

Advocating For Progressive Tax System as a Panacea to Economically-Induced Conflicts in Nigeria

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Abstract

Security, Peace and Conflict management is now of global concern. Their effective management may lead to peace, human and material development, while their mismanagement may lead to chaos and crises. Conflicts are of various types, but the prevalent one rampaging Nigeria today is the economically induced conflict. Due to bad management of economy, un-even distribution of state wealth, embezzlement of state funds, conflict now becomes a phenomenon defies of common solution in Nigeria. Premised on this, this paper examines the basic principle of security, peace and economically-induced conflict vis-a-vis the progressive tax system. The paper raises issues on the Nigerian tax system, types and causes of conflict and the interrelationship between peace, security and conflict. The paper further examines the jurisprudential basis of using progressive tax system to manage economically-induced conflict and concludes that, progressive tax system could effectively be used to tackle economically-induced conflict in Nigeria.

Keywords: Peace, Security, Economically-Induced Conflict, Progressive Tax System, Nigeria, Panacea, Advocating.

1. Introduction

Security, Peace and Conflict are three major indices on developmental strives of most African states, Nigeria inclusive. The urge to have peace forsake conflict and guaranteed security have lead many African states to enter in to series of national and international treaties that can aid the actualization of the dreams. Unfortunately, despite these strives, records and percentage of peace and security achieved today by the African states, on the African surface and in the African continent is far below average in term of performance.

Conflict usually occurs primarily as a result of a clash of interests in the relationship between parties, groups or states, either because they pursuing opposing or incompatible goals (Adeleye, 2012). “Conflict is an inevitable outcome of human diversity and a world without conflict is not desirable, because it would mean a world without diversity” (Weeks). Africa is a diverse continent – diverse in ethnic, religious and socio-cultural terms.

The 1990s saw no diminution in the number of conflicts in Africa, and most forecasts predicted further increase (Adeleye, 2012). It is on record that, during the four decades between the 1960s and the 1990s, there have been about 80 violent changes of governments in the 48 sub-Saharan African countries. During the same period many of these countries also experienced different types of civil strife, conflicts, and wars (Abdalla, 2002:1). At the beginning of the new millennium, there were 18 countries facing armed rebellion, 11 facing severe political crises, and 19 enjoying more or less various states of stable political condition (Adedeji, 1999:5, Abdalla: 1).

A snapshot of explosive conflict in today's Africa presents a worrying picture: of Eritrea and Ethiopia; of the DRC, Rwanda, Uganda, Namibia, Zimbabwe, Sudan, the last with the longest-running civil war on the continent; of Sierra Leone with gruesome atrocities against civilians; of Somalia, Burundi, Guinea Bissau and Lesotho, the latter reeling from South Africa's recent intervention" (Gordon,1999:328, Abdalla, 2012); and of Nigeria, the militias and terrorist problems which is now ravaging the country. In fact, the collapse of social values, failure of leadership and neglect of the youth is now a current problem in Nigeria. The vice now increases the spate of unemployment abject poverty, illiteracy, frustrations and resurgence of many militant and terrorist groups in different part of the country (Olokooba, 2012).

While Africa has had its share of inter-state wars, the majority of its conflicts were internal, and these internal conflicts appear to be increasing, as elsewhere (Adeleye: 1). A tragic factor in this is that the civilian populations bear the brunt of the casualties in such conflicts, estimated at some 80-90 per cent of total casualties across the world (Adeleye). The resultant effects of conflicts are not only in terms of alarming rate of casualties and refugees but also contribute vastly to socio-political problems like the spread of disease, *coup d'etat*, malnutrition, starvation, economic upheaval and decline in moral decadence.

In Nigeria, ethnic, religious, geo-ethnic, youth violent acts and others have punctuated the political process and rendered extremely fragile the security of persons, groups and their properties. Increasingly, violence is becoming a characteristic hallmark of group relations in the country (John, 2010). Formation of militias became the order of the day, and the unemployed and underemployed youth embarked on range of violent activities in search for livelihood.

This situation has produced heroes in the context of political thug, assassination, militancy, and ethnic massacre (Akeem, 2010). Some relatively impoverished youth have gravitated into religious fundamentalism with networks stretching across Africa and Saudi Arabia in case of Islam and to England and the US in the case of Patencostal Christianity (Akeem, 2010). In the South-West, we have the Oodua People's Congress, while in the North; we have the Arewa People's Congress and also Bokko Haram sect. In the South-East, we have the Movement for the Actualization of Sovereign State of Biafra (MASSOB) and in the South-South; we have the Niger Delta Libration Force and Movement for the Emancipation of Niger Delta (MEND) (Olokooba et.al.2012).

We need to know from the onset that the focus of this paper is to fashion out solution to security peace and conflict management through taxation. The paper is presented in six parts with conceptual framework following this introduction. Part three focuses on interrelationship between peace, security and conflict, Overview of Nigerian Tax System is examined in part four. The use progressive tax system in managing conflict, strengthen security and achieve peace and development in Nigeria is examined in part five, and the work ends in part six with conclusion and recommendation.

2. Conceptual Frameworks and Operational Definition of Terms

In this paper, we will be examining how progressive tax system could be use to solve economically-induced conflict and enhance Security and Peace in Nigeria.

- a) Security in this paper is used as a protective shield from institutional as well as political worry.
- b) Peace is a state of calm, harmony and freedom from conflict
- c) Economically-Induced Conflict is a conflict that occurs from economic related instances.
- d) Panacea in this study is used as solution
- e) Advocating in this paper is an argument in favour of

3. Interrelationships between Peace, Security and Conflict Examined?

There is a strong binary relationship between the trio of Peace, Security and Conflict. The relationship is that, the presence or absence of one may lead to or aggravate the existence of the other. For instance, in a peaceful state there will be security, where there is security; conflict will be absent or at worst, reduced. While on the other way round, if the opposite is the case, conflict will surely result.

Insecurity is a state of anarchy in which safety of lives and properties are no longer guaranteed. Once peace and justice are lacking in a given society, there is the possibility of conflict (Uwah, 2012: 19). Security refers to the protection of the people, property and an effort to maintain what is considered as normal condition. Security is about peace, development and justice because the absence of all these creates conditions for conflict and insecurity (Best, 2009:21). Without security, no activities can be effectively carried out, life will be in shamble, and economic activities will fail since nothing can function well in an atmosphere of insecurity (Uwah :19)

3.1 Conflict Types

Before now, given the fact that there are several types of conflicts in African countries, writers often discuss conflict in Africa without any attempt at describing or defining the term. Though they often use terms such as civil war and violent to depict conflict in the African continent. Contemporarily however, several mode and modalities are now been use by several authors in categorising conflict. While some used motivational/loot seekers and justice-seekers theory (Ishola, 2011, Collier, 1999, Binswanger, 1999), others use situational theory (Abdalla, 2002).

Under the motivational theory, the classifications tend to show the motivation behind the conflict. It also involves the use of objectives of the rebel groups as criterion for classifying conflicts (Collier and Binswanger, 1999). While under the situational theory, the target is more on the prevailing circumstances.

Further under the former classification, are, Intrapersonal conflicts, Interpersonal conflicts, intra group conflicts, intergroup conflicts, intra-communal conflicts, inter-communal conflict and international conflicts (Ishola, 19-20). Under the latter categorization, we have boundary and territorial conflicts, civil wars and internal conflicts having international repercussions, succession conflicts in territories decolonised, political and ideological conflicts, others including those related to transhumance and irredentism (Salim, 1999, Abdalla, 2002).

In general, most writers tend to think of conflicts in Africa solely as being political conflicts such as wars between states, armed rebellion against states (ranging from small-scale low intensity conflicts to large-scale civil war), armed secessionist rebellion (also of various scales), and *coup d'etat* (Abdalla, 2002:3).

In Nigeria conflict is more of economically-induced rather than political. Groups take up arms against one another because some few opportunists in the corridor of power colonized and selflessly allocate the state wealth only to them. Due to un-even distribution of oil revenue, the south-south part of Nigeria is constantly facing chaos. Cases of Oil pipe vandals, kidnapping and arm robberies carry the day. In the North, the Islamic fundamentalists' - Bokko Harram sect continuously attacking and killing people. The recent attack was launched against both military and police formation in the federal capital territory of Nigeria. In the West, the Oodua People's Congress (OPC) is also tormenting the populace. Though there may be other reason for all these conflict, but the common reason usually given by the militias for taking up arms in Nigeria is bad economic management by Nigerian leaders.

3.2 Causes of Conflicts

It may be useful to start this section with a general statement of caution issued in one of the Major African Workshop on conflicts that:

...Africa is a vast and varied continent made up of countries with specific histories and geographical conditions as well as uneven levels of economic development. The causes of conflicts in Africa reflect the continent's diversity and complexity. While some causes are purely internal and portray specific sub-regional dynamics, others have a significant international dimension. Notwithstanding these differences, African conflicts show a number of crosscutting themes and experiences... (Adedeji,1999: 364, Abdalla, 2002:13).

This is a useful caution because, as we shall see below, there is a tendency by some writers to attribute a single deterministic cause to all African conflicts, past present and future! (Abdallah, 14) Understanding the origin of conflict means, therefore, developing a framework for comprehending (a) how the various causes of conflicts fit together and interact; (b) which among them are the dominant forces at a particular moment in time; and (c) what policies and strategies should be crafted to address these causes in the short, medium and long term (Adedeji 1999, 10).

Furthermore, authors are also found of using different theories in classifying causes of conflict. And, since conflicts arose out of the desire to exercise influence or dominate others, the causes of conflicts could be numerous (Ishola, 2011).

The UN Secretary-General's Report on Africa (UN 1999, 3-5) as outlined in Abdalla 2002 listed the cause of African conflicts as historical legacies, internal/external factors and economic motives.

- a) Historical legacies are the aftermath of the colonial boundaries forced on the newly independent states of Africa
- b) Internal factors are the multi-ethnic character of most African states which is prone to conflict leading to an often violent politicisation of ethnicity. On the external factors, this has to do with competition for oil and other precious resources in Africa (Abdallah, 2002).
- c) Economic motive: Very high on the list of those who profit from conflict in Africa are international arms merchants. In African communities where oil is extracted, conflict has often arisen over local complaints that the community does not adequately reap the benefit of such resources, or suffers excessively from the degradation of the natural environment (the typical situation in the Niger-Delta, Nigeria).

Other causes of conflicts are categorised as, structurally cause conflict which shows that, conflict is built into the particular ways societies are structured and organized, this theory looks at social problems like political and economic exclusion, injustice, poverty, disease, exploitation, inequality etc as sources of conflict, Karl Marx, Joseph Lenin and Mao Tse Tung belong to this school of thought. Realist theory of conflict holds that conflict is caused by the inherent tendencies of individuals to be naturally selfish and always striving to satisfy self. To them, conflict is a competitive process between actors, primarily defined as state in the pursuit of scarce resource and competitive interests.

Still on causes of conflict, we have, Biological theorist, Thomas Hobbes, St Augustine and others who are classical theorist belongs here. Frustration-aggression theorist which according to (Best, 2009) provides that aggression is not just undertaken as a natural reaction or instinct as realist and biological theorists assured, but that in a situation where the legitimate desire of an individual is denied either directly or by the indirect consequences of the way the society is structured, the feeling of disappointment may lead such a person to express his anger through violence that will be directed at those he holds responsible or people who are directly or indirectly related to them.

The Physiological theorist, economic theorist, psycho-cultural theorist, human need theorist, systematic theorist and even the empirical causes of conflict theorist all believed that inequality in the society is the major cause of conflict.

4. An Overview of the Pre and Post-Independence Nigerian Tax System

4.1.0 Tax System in the Pre Independence Nigeria

A consensus historical belief among authors on pre-independence taxation in Nigeria was that a system of direct taxation was in existence even before the coming into being of what is known as Nigeria (Abdulrazaq, 1993, Ayua, 1996, Lekan et al., 2006.). During that time, there were various forms of taxes such as the *zakat* which is a tax levied on Muslim faithful for charitable, educational and religious purposes *Kuridin kasa*, was the agricultural tax in general. *Shukka-Shukka* was the tax levied on crops not liable to *zakat*. *Jangali* was a cattle tax levied on live stock which the community leaders usually collected from inhabitants on dues from proceeds or from commodity sales, to provide common facilities such as access roads, drinking water from wells and brooks, security, market, etc. (Amawhe, 2010: 2)

Chiefs and traditional office holders also pay an accession duty called *kudin sarauta* to the emirs on appointment and when there was no recognised or proven heir to the deceased estate in the domain of an emir, certain percentage of tribute will be paid on the estate left behind. Other forms of tax, especially in the Kanem Bornu Empire that were in vogue before the advent of the colonial masters, were *Kasasairan* tax was the grazing tax, *Hakki binimram* tax was the circular tax paid to the land owners, *Kaleram* tax was peasant tax paid to Shehu for the land tilling *Warata*, was the tax for the one-tenth of the deceased estate subject to Shehu. *Kafelo* was a gratification but obligatory gift by merchants to the Shehu and *Hadiyya* tax which was a tax paid during the Muslim festivals of *id-el-fitr*, *id-el-kabir* and *Maolud Nabi*.

Significantly, however, according to Abdulrazaq, (1993) during the pre-colonial period, taxation functioned more or less on an ethnic basis. Therefore,

... in the chieftaincies with a centralized authority, administrative machinery and judicial institutions, such as the areas of Northern Nigeria, Yoruba land and Benin Kingdom where you have Emirs and Oba's respectively, there was a system of taxation. In the non chieftaincies like the Ibo, Tiv, Bura, Igbira and Bachama areas, there existed little or no form of organized taxation.

The simple implication of the above quotation is that, the cash dominated tax system in the contemporary Nigeria today is a clear departure from what was obtainable in the pre-colonial Nigeria. Then, taxes were not necessarily paid in money; they were mostly paid in kind and obligatory personal services otherwise known as tribute taxes (Ayua, 1996:8).

It was Lord Lugard who first introduced Income Tax in 1904(Due, 1962:226); this was followed by the Native Revenue Ordinance of 1917 which reflected changes in 1904 Ordinance. The 1917 Ordinance was amended in 1918 and then extended to Southern Nigeria, first, to Abeokuta in the Western Nigeria and to Benin City in Mid-Western Nigeria. The Ordinance was extended to Eastern Nigeria in 1928(Lekan et. al 2006:15). The assessment and collection of the tax then was done through Native Administration Authorities throughout the country and tax so collected was their chief sources of revenue (Ayua, 16).

A more comprehensive Income Tax Ordinance was introduced in 1943 to all parts of Nigeria. In Nigerian tax history, the Direct Taxation Ordinance No 4 of 1940 was the first taxing statute that could be described as statute with general application throughout the country having consolidated all previous tax ordinances from 1906 to 1940(Ayua, 12). Under the 1940 Ordinance, administrative officers administered direct taxation without any form of uniformity by levying tax on the incomes of Africans in the former regions while they taxed the incomes of both Africans and Europeans in the Federal Territory of Lagos(Abdulrazaq:14).

Furthermore, the first Commissioner of Income Tax was appointed in 1940 and the Eastern Region passed its finance (Income Tax) Law in 1956 (Amawhe, 2). The Nigerian tax administration authority then, the Nigerian Inland Revenue Department, was created in 1943, and in 1958 the Board of Inland Revenue Department (BIRD) was established by the promulgation of the Income Tax Ordinance of 1958. The Inland Revenue Department (IRD) created a common front for the collection of tax in Nigeria, Ghana, Gambia, and S/Leone. In brief, the colonial era ushered in a modification of the dues collecting system in Nigeria, and the resultant effect of this was the formation of the Inland Revenue Department (IRD).

The period between 1935 and 1945 gave birth to what was known as Board of Inland Revenue with Mr. Frank G. Lloyd appointed as the Deputy Commissioner of Income Tax for Inland Revenue from 1935 to 1943(Somorin, 2002). In 1943 the Nigerian Inland Revenue became autonomous with Mr. Carter, W.A.B. of the United Kingdom Inland Revenue becoming the first Nigerian Commissioner of Income Tax upon the retirement of Mr. F.G Lloyd (Somorin, 2002).

Various regions in the country between 1954 and 1962 passed series of tax laws applicable in their various regions. In the Eastern Region what was passed was the Finance Law No. 1 of 1956 which made people above 16 has access to tax, and in the Western Region, Income Tax Law was passed in 1957 to replace the Direct Income Tax Ordinance and it was in 1962 that the North passed her own version of Income Tax Law.

The root of the present laws on Personal Income Tax in Nigeria could be traced to the Fiscal Commission, set up in 1957 which consisted of Sir Jeremy Raisman as the Chairman and Professor Tress R.C. as member(Lekan et.al, 2006:17).

The recommendations of this Commission as accepted by the government relating to Income Tax, was the basis of the Nigerian (Constitution) Order in Council 1960. Not only that, a notable development witnessed in the Nigerian tax history was the introduction of the word “person” to the tax legislations through the enactment of Company Income Tax Ordinance No 4 of 1939 which defined the expression “person” to include company and the first tax on companies was imposed under CITO No. 14 of 1939.

4.1.1 Tax System in the Post-Independence Nigeria

The main tax laws in Nigeria today are Companies Tax, Personal Tax, Capital Gains Tax, Petroleum Profit Tax, Capital Transfer Tax and, lately, Value Added Tax. The sources of these taxes laws vary since tax system administered through statutes rather than common law *simpliciter*. Majorly amongst the sources of tax law includes, legislations, constitution, court judgment, circular of revenue officials, and opinion of income tax experts, budget and pronouncement of relevant ministries etc.

The Companies Income Tax law has witnessed several amendments after the replacement of the Companies Income Tax Act 1961 with Company Income Tax Decree 1979. So also in the field of Personal Income Taxation, the 1979 Constitution has invalidated all previous laws on Personal Income Tax, hence the promulgation of Personal Income Tax Act 1993.

On Capital Gains Taxation, after the introduction of the Capital Gains Tax Act, 1967 and Capital Transfer Tax Act 1979, some novel amendments have been affected. Notably amongst those amendments was the reduction of the Capital Gains Tax from 20% to 10% with effect from 1st January, 1996. Another amendment was the abrogation of the Capital Transfer Tax via the 1996 budget. The reason for this abrogation was that the government felt that such tax could not be implemented throughout the federation since not all the states in Nigeria produce oil. The Petroleum Profit Tax Act Cap 354 LFN, 1990 which consolidated the Petroleum Profit Tax, 1959 and other amendments, has also been amended severally. Education Tax Decree was promulgated in 1993(Ogudele, 1997:24) and the Value Added Tax was also introduced to Nigeria 1993 with an effective date of 1st December, 1993.

However, some other notable development has occurred in the history of taxation with the inauguration of Federal Board of Internal Revenue on April, 1993. Furthermore, several government efforts and interests have also been felt in the Nigerian tax reforms. Some of the noticeable significant developments introduced by the current tax reform are administrative and institutional restructuring of Federal Inland Revenue Service, introduction of Taxpayers’ Identification Number (TIN), consistent public enlightenment for motivating compliance with tax laws, rules and regulations (Olokoba et.al;2011).

Within 1990-2012, about nine bills came before the National Assembly, the bills are Federal Inland Revenue Service (Establishment) Bill, the Companies Income Tax (Amendment) Bill the Petroleum Profit Tax (Amendment) Bill, the Personal Income Tax (Amendment) Bill, the Value Added Tax (Amendment) Bill, the Education Tax (Amendment) Bill, the National Automotive Council Tax (Amendment) Bill and the Customs and Excise Tariff Consolidation (Amendment) Bill, out of which four of the bills have been passed and one withdrawn.

The already passed bills are: the Bill for an Act to establish FIRS as an autonomous service; the Bill for an Act to amend the Companies Income Tax Act; the Bill for an Act to amend the Value Added Tax Act, and the Bill for an Act to amend the National Automotive Council Act. Three of the bills seek to amend the existing Personal Income Tax (PIT), Value Added Tax (VAT) and Companies Income Tax (CIT) regimes respectively.

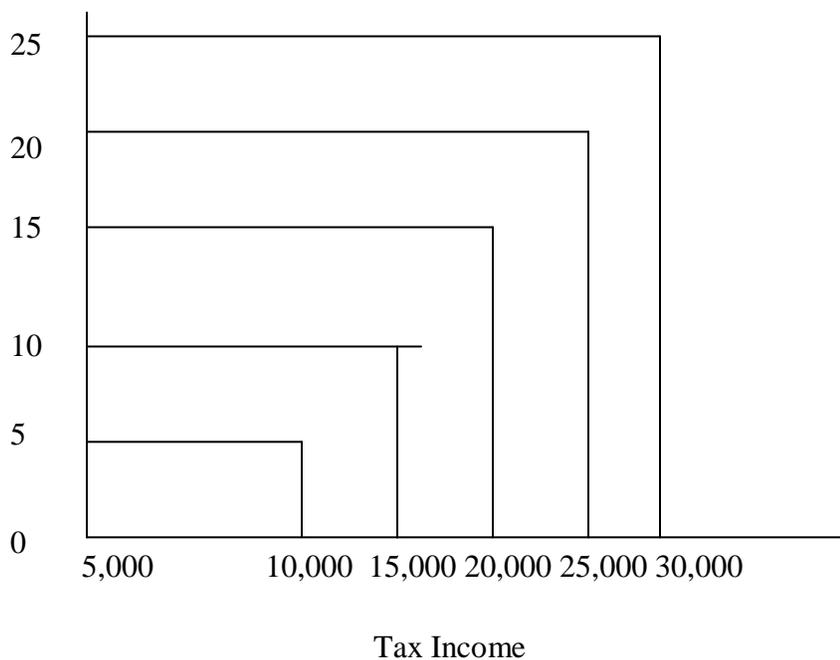
Furthermore, a presidential committee was inaugurated in July, 2005, to produce a comprehensive tax policy for the federation. The final draft was approved by the Federal Executive Council on 20th January, 2010 (Amawhe, 12). The resultant effect of all these is that, apart from the fact that, presently, the Nigerian tax system at the federal level is witnessing positive reforms which aim at simplifying the returns and payments processing, embracing the concept of real self-assessment tax regime that encourages voluntary compliance, among others(Bamidele, 2010). There is also an increase in the target and actual collection of taxes since 2005 till date (Olokooba, 2012).

5. Progressive Tax System as a Panacea to Economically-Induced Conflicts In Nigeria

5.1.0 What is Progressive Tax System?

Progressive tax is a tax system that takes an increasing proportion as income rises (Abdulezaq, 1993) in other words it is a tax that is based on the idea of vertical equity which simply means redistribution of income from the well-to-do to the less privileged (Ayua, 1991). A tax is progressive if its rate increases as the size of income or stock of wealth which is being taxed increases. The burden of a progressive income tax falls on those with higher income (Teriba, 1977).

Progressive Tax Chart



5.1.1 Practicability of Using Progressive Tax System in solving Economically-Induced Conflict in Nigeria

Apart from the fact that, progressive tax system increases payment in tax, it is a system that ensures and guaranteed equitable distribution of wealth. In that, the high income earner pay higher in this tax system and the lesser ones in the society are taking care of. If that is the case, these writers are of humble opinion that, if then principle behind this type of tax system is employed in treating the people of Niger-Delta in Nigeria, they will not take arms, the Bokko-Harram will not result to violence and the kidnappers will not find joy in breaching peace by causing havoc to other peoples life.

Similarly, progressive tax system encourages better use of resources and it promotes economic stability. Because of the flexibility in the progressive tax system, it easily allow for a reduction of tax payable during a recession or depression time by the indigent citizenry. Furthermore, government can use the essence that will be generated from the capable in term of means in providing relief to the tax payer so that they may increase their demand for goods and as a result investment is encouraged, equity is achieved and conflict checked.

Socially, by raising tax rates during economic boom the government reduces the purchasing power of the tax payers in order to fight inflation. Thus progressive tax system could also be used bringing economic stability in the economy (Lekan et.al. 2006:10). And if the economy is stable, security will be stable, if security is stable, peace will be achieved, and conflict will adequately be managed.

The essence and impact of tax on any economy be it developed or developing cannot be over-emphasised. A country's tax system is one of the key instruments for shaping and transforming the economic development of the country (Olokooba, 2012).

Tax is a deductible portion of the produce or the property and labour of the individual citizens, taken by the nation in the exercise of its sovereign rights, for the support of government, for the administration of the laws, and as the means for continuing in operation the various legitimate functions of the state (Bryan, 2004:1496).

Today, there is hardly any tier of government in Nigeria that does not rely on or make pretention to rely on taxation not only to provide the much needed revenue for socio-economic development but also to reduce the inequalities in the distribution of wealth in the society (Ayua, 1996:3). The tax system is therefore one of the most powerful levies available to any government to stimulate and guide its economic and social development. Tax could be used as a social engineering instrument to correct the societal vices, achieve retributions of wealth, check violence, improve security and achieve peace and development. The concept of tax is as old as man himself on earth. Tax is a concept that has a basis even in religious realms. The Christians pay 10 % as 'tithe' while the Muslims also pay certain percentage of their wealth as zakat. This form of religious practice is analogous to the modern day tax system.

The trilogy of revenue generation, income re-distribution and management of the economy which represent the goals and functions of taxation in any given economy presuppose and indeed emphasise the utility of the tax system (Bakwaph-kanyip, 1998:107). In serving these goals and functions, the tax system generally represents the police power of the state but which must be exercised only upon the clear letters of statutory enactment (Bakwaph-kanyip, 107). Tax is stipulated by law. In order words, the payment of tax is mandatory for both individuals and corporate organizations in a given economy. Generally, on tax, it is statutorily required of every individual to 'pay unto Caesar what is Caesar's', but specifically, on the progressive tax system is more than pay unto Caesar what is Caesar but rather a collection based on vertical equity.

5.1.2 Jurisprudential Basis of Advocating Progressive Tax System in Solving Economically-Induced Conflict in Nigeria.

A common cause of conflict that permeates all the theories propounded by the theorists, is economic. Therefore, it is the humble argument of this paper that, the best solution to economically-induced conflict is to seek solution from economic angle which will be legally clothed, hence the progressive tax system. Since economic in equality is a common features and causes of conflict in Nigeria, then a tax system that guaranteed equitable re-distribution of state wealth in the opinion of this paper is an apt solution.

Globally, the richer countries are using their economic power to oppress and subject other Less Developed or Developing Countries to do their wish. Economic power dictates what makes a country to be powerful and those powerful countries oppressed or forced less powerful ones to do their bindings through economic dictates.

The Niger-Delta in Nigeria are tired of seeing oil lifted from their area and their community still lavishing in abject poverty and environmental degradation, therefore, they resulted to the destruction of oil pipes vandals – violence(Olokooba et.al,2012). Their resulting to violence is because they belief that the resultant wealth derived from the oil is not evenly distributed. The jurisprudence here for the Niger-Delta people is inequality, and the philosophy of redress is breach of security through violence and absence of peace. However, the same philosophical thinking could be used but in the opposite way round, that is, using vast part of the resources derived from their environment for the well-being of the people in the environment. If this is done, there would be no need for arms, conflict will be absent, peace guaranteed.

Similarly, in almost all the statement and video clip that the dreaded Bokko Harram leader releases, one single statement that is common and held to be one of the major reason why they are fighting is economic inequality. According to them, Nigerian wealth is not distributed. During the time of Oodua People's Congress in the western part of Nigeria, their major agitation was un-even distribution of wealth, they argued that a particular section of the country held so long to the helm of affairs of the country, controlling the wealth which to them, it is inequality, hence they resulted to violence.

Jurisprudentially therefore, the deductible fact here is that, uneven distribution of state wealth carries higher percentage of the causes of violence in Nigeria. Therefore, no matter from which angle the problem and solution is been addressed, the truth is that, once wealth is evenly distributed, peace will be achieved and conflict will be a thing of the past.

The major reason and advantage of progressive tax system is the achievement of equity in proportion and redistribution of income from the well-to-do to the less privileged, be that as it may, progressive tax system could be the panacea of the economically-induced conflict in Nigeria.

6. Conclusion

The perennial insecurity in Nigeria has brought about hardship, unhealthy investment climate for investors, conflict in different part of Nigeria and absence to peace and or peaceful atmosphere. In the south, the problem of oil pipe destruction, kidnapping and other crimes is on the high side, in the North, the Bokko-Harram problems is ever-green, innocent people are killed on daily basis, property destroyed and life totally unsecured. Also in Western part of the country, the Oodua People's Congress especially the militant branch of the organisation lead by Gani Adams are small over-lord in the area. One reason that permeates why militants are striking in Nigeria is un-equal distribution of wealth. Therefore, for a lasting solution to be achieved there is the need for equal re-distribution of state wealth.

Be that as it may, since the major function of tax is revenue generation to meet the satisfaction and the need of the people through the provision of the essential need of the citizenry, then tax if adequately and rightly used can serve as a solution to conflict problems in Nigeria. More precisely, since the major function of a progressive tax system is taking an increasing proportion as income rises based on the idea of vertical equity which means redistribution of income from the well-to-do to the less privileged, it is our humble submission that progressive tax system is an apt panacea to conflict problems in Nigeria. In view of the above, the paper recommends that the Nigerian tax system be developed to the status of socio-economic instrument solving and that the progressive tax system be developed and administer adequately in solving economically-induced conflict in Nigeria.

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