individual taxpayers in Nigeria. The influence of individual index found that government performance in the aspect of making food available and people are living in reasonable condition as well as reducing crime exerted significant influence on tax morale of individual taxpayers in Nigeria. Notably, it was found that, citizens had negative perception of any effort of government in controlling crime alone, until food is available and people are living in reasonable condition.

5   Conclusion

Arising from the findings, the study conclude that government performance measured along performance on economic activities, on infrastructure facilities and in social issues has significant influence on tax morale of individual taxpayers in Nigeria. It is therefore necessary for the government to improve their performance in the aspects of economic management and improvement of social affairs of the citizens.

6   Recommendations

Arising from the findings made and conclusions reached by the study, the following recommendations are for each of the major stakeholders.

Government: it is recommended that governments of Nigeria, and by extension, governments in developing economies and other jurisdictions with similar characteristics, should ensure that tax morale of citizens should be enhanced by improving their performances. Specifically, Nigerian government should improve their performances in all social, economic and provision of infrastructural facilities as they are found to be performance in these areas are not impressive.

However, in ensuring improved performances, government should make it holistic, such that one is not too much emphasised at the expense of the other. It should also be noted that efforts on provision of infrastructural amenities would only be appreciated by citizens and produce positive result if social issues are well taken care of by such government. Similarly, for government performance efforts in crime control to be appreciated, areas of job creation and food provision for citizens accessibly is essential. Government should also engage in pubic reorientation of the citizens to appreciate the essence of sacrificing for the future, when there is need to concentrate more efforts on capital projects like infrastructure facilities, since these are essential and basic items primarily needed for sustainability to be ensured. Of these infrastructure facilities, Government should ensure that control of inflation is the most essential issue needed to be pursued of all economic indices. People do not appreciate bridging the gap between the rich and the poor once the prices of goods and services are affordable by all. Less care is given by citizens to degree of income gap. Hence, government should ensure goods and services are affordable to all fists then followed by job creation, before citizens would think of any other issues on economic management.

The study's findings that education is considered most important index when ensuring tax morale is enhanced, demands that government should give high priority to citizens' education, tlen provision of health facilities. Adequately educated citizens would know essence of governance and would be willing to pay taxes with little pressure from government agents. Furthermore, a healthy citizen would have more strength and readiness to contribute more when he is able to produce more. Water and sanitation facilities should also be provided as it contributes to perception of citizens on government performance.

Government should pursue improvement of citizens' living standards, get enough food available for the citizens in order to be adjudged to be adequately performing to people's satisfaction. Crime control is also important but considered secondary to either of improved living standards and food provision.

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