

The Philosophy of Democracy Dividend Delivery: A Push for Government Revenue Generation and User Cost Recovery

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ABSTRACT: *Democracy more than any other form of government remains the most attractive option or phenomenon for the realization of the yearnings of the citizenry through what is commonly referred to as dividends of democracy. Since the return to democratic rule in 1999, Nigeria has continued to struggle with the delivery of democracy dividends; that is, social infrastructure, security, justice, equity, equal access to resources and power. The main impediments in the struggle being the twin diseases of corruption and insecurity. It is in this direction that this paper seeks to highlight the philosophy of democracy dividends delivery which is a driving force for government to generate revenue in order to enable her deliver the dividends. The methodology used for the study is the eclectic desk research approach. The paper concludes that democratic governments need to judiciously and prudently use the resources at their disposal to improve the quality of life of the citizens. In the same vein, fairness and accountability must be imbibed in order to usher in good and effective democratic governance. The study recommends among other recommendations that government should invest more in security than before in order to avert the boko haram scourge and other insecurity challenges.*

KEY WORDS: *Democracy, Democracy dividends, Dividends, Philosophy, User-cost recovery.*

I. INTRODUCTION

The idea of democracy encourages cherished expectations from the citizenry about what their government will provide for them to make life worth living. This expectation is expressed in the slogan ‘dividends of democracy’, which means the benefits and the advantages of democracy that accrue to the citizens of the country. These benefits include the rule of law, legitimacy of the state, favorable standard of living for the majority of the populace, entrenchment of an atmosphere of peace and security. At the wake of the return to democratic rule in 1999, Nigerians clearly expressed their delight and very high hopes for what democracy would bring or offer. To the unemployed youths, it means creation of job opportunities for them. To the hungry, it means food will be put on their tables; and to the oppressed people in the society, it means that access to justice will be possible. Regrettably however, the desired democratic dividends process in Nigeria is being dotted by the inhuman and very ugly activities of boko haram, Fulani/herdsmen attacks on farmers in Benue State and other parts of the country, corruption, poverty and other insecurity concerns like kidnapping, armed robbery, etc. These activities cause breakdown of law and order, thus resulting in killings and maiming, degeneration of social infrastructure, economic stagnancy if not complete downturn and militarizing of erstwhile civil structures. In the face of all these challenges, government needs to strive to put things right. Most importantly, the issue of peace and security, which is a core requisite of democracy dividend must be addressed. This however, does not go without cost. Government spends huge sums of money in order to maintain peace and ensure the security of her citizens. The government of President Muhammadu Buhari has spent so much and is still spending to fight boko haram and other insecurity situations in Nigeria. Faced with these enormous responsibilities, it is therefore, incumbent on government to explore ways of raising funds to tackle these challenges and also strive to provide the other needed dividends of democracy to her citizens.

It is understandable that no credible government can meaningfully carryout its constitutional responsibilities without a recourse to revenue generation. Over the years, the functions and responsibilities of government have continued to increase. It is therefore, important for government to also consider leveraging on the issue of user cost recovery; which means causing members of the public who use public goods to pay token fees for their maintenance.

The purpose of this paper is to exposit the need for democratic government to address the welfare needs of the citizenry and hence identify various viable sources of generating revenue that will help in accomplishing the task. In terms of specific details, and apart from the introduction, the rest of the paper focuses on the following:

- * The conceptual clarification.
- * The philosophy of democracy dividend delivery.
- * The role of government in an economy.
- * The concept of public service.
- * Government revenue generation efforts to deliver democracy dividend.
- * User cost recovery.

II. CONCEPTUAL CLARIFICATIONS

2.1 Philosophy

Philosophy is defined as the study of general and fundamental problems concerning matters such as existence, knowledge, values, reason, mind, and language. The Ancient Greek word ‘philosophia’ was probably coined by Pythagoras and literally means "love of wisdom" or "friend of wisdom"[1]. Philosophy therefore, means the love of wisdom or knowledge. It is sometimes used to denote a system of speculative beliefs or an attitude to life that is a guiding principle for behavior. Philosophy is also considered as asset of convictions on important issues, as when we speak of a certain man’s philosophy of life.

The striking feature of this definition is the guiding principle. Democracy as opposed to other systems of government such as dictatorship, authoritarianism, etc. has a philosophy of being people oriented. It strives to carry people along by readily responding to their yearnings and aspirations.

2.2 Dividend

Dividend is defined by [2] as “a distribution of a portion of a company’s earnings, decided by the board of directors, to a class of its shareholders”. In the same vein, [3] defines dividend as “a share of the after tax profit of a company, distributed to its shareholders according to the number and class of shares held by them. In a nutshell therefore, dividends are earnings appropriated for and distributed among stockholders of a corporation in proportion to their respective holdings and as determined by the class of their holdings. Dividends are payable by solvent corporations only; in other words, dividends are payable out of surplus.

The working features of the above definitions are appropriation, distribution and solvency. For democracy to thrive, government has to be solvent. In other words, there should be enough funds available to the government in order to enable it satisfy the needs of the entire citizenry. In a democratic set up, the interest of the people in the government is expressed in terms of what welfare packages or programs government has drawn up for them, and then, how well and equitable these can be appropriated and distributed among the citizens.

2.3 Democracy

The concept of democracy is very wide such that scholars have tried, ineffectually to reach consensus as to its generally acceptable meaning. Democracy has been defined variously by the [4] as follows:

(a) A system of government by all the people of a country, usually through representatives, whom they elect, thought of as allowing freedom of speech, religion and political opinion – a case of parliamentary democracy.

(b) Control of an organization by its members, who take part in the making of decisions – a case of industrial democracy.

(c) Fair and equitable treatment of each other by citizens, without social class divisions. According to [5] cited in [6], democracy connotes a system of government that meets three essential conditions. These conditions are:

(a) Meaningful and extensive competition among individuals and groups, especially political parties, for all effective positions of government power at regular intervals and excluding the use of force.

(b) A highly inclusive level of political participation in the selection of leaders and policies at least through regular and fair election, such that no major group is excluded.

(c) A level of civil and political liberties like freedom of the press, freedom to form and join organizations sufficient to ensure integrity of political competition and participation.

[7]cited in [8] and [9], held the view that “democracy is a government by persons freely chosen by the governed who also hold them accountable and responsible for their actions while in government”. In the opinion of [5] cited in [10], there are five basic elements without which no community can call itself democratic. These elements are equality, sovereignty of the people, respect for human life, the rule of law and liberty of the individual. These elements represent the ideals of democracy which can be adopted and consolidated by a determined people within a relatively long period of time.

Democracy entails the ability of the people to control decision making for their benefit and for the progress of the society generally. It emphasizes freedom of the individual in various aspects of life, equality among citizens, justice in the relation between the people and government and the participation of the people in choosing those in government.

Governments the world over exist to maximize the welfare of the people. This is particularly so because government is a people organization run by the people's representatives who are charged with the sole responsibility of delivering value capable of improving the people's fortunes and their general standard of living. This goal of maximizing welfare of the people, according to [11], is reflected in the following objectives:

- (a) Price stability.
- (b) Full employment.
- (c) Economic growth.
- (d) Maintenance of acceptable balance of payments position.

The attainment of these objectives is the overriding preoccupation of any government, as this accords a better quality of life for the people.

Democracy as a form of government is claimed to be better or superior to all other forms of government such as dictatorship, oligarchy, aristocracy, etc. because it is a political system guided by the principles of equity and freedom. Democracy symbolizes an elected form of government whereby those who govern get their mandate and legitimacy from the people or the electorates, who vote them into office for a stipulated period of time. A country that is democratic is governed by a constitution, which is a body of laws according to which a country and its people are governed. A constitution upholds the rule of law, and the equality of every citizen before the law.

III. THE PHILOSOPHY OF DEMOCRACY DIVIDEND DELIVERY

The philosophy of democracy dividend delivery therefore may be construed to mean the benefits that arise or accrue to the citizenry when a country embraces or practices democracy. These benefits (i.e. dividends) which flow from the government to her citizens are distributed using some guiding principles to ensure fair and equitable distribution. It was only in 1999 that Nigeria's nascent democracy was inaugurated, but already, one could count a good number of benefits that have accrued so far. A striking example is the issue of freedom of expression, which hitherto now was non-existent. In fact, under the military dictatorship, Nigerians were made prisoners of conscience in their own country. People were only to accept what they saw but never to criticize. In other words, the military government operated by decrees and did not give room for criticism of whatever action they initiated. However, under the democratic set up, rule of law is entrenched. Rule of law entails supremacy of the law, equality before the law and respect for fundamental human rights. Unarguably, rule of law can be said to be an ingredient of the dividends of democracy. [12]considers dividends of democracy to mean the benefit and positive gestures which the new environment of democracy has brought to bear on the state and society. This generally connotes an atmosphere of peace and security, improved conditions of living and respect for human rights.

The objectives of any government which were earlier on mentioned are aimed at providing a better quality of life for the people. The provision of public infrastructures such as good road network, health facilities, potable water, electricity, education, employment opportunities, maintenance of peace and security (of both people and property), improved agriculture, transportation, etc., is meant to enhance higher living standards of the people and hence lead to a better quality of life. All of the aforementioned are enjoyed by people who live in democracies. A government that provides these and more is seen to be delivering democracy dividend and hence satisfying the yearnings and aspirations of its people.

Older democracies of the western world have been able to deliver this "democracy dividend" to their people. The emerging democracies of third world nations however, are yet to convincingly deliver this democracy dividend to their people and have therefore, to face up to the challenges of doing so. [13]submitted that "democracy in Nigeria has brought very few gains and these gains have been rendered insignificant by the negative, uncompromising, depressing and devastating state of the nation". The unfortunate situation here is that our politicians do not look back to reflect on their promises during electioneering campaigns when they ascend into power. They shun their constituents and hence discard the fake promises they had made. The consequences of their thoughtless actions have manifold effects which manifest in the forms of high level of official corruption, high level of unemployment, increased level of poverty, high rate of inflation, hike in pump price of petroleum products, scarcity of premium motor spirit (fuel), ethno religious crises, industrial actions, the dreaded boko haram with its ugly and destructive activities of bomb blasting, killing and maiming. All these ugly trends are happening in spite of the fact that the country is experiencing its first longer tenure of democratic rule.

IV. THE ROLE OF GOVERNMENT IN AN ECONOMY

The role of government may be defined as those activities, to which a government may, from time to time, commit its resources. These activities differ in range and scope. In general, government provides essential services which would have been beyond the reach of low income earners if the private sectors are allowed to make them available. Such services include the provision of basic amenities such as pipe borne water, good

roads, rails, general hospitals, employment opportunities to curb unemployment rate, control and regulation of the availability of money, provision of public schools, etc.

Government performs two major functions which are grouped under essential functions or services and optional functions or services. Essential functions can be described as those functions which are absolutely essential for the continued existence of the State political system. These functions include:

- * The maintenance of peace, order and stability throughout the State.
- * The protection of the state against foreign invasion or domestic violence.
- * The protection of life and property of individuals within the territory of the state.
- * The conduct of foreign relations with other states and international organizations.

The government carries out the above functions through the maintenance of the police and armed forces and also the judiciary. It also generates revenue through different types of taxes that it charges on its citizens which enables it perform the above functions. Optional functions are grouped into economic functions and social functions. Economic functions are further subdivided into three, namely: the regulatory, promotional legislation and the advisory function. Social functions are activities which a government undertakes for the promotion of individual welfare and other purposes of the state. Among these are: the provision of essential services such as roads, pipe-borne water and electricity, the provision of education, public parks and recreation centers, the maintenance of hospitals and other aspects of public health such as sanitation, maternity and child welfare clinics [14].

V. THE CONCEPT OF PUBLIC SERVICE

Public service could be defined as a system organized to provide for the needs of the society. It embraces such services that are provided by the various governments namely, the central or federal government, the state government and the local governments. Thus it relates to the operations of the entire government departments, local authorities, public corporations and similar public bodies as allowed by law particularly in such areas that are of less economic benefit to the private sector. According to [5] cited in [15], public service in the developing societies is everything and that the most important catalyst of development is an efficient service while at the same time its inefficiency constitute the heaviest millstones of any nation. In the same vein, [16] posited that “public service is the continuously active business part of government, concerned with carrying out the law, as made by the legislative bodies in the process of organization and management”.

The importance of public service as the vehicle (agent) of democratic consolidation in Nigeria is further affirmed by [5] and is chronicled in the following words:

Democracy must not only be nurtured in such a way that it will act as bulwark of security to the people by promoting economic growth and ushering in the desired development, which can in turn guarantee peace and security, it must also recognize people as the real indices and whose political, social and economic prosperity should be guaranteed. This can only be with the effort and sense of mission by the bureaucrats saddled with the responsibility of ensuring the formulation and implementation of policies (p.106).

The public service contains a network of human relationships and associations extending from the highly influential government officials to the lowest paid and powerless individual charged with all resources, natural and human, and all other aspects of the life of the society with which the government is concerned [17].

VI. GOVERNMENT REVENUE GENERATION EFFORTS TO DELIVER DEMOCRACY DIVIDEND

Governments have a challenging obligation to provide public goods to their citizens as it was earlier epitomized. Huge sums of money are normally required to be able to do so. And since economic resources are limited in supply in the face of competing demands (uses), prudence must be imbibed in the use of these resources. The question of revenue generation is of the essence. It is indeed fundamental because, no credible government can meaningfully carryout its constitutional responsibilities without a recourse to revenue generation. Over the years, the functions and responsibilities of state and local governments have continued to change. Along with such changes comes the need for funds to finance the various roles assigned to each of these levels of government. In the opinion of [18], finance is the sinews of war for all functional organizations in any economy. It is a crucial prerequisite which enables an enterprise, public or private, to maintain itself and effectively meet its commitment to those who consume its output of goods and services. There is always a general jubilation and sense of fulfillment when a state or local government is created. In order that such jubilation does not end at the venues of inauguration of these levels of government, concerted efforts must be made to ensure that the various governments generate enough funds.

According to [19], there are various sources by which government generates revenue in Nigeria. These sources include:

- * Customs and excise tariffs
- * Licenses and internal revenue
- * Direct taxes
- * Indirect taxes
- * Fees
- * Mining royalties
- * Earnings and sales
- * Armed forces revenue
- * Interest and repayment
- * Reimbursements
- * Rent on government property
- * Statutory and non-statutory financial transfers
- * Miscellaneous

This in no way constitute an exhaustive list. Revenue obtained from these sources is used by government to provide the goods needed by the citizens. Because providing these public goods cost a lot of money, there is need for users of such goods to provide for their maintenance by paying a token fee for use of them; the case of user-cost recovery.

VII. USER-COST RECOVERY

As earlier stressed, because the provision of public goods cost huge sums of money, and since the obligations and responsibilities of government under a democracy are ever increasing in the face of dwindling resources (income), there is need for members of the public (citizens) who use such public goods to pay a token for the maintenance of such facilities or the provision of such services. For example, government can and does collect tolls for the use of highways, levies consumers for the use of pipe-borne water, electricity, etc. Government also charges school fees for the use of educational facilities, etc. Other fees or charges are imposed for the use of seaports, airports and similar facilities. All these go to recover the cost of building the facility in question and help to maintain other facilities for use by the citizens.

Furthermore, taxes paid by both individuals and businesses on their income and profits respectively, can be counted as a cost recovery measure for the employment opportunities provided, and for the facilities, conducive environment, security provided, and other opportunities created for business organizations.

In the same vein, [20] defined cost recovery as “the recuperation of the costs of government-provided or funded products, services or activities that, at least in part, provide private benefits to individuals, entities or groups, or reflect the costs their actions impose”. In practice, cost recovery involves setting and collecting charges to cover the costs incurred in undertaking activities such as:

- the provision by government of certain goods and services purchased by customers (e.g. freedom of information requests, title searches);
- the administration of regulation (e.g. registration, licensing, issuing of permits, monitoring compliance, investigations, enforcement activity etc.); and
- Government measures in natural resource-based sectors (such as forestry, fishing and aquaculture, minerals and petroleum, and land-based industries like agriculture) and ecological services (including wildlife habitat and food sources, soil conservation, water catchment protection, cleaner air, and recreational services).

The costs of these activities will need to be recovered in some way – either from users or others who benefit from the good, service or activity; those whose actions give rise to it; or from taxpayers more generally [20].

It must be emphasized that if prudently used, the resources generated through user-cost recovery can be used for further provision of public goods and the maintenance of existing ones. There is need for accountability and transparency on the part of government in handling such income in order not to erode public confidence.

VIII. METHODOLOGY

The study adopts a descriptive methodology which made use of eclectic desk research approach which relies chiefly on secondary sources of data to investigate the link between democracy dividend and revenue generation. These data are mainly from textbooks, journals and internet.

IX. CONCLUSION AND RECOMMENDATIONS

The study tried to look at the nexus between democracy dividends and revenue generation. The question of democracy dividend delivery as well as government revenue generation, and user-cost recovery, is both challenging and crucial. Democratic governments need to judiciously and prudently use the resources at their disposal to improve the quality of life of the citizens thereby providing them with dividends (benefits) that accrue from being a democracy. For the people to be positively affected by democracy, then government has to strive to generate enough revenue in order to enable her provide for the needs of the citizenry. Beyond this, fairness and accountability must be imbibed in the conduct of government business. The study therefore recommends that leaders must be made accountable for their actions in public office to ensure that corruption is downgraded. There must be a paradigm shift in governance with impunity to a situation of reorientation to good value system of ethical politics. Lastly, government should invest more in security than before in order to avert the boko haram scourge and other insecurity challenges.

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