THE COLONIAL AFTERMATH IN DIGITALIZING TAX

Nimmo Elmi

ABSTRACT

The impact of colonialism is often discussed from a historical perspective. The influence of colonialism however remains evident in the current global developmental discourses, particularly in the use of technology for development because technology since colonialism has always been viewed as an important catalyst for development. In this paper, I analyze how a tax digitalization project is part of the colonial imperial formations arguing that the current project, tax for development, conforms to colonial rationale and imperatives as it employs notions of western modernity and transformation. In essence, the argument is that the very grounds used to justify colonialism is re-worked - though implicitly- to make digital technologies a cornerstone of development process especially with regards to revenue mobilization.

Key words: Colonialism, digitalization, iTax, Kenya, taxation.

1. INTRODUCTION

Taxation is normally studied from a legal or an accounting/economics perspective. Anthropology has normally been used to understand cultural practices within societies. Can one approach taxation from an anthropological perspective? Waris (2009) argues that "a 'social contract' is the idea that individuals sign up willingly to particular moral, legal or political obligations in return for protection and services, thereby legitimizing the state". In post-colonial states however, it is argued that there is a weak to almost non-existent contract due to the lack of legitimacy of the state as well as the acceptance of arbitrary divisions by the new independent states. The inhabitants did not develop a strong sense of citizenship which then affected the idea of a social contract. This weak or lack of contract between the citizens and their government opens it up towards understanding taxation from an anthropological perspective.

Ethnography as a method of inquiry into the study of anthropology and the study of tax broadens tax discipline. Such an interdisciplinary approach is viewed by some as a temporary approach to address certain political, social or economic issues. However, interdisciplinary has become more than a temporary attempt to solve issues. Deleuze and Guattari use the terms "rhizome" and "rhizomatic" to describe theory and research that allows for multiple, non-hierarchical entry and exit points in data representation and interpretation (Deleuze & Guattari, 1980). The rhizome has connections that are intertwined with others. However, these connections are open can connect to other networks in an assemblage. Interdisciplinary research should be therefore, like the rhizome, open so that it can gain insight from other disciplines if need be.

Accordingly, there has been a recent shift in practice that calls for interdisciplinary approaches in tax studies. In an attempt to "get to know the taxpayer better" there is a move in tax administrations towards digitalising taxation. This shift is evident in developing countries like Kenya. However, this political normative stance is questioned by Berg (1998) when he asks, "if technologies are believed to be important in shaping modern worlds, what type of ordering do they bring about". The new tax technology implemented in Kenya in 2014, iTax, promises to make tax "simple, swift and secure". iTax was made mandatory in 2016 based on the assumption that Kenyan taxpayers are able to use the technological platform. How can we then research on the impact of this shift?

Legal and economic scholars have focused on the tax policies with an understanding that policy dictates practice. Whether written in law or predicted by statistics there has been a gap in understanding taxpayers' attitudes towards tax. By following the biography of a phenomenon like the new iTax platform, my ethnographic approach allows for the study of everyday tax practices. Whether standing in line at a service center or observing taxpayers' interactions with ICT experts, ethnography can contribute to understanding the impact of policy reform through its practice. Ethnographical approaches enable the researcher to gain a holistic understanding of the controversy or problem by analysing it from the meso, macro and micro scales.

This paper is concerned with analyzing the imperial formations inscribed within current tax institutions in Kenya by analyzing a digitalization project in Kenya (Stoler 2008). Failure to attending to the structures of dominance disengages and disallows one to unpack and understand the impact of past on the present. Furthermore, looking into imperial formations rather than at empire allows us to analyze the ongoing processes of decimation, displacement, and reclamation.[1] It also allows us to "shift from fixed forms of sovereignty and its denials, to gradated forms of sovereignty" (Stoler 2008, 193). The rest of the paper is structured as follows. The first section provides an overview of the fiscal realities under the colonial administration, setting the stage for the discussion on the interlinkage between the past and the present. The second section discusses modernity and makes the case that digitalization is part of the infrastructure of modernity. The third section explores the linkage between digitalization, taxation and development. The fourth section explores the Kenyan experience in digitalizing taxation. The final section draws conclusions from the discussion.

[1] This notion is inspired by Raymond William's notion of formation, Stoler (2008) argues that the concept calls attention to the "tendencies within formal institutions.

2. THE COLONIAL AFTERMATH

> *"The government claims we are not tax compliant and therefore do not care about being economically developed. I think it's high time the government takes responsibility for its past actions. The governments both colonial and post-independence constrained public participation in my area. I am referring to a sessional 10 paper, a government policy paper, where there are instructions to economically marginalize the northern communities. Furthermore, there were economic zones developed in the 1970s that totally overlooked developing my hometown. The state did not consider the region economically viable so how can it expect high tax morale? The colonialists used the railway system to marginalize us. The railway was only implemented in places they deemed economically viable. Successive post-independence governments have retained the principle of systematic marginalization.[2]"*

The young gentleman, who gave the above comment at a seminar on tax and development held at the local university in Nairobi, Kenya, was reacting to a comment made about increasing the tax compliance in Kenya. The young man, who was a law student, argued that his community was not being considered as potential taxpayers because of the historical economic policies. He was from a nomadic community in the Arid and Semi-Arid Lands (ASAL)[3] where pastoralism is the main source of livelihood. Despite providing 50-70% of total livestock in Kenya, pastoralism has been, since colonial times in Kenya, viewed with scepticism. Pastoralism was not viewed as a viable source of revenue. Furthermore, policies developed before and after independence deemed the region economically unviable using the infrastructure to further marginalise the people in these areas.

The colonial state as well as the post-independent one adopted a modernist approach to economic development where pastoralism was viewed as backward and difficult to regulate (Scott 1998).James Scott (1998) argued that historically, states have been using what he calls faith in high modernism to shape societies. High modernism is the belief in scientific laws as a tool for ordering the society into modernity (Scott 1998). Although many have been critical of this theory, I find it applicable to the postcolonial Kenyan state (Lal 2000, Zimmerman 1998). The railway infrastructure, despite not being their main colonial objective, symbolized modernity for the British colonialists.[4] While other countries in the west used infrastructure to drive modernity, the British used infrastructure to oppress and strengthen

---

[2] This excerpt is from my fieldwork data collect in Nairobi Kenya.

[3] ASAL constitutes about 84% of the total land and populated by about 20% of Kenya's population (GOK 2007). The economic contribution to Kenya, of the ASAL is significant, contributing to about 50-70% of the total livestock production (GOK, 2006). In terms of agriculture, pastoralism contributes about 50% of the total agriculture GDP (IIED, 2004). However, despite the contribution large parts of the ASAL such as Northern Kenya attract the lowest and poorest service delivery. Pastoralism is practiced in 75% of ASAL areas and collectively, these areas constitute the most marginalized parts of the country (Mugo et al, 2009; Krätli, 2001).

[4] Military domination: the line was built to exercise 'effective control' in the Scramble for Africa, or to dispatch troops for better control of the native population; Mining: the line was built into the interior to further European mining interests, and; Cash crops: the colonial power built the line to connect agriculturally rich areas. With limited budgets, colonizers expected the railroads to pay for themselves; hence they connected areas of high economic potential (Loos, Haddon and Meijer 2008).

their empire. The post-colonies, however, adopted this high modernist view attempting to 'take off economically'. Many African countries, Kenya included, adopted an African socialist manifesto that was inspired by Rostow (1962) theory of modernization (Rostow 1962). The manifesto stated that agriculture would help the country take off economically.[5]

Developed nations thereby adopted the notion that forestry and agriculture could help build strong economies. This then led to side-lining of those who could not be engaged in this activity. While these could explain the wave of underdevelopment in the continent as well as in post-colonies, the development agenda ignores this part of colonial history in what is described as historical blunting (Stoler 2008). The young man went on to discuss the issues of exclusion taking the example of the railways as an indication of how infrastructure was used historically to exclude communities economically. The main argument was that colonial policies that were aimed at diving and ruling were still in effect in certain regions of the country. Giving the digitalisation of government as example, he argued that the government uses the same "infrastructures as modernity" logic to develop the already developed areas mostly along the railway line whilst marginalising those from his area who are not connected to the "modernity grid" as he describes it.

The fiscal imperative of colonialization was to extract revenue for sustaining the colony (Gardner 2012). This rationale is still present in the current revenue administration in Kenya. In such context, digitalization can be viewed as an aftermath of colonial fiscal and state-building policies which view taxation as an extractive process for sustaining the national government without much consideration for the role and needs of local communities.

The main colonial imperative was to provide maximum economic benefit to the colonizing power at the lowest possible price (Gardner 2012). The colonial state was there built on extractive and oppressive structures which has its "debris" present in the current government structures (Stoler 2008). Stoler's (2008) concept of "imperial formation" reveals the "forces" behind the digitalization of governance in Kenya specifically in taxation. This is in contrast with postcolonial theorists who have been criticized for treating the effect of colonialism as merely a thing of the past (Mbembe 2001, Mamdani 1998 Said 1998, Stoler 2008). The work of Stoler (2008), which informs this analysis, postulates that, in unpacking the implications of colonial governance, emphasis should be placed on the complexities and more subtle

[5] http://siteresources.worldbank.org/INTAFRICA/Resources/257994-1335471959878/Sessional-Paper-No-10(1965).pdf

dispositions of the postcolonial present.

Kenya, a former British colony, is still greatly influenced by the colonial policies especially fiscally (Waris 2007).The empire's main colonial imperative in Kenya was to collect taxation for maintaining and expanding the colony (Gardner 2012). The relationship between the colonial state and the citizens was shaped by tax collection and distribution. The British, for example, used tax exemptions to obtain the support of certain tribes and to create political settlements that are quite evident in current political system in Kenya today.[6]

Crawford Young (1994) argues that the revenue imperative of colonial governments including the British was a precondition for establishing British and European hegemony as it not only provided the necessary resources, but also symbolized the authority and legitimacy of the colonial state. They first introduced the hut tax which was later changed to poll or head taxes because it seemed that the natives had found innovative ways to avoid it by living together in huts so as to pay collectively. Gardner (2012) argues that the British conquest seemed way too expensive for the empire leading to the introduction of taxes which can be described as coercive (Moore 1998,2018). Moore argues that historically most taxes were mostly enforced to the taxpayers with little or no services offered in return. Most developed nations however evolved towards contractual taxes which gives the taxpayer the rights to demand for representation and accountability in the taxes that are given (Moore 1998).

Mkandawire (2011) argues "the end of colonialism left an institutional and infrastructural residue that still plays an important role in the determination of tax policies and the capacity to collect tax" (2011:3). Here he argues that revenue generation in Africa is varied based on the policies the colonialists used. Based on this conceptualization, Samir Amin (1972) divides Africa into three groups: Africa of the colonial economy also known as the cash crop economies (mostly West African countries), Africa of the concession companies (Congo, Rwanda etc.) and Africa of the labor reserves (South Africa, Kenya). This third category is what I connect to current tax policies in Kenya. In this category the "white economy" drew on labor services for its labor requirements. Indigenous populations were basically confined to employment in white owned farms or industries. To ensure that the populations earned low

[6] Developed by Khan (2010) It provide an analytical framework for analyzing institutions and governance in developing countries. Central to this analysis is an understanding of the distribution of power. A political settlement emerges when the distribution of benefits supported by its institutions is consistent with the distribution of power in society, and the economic and political outcomes of these institutions are sustainable over time. In advanced countries, the distribution of power is largely based on the distribution of incomes generated by formal institutions and rights.

wages, measures were taken to block alternative sources of income that might compete with the wage economy. The taxpayer was excluded from any policymaking and was taxed heavily in order to support the administrations fiscal policies.

Moore (1998) argues that historically taxation was mostly enforced to the taxpayers with little or no services offered in return. Using the terms coercive and contractual taxation, Moore argues that developed nations were able to evolve from coercive tax systems to contractual system to enable the states to develop democratically while being held accountable for the fair collection and redistribution of taxes. In developing countries like Kenya, coercive measures were being used under the term of enforcement, fostering a fragile relationship between the state and the citizen.

Acemoglu et al. (2001) argue that the colonial state lacked the capacity to enforce compliance among its African subjects. They devolved the fiscal authority to African elites by electing the path of least resistance. They then sought to cut expenses rather than increase revenues. The reciprocity here was almost none existent as all the money was channelled to pay for the colonial administration.

The African elites that were tasked with revenue collection used what Bayart (2009) describes as extraversion. They were empowered with unchecked powers of revenue collection. The knowledge of tax was empowered to a few elites who after independence especially in British East Africa went on ahead to design the current tax systems that are presently in use. Unpacking this historical relevance is quite key therefore in analysing how it has shaped the present tax system in Africa and the subsequent efforts to modernize using technology.

3. INFRASTRUCTURES OF MODERNITY IN THE CONTEXT OF DIGITALIZATION

Over the past decades, tax administrations in Africa including Kenya have been engaging in a process known as channel shift which has been endorsed by powerful western/global actors. This implies to the moving away from face-to-face and postal contact to call centers' and digital channels. This move is attributed to mainly saving on costs as well as generating digital information that can help close tax loopholes. There exists an assumption with regards to the endorsement of the use of information communication technologies (ICT) in closing development gaps that all underlying issues such as low tax morale and underdevelopment can be addressed if governments adopt greater technologies. International organizations like the United Nations (UN) and the Organization for Economic Cooperation and Development (OECD) argues that e-governance is “fundamental to reform, modernization and improvement of government” (OECD, 2005; p.97).

The UN states that e-government can “contribute significantly to the process of transformation of the government towards a leaner, more cost-effective government” (UN, 2005). The UN Post 2015 Development agenda, calls for establishing technology facilitation mechanisms, to support the Sustainable Development Goal (SDG). When launching its Digital4development strategy, the European Commission argued for the need to mainstream digital technologies into European Union development policy arguing “Digital technologies and services are to be considered as a tool to achieve the objectives within the focal areas and cross-cutting themes of the EU development policy” (EC 2017)[7]. What these policies lead to is the development of claims to development.

This digital revolution is, however, ‘changing the way people interact with each other and society more generally, raising a number of pressing issues in the areas of jobs and skills, privacy and security, education, health as well as in many other policy areas (Tandon, 2018, page 12)[8]. While the impact can be relatively managed in developed countries, the materiality and performativity of digital taxes opens up a black box of colonial fiscal history with regards to the implementation of such policies in developing countries where connectivity is an issue both in terms of technology and state-society relations.

The colonial administration used technology like the railway infrastructure to promote notions of modernity and development however choosing who they included into this development shaping the economic architecture in Kenya. Those who were connected to the railway infrastructure as argued by the young man determined who would be economically empowered and who would not. iTax creates the ideal taxpayer who is tech savvy excluding those who are outside the digital infrastructure because they lack the necessary requirements in order to fully comply. There are some areas that have neither electricity or mobile connectivity. The taxpayers in these areas would be closed out of participating with a heavier burden on the ideal taxpayer.

Development theorists in postcolonial contexts equate technological advances to modernity. Thomas J. Misa (2003) points out that technology may be the truly distinctive feature of modernity, and still the modern society outlined by social theorists and philosophers is a theoretical construct surprisingly

[7] https://ec.europa.eu/europeaid/sites/devco/files/swd-digital4development_part1_v3.pdf

[8] Tandon, Suranjali. *Tax challenges arising from digitalisation*. No. 18/235. 2018.

devoid of technology (Misa 2003). This serious critique against modernity theory is accompanied by an equally serious but different critique aimed at technology studies. While modernity theory misses what is modern about technology, technology studies fail to relate their empirical findings to an abstract level and to make far-reaching interpretations about modernity.

Postcolonial view of modernization approach had two distinct engines: one when colonial states were tasked with modernizing the "primitive" and the second one is the view that "developed" countries are required to provide foreign aid in order to foster development in "underdeveloped" countries. Rottenberg (2009) argues that it is important to investigate the transitions between the representations and practices with respect to how they are institutionalized and deinstitutionalized (Rottenberg, 2009; pg. 31). What is meant here is that representation refers to imagining, depicting, to act as proxy, to bring to mind and to provide an example of something as in "representative architecture" (Rottenberg 2009,32).

Infrastructures in the post-colonies have long promised to accelerate modernity, transformation and development (Appel 2018). From colonial railroads to the current technological developments, most infrastructural project tends to promise more than they deliver. Hannah Appel's example in Equatorial Guinea shows how infrastructure boom is connected historically and presently to notions of development and modernity. The case study in this essay connects strongly to the notions presented in Appel's case. Notions of developmental and infrastructural time arise when economic development is connected to the latest cutting-edge technology in Kenya. Technology is viewed in current developmental discourses as important catalyst that can help developing nations "catch up" with the rest of the world. The infrastructural futurity is more akin to deferral relying more on the promise of infrastructure rather on whether they deliver or not (Appel 2018, 45).

From the 19th century onwards, the rise of modernity has often been associated with the centrality of technics and the habits produced by them (Von Schnitzler, 2016). Development principles with regards to "closing developmental gaps" paints ideal conditions of social existence where imagined worlds are laid out according to the worldview of those who produce them. Development has therefore an advantage of assembling a broad consensus at little cost on the basis of unchallengeable values such as "developed" and "developing".

The 'development' agenda started after the Second World War with science and societal progress grounded in modernization theory and in the belief in the 'beneficial powers of scientific rationality'

(Harding 2011). The West's sciences and technologies were supposed to be the 'jewels' in the crown of modernity. Harding (2011) argues that the formula of modernity was to replace traditional religious beliefs, myths and superstitions with value neutral scientific rationality and technical expertise (Harding 2011,19).

The end of colonialism led to the development of new expertise and global networks of organizations (Rottenberg, 2009). This new epistemic community is organized around initiating economic and social development to post-colonial states described as developing countries in policy. Between the late 1970s and early 1990s, in the era of the 'minimalist view of the state', post-colonial countries were subjected to structural adjustment programs informed by neoliberal ideas (Mkandawire 1998). The basic premise of the neoliberal approach to development was that the state in Third World countries was bloated, wasteful and inefficient with technological transfer being part of the boarder neoliberal administrative structure (Mkandawire, 2003).

The recent wave of digitalisation especially within tax for development is structured on models that are tested in post-colonial countries disallowing countries to gradually develop model that are tailormade for their contexts. The templating of solutions has created bigger gaps than imagined especially with the lack of basic infrastructures that is needed to support this shift.

4. DIGITALIZATION AND TAX FOR DEVELOPMENT

Representation of global economic change through taxation is based on the claim linking taxation to development. The recent turn to technology for sustainable development is endorsed and recommended by global policy makers like the United Nation (UN) and the Organization of Economic Cooperation and Development (OECD). The UN led "financing for development (FfD)"[9] process is premised on connecting underdevelopment to the lack of economic growth domestically. The movement, echoes President Trumann`s doctrine for development made in a speech in 1949 "we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of underdeveloped areas.[10]

What then became the Truman doctrine created the blueprint for current day development agenda.

[9] https://www.un.org/development/desa/publications/financing-for-development-progress-and-prospects-2018.html
[10] https://www.bartleby.com/124/pres53.html

The funds for international development known as overseas development assistance (ODA) have in the recent years reduced greatly especially after the financial crisis in 2008. This prompted donor and policymakers like the World Bank, Organization for Economic Co-operation and Development (OECD) and the international monetary fund (IMF) to endorse policies that reduce overreliance on foreign aid while encouraging increased tax revenues and investments partly through digitalization.

After the Second World War, developed countries also known as countries in the global north took up the role of exporting development- sometimes in the form of technological transfer- to other countries based on western understandings of modernity, progress and development. Proponents of modernization theory like Rostow (1960) argued that developing countries could only achieve development by following template developmental processes, policies and strategies from western countries. Rostow (1960) and Organsky (1965) developed stages of development that was intended to become applicable to all societies (Onyango, 2010).

The FFD process was aligned with the global goals in 2015 making mobilizing domestic revenues – implicitly through digitalization- a sustainable goal.[11] Responding to the recent turn to DRM, policymakers are endorsing the use of technology as an important tool for development. International organisations the OECD argue that e-governance is "*fundamental to reform, modernization and improvement of government*" (OECD, 2005; p.97). The UN states that e-government can "*contribute significantly to the process of transformation of the government towards a leaner, more cost-effective government*" (UN, 2005).

The UN Post 2015 Development agenda, calls for establishing technology facilitation mechanisms, to support the Sustainable Development Goals (SDG). Domestic revenue generation (DRM) is one drivers of sustainable economic growth, which in turn is of the 17 sustainable development goals (SDG) adopted globally in 2015. Increasing investments and taxation are considered the main tenets of DRM. Developing nations are thus urged to domestically mobilise to raise revenues for its own development especially after the global economic crisis in 2008 (OECD, 2016; ATAF, 2016). To achieve this, donors and international organizations urge for tax reforms with the latest being the digitalisation of taxation (OECD 2016; ATAF 2016). These claims connecting taxation to development often tie the structure of universal claims to scientific progress. The knowledge that is produced linking taxation to development

[11] Sustainable Development Goal 8: Decent work and Economic Growth

is in a way presented as a universal agenda.

Universality has two distinct meanings: firstly, as social observation done by all people in the world or even affecting particular groups and secondly as knowledge claims applicable to all cases. This second meaning often ties the structure of universal claims to scientific progress (Oppenheimer, 2011). I use this second meaning to make a case for the representation of taxation for development as universal claims that changes as the aims interface with local aims like the Kenyan development agenda.

5. DIGITALIZING TAXATION IN KENYA

Nicholas Kaldor (1963) asked, "*Will underdeveloped countries learn how to tax?* This question, that was posed right at the height of independence, is still considered relevant with regards to development discourse. Kaldor's response to this question was that even the poorest country had the capacity to tax more. In attempt to respond to this call of "learning to tax" or "taxing more", developing countries have attempted to reform their tax administrations through digitalization. Digitalising government is contextualized by the promise of "modernity, transformation and development", globally restructuring how governments are organized. While this has improved service delivery in most developed countries, in developing countries successful implementations of digital infrastructures are dependent on a country's e-readiness. This is measured by a country's infrastructure as well as its economy, which either supports or hinders the implementation of the platforms.

These assumptions and recommendations are fuelled by a belief that the relationship between development and modernity is linear and can be achieved by prescriptive models. These models are, however, designed globally and need to be translated locally. Kaldor's theory laid the foundation for many developing countries' tax agenda especially when he argued that political will is key to successful tax reform. Bird (2008) argues that a country's tax system is reflective of its political institutions, suggesting that taxation is a feature of the 'developed state'. In this context, taxation is modelled as something developing countries can achieve by adopting tax models from democratic and developed countries. This theory of change has therefore informed development projects aimed at spreading democracy on the one hand and development which is linked to taxation through digitalization.

Hence, tax administrations in Africa including Kenya has responded to the global recommendations and shifted towards digitalizing tax administration. Technology is imagined to have the ability to influence taxpayer behavior thus increasing their compliance which lead to improved revenue. While this might have been achievable in countries with strong tax cultures, developing countries are experiencing challenges with its implementations. There are several factors that has led to this complication. Firstly, historically the relationship between the taxpayer and the "tax man", has been complex due to the colonial fiscal imperative. The current tax structures in post-colonial countries are built upon the very structures that were used to extract taxes from the taxpayers (Moore 1998). While the current tax administration might claim to have "transformed" the practice is quite oppressive and extractive.

Alzouma (2005) argues that since the end of colonialism, nearly each decade has been marked by celebrations of a new technology as a means of overcoming the long-lasting problems faced in the post-colonial countries. The era of tractors, he argues was replaced with the era of broadcasting and television in which the latter is being replaced by the era of new information and communication technologies (ICTs). Alzouma (2005) argues that existing assumptions, especially within international policymaking realms are that economic development can be fostered by the use of these ICTs (Alzouma 2005 pg. 340). It is, however, important to note that the adoption of information communication technology (ICT) has generally enabled governments to use sophisticated technologies in the delivery of services and engaging with its citizens. Across the world, 175 out of the 190 countries in the world are using the internet to deliver government services.

The African Development Bank (AFDB) stated, "*Africans have realized the need to develop frameworks, supported by legislation for e-governance that are linked to strategic development objective*" (ATAF 2016). E-government is assumed to be an effective way of reducing costs, improving services, saving time and increasing effectiveness and efficiency in the public sector (OECD 2016). E-government has an array of definitions but the most common is the utilization of information technology (IT), Information Communication Technologies (ICTs) and other web-based telecommunication technologies to improve and enhance on the efficiency and effectiveness of service delivery in the public sector (Jeong 2007). While e-government refers to the tools used for service delivery, e-governance is used in the same context to refer to the impact e-government is having with regards to citizen engagement and participation in governance.

E-readiness is also used as a measurement of the government's implementation process and is defined as the ability to use "information technology and communication to develop one's economy and foster one's wealth. Moreover, it is considered a measurement of the quality of a country's ICT infrastructure and the ability of its citizens, businesses and governments to use the infrastructure to their benefit. Internationally the use of digitalisation is endorsed by sustainable development goals (SDG). Global policymakers argue that "digital technologies play a key role to accelerate access to knowledge, economic growth and job creation, equality and participation of different groups, institutions accountability, efficiency of science, and new opportunities for innovation in any societal sector[12].

Digitalising public service delivery is part of Kenya e-government agenda 2030.[13] Kenya e-government strategy was introduced in 2004 and was fully fledged in 2013. E-governance is envisioned as an accelerator of achieving both national (Vision 2030) and international goals (sustainable global goals, SDGs). Kenya embarked on its digitalization journey as early as 2004 but it wasn't until 2015 when it embarked fully on its digitalization through e-government and e-governance. Not only was government digitalized from within(e-governance) but also with how they interact with citizens(e-governance). Kenya has placed been in digital public discourse as a leader in innovation and digitalization in the continent (ODI 2018).

Much of this discourse is formulated based on the success of a mobile money transfer platform Mpesa which has received renowned attention due to its widespread use in the country.[14] While this paper is not downplaying Mpesa's success because it is estimated to have been able to reduce poverty by 2%, it is actually because of this success, policymakers locally and internationally have struggled in implementing other successful platforms. Mpesa has been used a baseline for technology and ICT developmental platforms like iTax without of properly understanding the conditions that allow Mpesa to be successful. While the latter part of this is not what this paper is focusing on it is quite relevant to understand how policies are translated into practice and make visible the actual from the intended. The global tax policy is formulated and developed mainly by countries that have a strong economic background. The same policies are then recommended to countries like Kenya through channels that is current in its third phase and both policymakers at KRA and the ministry of ICT have suggested that this will not be its last version.

It is important to underline that in countries with strong (developed) economies, the implementation has been smoother and have higher successful rates due to the presence of strong institutions. In countries

---

[12] https://europa.eu/newsroom/events/digital-technologies%E2%80%99-contribution-sustainable-development-goals_en
[13] http://iTax.vision2030.go.ke/
[14] Mpesa is the mobile money application supported Safaricom, Kenya's leading telecommunications company

with weaker (developing) economies like Kenya, it is implemented as part of what is described as the "politics of the governed" (Mamdani 2001). Mamdani (2001) argues that governments in post-colonies make uninformed and undemocratic decisions on behalf of their citizens, a historically common feature of colonial administrations' governance.

I-Tax, the e-tax system in Kenya, was launched in 2014, implemented in 2015 and made mandatory in 2016. On April 2016, barely two years after its implementation, the Kenya revenue authority (KRA) announced that online tax returns were now mandatory. Previously, taxpayers were able to access tax services manually. The taxpayers I engaged with during my fieldwork reacted differently to this policy. Some like my Uber driver found it to be positive because he disliked interacting face-to-face with the revenue authority. Others found it to be quite stressful because of the process of taxation had now, according to them, become longer.

The current I-Tax system is as a result of several modifications. I-Tax was initially adopted by KRA in an attempt to make tax administration swift, secure and simple as stated in their mantra.[15]. While ICT can be used to boost all aspects of governance the speed at which it is being adopted in form of computers, phones and the Internet especially in developing countries is remarkable as well as concerning (Loos, Haddon och Meijer 2008). Developing countries are adopting the technologies with a shorter cycle between adoption, piloting and implementation (Backus 2002). iTax was implemented and made mandatory in a quite short period and it seems to be working as a tool for the administration and not for the taxpayers.
The question then is if iTax were indeed created as an enforcement tool how would it be transformed to actually work for the taxpayers as well?

Loos et al. (2008) argue that it is not the ICT platforms that contribute to the creation of an 'ideal' society but the social dynamics at work between potential users and those in their social environments as well as between users and other stakeholders such as engineers, designers and policymakers that shape ICT. The Kenyan examples epitomizes these challenges. Barely a year after iTax was made mandatory, KRA announced that 4.8 million Kenyans risked having their personal tax identification numbers (PIN) deactivated[16]. In an attempt to penalize what KRA categorized as non-compliance with the digital system.

[15] http://iTax.ict.go.ke/about-the-ministry/
[16] https://iTax.nation.co.ke/news/4-8m-Kenyans-risk-losing-KRA-PINs/1056-4043986-9w5ge8z/index.html

KRA announced that they would deactivate the pin numbers of all those who were not registered on ITax.[17]

A KRA employee I interviewed put it the following way: "*We introduced iTax in an enforcement era, we are however implementing it in a transformation era* (Anna from KRA). Anna, who is working at the transformation office explained the challenge of transforming policy into practice. While conducting fieldwork at the revenue authority, I inquired about the authority´s recent transformation strategies. Anna's project was a flagship project initiated by the Swedish tax agency in a recent shift from mainstream donor engagements. The Swedish tax agency (STA) had developed a transformation project that was being undertaken by KRA. This process of changing their modus operandi was what was being described as challenging.

Anna was concerned about their perception as an enforcement agency while promising "transformation". The transformation that is implied here is based on changing the relationship between the taxpayer and the administration. Here, the concern was to get the taxpayers' buy-in thus increasing tax revenues. Taxpayers perception is, according to Anna, important in increasing tax compliance. While conducting this fieldwork, KRA was hacked through the new platform, ITax, revealing the vulnerabilities that existed within the system. While trying to convince the taxpayer that they were "transformed" they were still relying on their enforcement strategies to conduct business. The revenue authority did not even offer an explanation to the public about the incident prompting questions around the capability of the agency.

Externally, taxpayers relied on the media to get their information leading to distrust of the administration. Information on the scandal that had made it both to local and international media outlets. Bloggers and social media personalities came out to criticize KRA especially when it was revealed that it was an inside job. Their perception of the authority's corruption was quite high regardless of whether the authority provided an explanation or not. The underlying issues between the taxpayer and the administration are reassembled in the new platform. The distrust between the taxpayer and the administration increased with many opting not to file. The revenue authority recorded a decline in declaration in that fiscal year. In summary, although the assumption was that the new platform will enable the KRA to increase revenues and increase the government efficiency in revenue generation (KRA 2005, Kerandi 2015), Kenya is

[17] https://iTax.nation.co.ke/news/4-8m-Kenyans-risk-losing-KRA-PINs/1056-4043986-9w5ge8z/index.html Pin numbers are similar to social security numbers in this case a number that a citizen can use to access e-citizen services. Kenyans have an I.D number which is different from the pin-number

still unable to realize revenue targets through digitalization which has been largely transferred from advanced countries.

6. CONCLUSION

The International Monetary Fund (IMF) stated in its 2017 Regional Economic Outlook for Sub-Saharan Africa that automation of tax collections would help regional economies mop up more revenues (IMF 2017). In 2016, the World Bank urged African countries to speedily digitalize and computerize their tax platforms to effectively deal with corruption and enhance revenue collections. However as displayed in the essay there has been significant challenges in effectively validating the impact of the technologies transacted through telecommunications platforms.

One of the key things that can be attributed to this other than corruption and existence of weak states is the colonial structures that disallow engagement between the state and the citizens. The past in the present is so evident as revealed through current practice. Development discourse, as discussed in the paper, sought to respond to the problem of "underdevelopment" by either templating its policies in a one-size-fits-all fashion or endorsing strategies like digitalization of government and tax collection as way of accelerating sustainable growth.

What is visible in the example of Kenya is that there is a need to understand the impact of colonial administration on the psyche of both the state apparatus and the citizen as well. While attempting to increase domestic revenues by digitalizing taxation, the revenue authority not only lost millions to the hacking incident but recorded huge margins of tax evasion and avoidance as a reaction to taxpayers' frustration with the platform. More importantly, the Kenyan case shows the profound implications of technological transfer and colonial aftermath for not just post-independence state institutions but also for state-society relations.

BIBLIOGRAPHY

Acemoglu, D., Johnson, S., & Robinson, J. A. (2001). The Colonial Origins of Comparative Development: An Empirical Investigation. The American Economic Review , 91 (5), 1369-1401

Appel, Hannah. 2018. "Infrastural Time." *In The Promise of Infrastructure*, by Nikhil Anand, Akhil Gupta and Hannah Appel, 264. Duke University Press.

ATAF. 2016. *Time for Taxes*. African Tax Administration Forum, ATAF.

Backus, Michiel. 2002. *E-Governance and Developing Countries*.

Berg, Marc. 1998. "The Politics of Technology: On Bringing Social Theory into Technological Design." *Science, Technology and Human Values* (Sage Publications) 23 (4): 456-490.

Bird, M Richard, and Martinez Jorge Vazquez. 2008. Tax Effort in Developing Countries and High Countries: The Impact of Corruption,Voice and Accountability. Department of Economics.

Gardner, L. A. (2012). Taxing Colonial Africa:The Political Economy of British Imperialism. Oxford: Oxford University Press.

Harding, Sandra. 2011. *The Postcolonial Science and Technology Studies Reader*. Durham and London: Duke University Press.

IMF. (2015). An *Emphirical Study of The Impact on Taxpayer Compliance and Administrative Efficiency*. Fiscal Affairs Department. IMF.

IMF. (2017). *IMF Country Report* 2017. IMF.

Kaldor, Nicholas. 1963. "Will Underdeveloped Countries Learn to Tax." *Foreign Affairs* (41): 410-419.

KRA. 2014. *Tender Document for the Supply,Delivery,Installation and Commisioning of an Enterprise Datawarehouse and Business Intelligence Solution*. Tender, Tender No.KRA/HQS/ICB-016/2014-2015, Nairobi: Kenya Revenue Authority.

Larkin, Brian. 2008. *Signal and Noise:Media,Infrastructure and Urban Culture in Nigeria*. Durham: Duke University Press.

Loos, Eugéne, Leslie Haddon, and Enid Mante Meijer. 2008. *The Social Dymanics of Information and Communication Technology*. Surrey: Ashgate.

Mkandawire, Thandika (1998) Thinking about Developmental States in Africa. Paper presented at the UNU-AERC Workshop on Insitutions and Development in Africa held at the UNU.

Mkandawire, Thandika (2003). Can African have developmental states?
In: Bromley, Simon and Mackintosh, Maureen and Brown, William and Wuyts, Michael, (eds.) Making the International Economic Interdependence and Political Order. World of whose making?. Pluto Press in association with the Open University, London, UK.

OECD. 2016. *Technologies for Better Tax Administration*. Paris: OECD.

Oppenheimer, J. (2011). Universals, Knowledge Claims, and Methods. The Good Society, 20(2), 249–280. http://doi.org/10.1353/gso.2011.0022

Rostow, W W. 1962. *The stages of Economic Growth*. London: Cambridge University Press.

Rottenburg, Richard. 2009. *Far Fetched Facts:A Parable of Development Aid*. Cambdridge, Massachusset: MIT Press.

Schnitzler, Antina Von. 2016. *Democracy's Infrastructures: Technopolitics and Protests after Apartheid*. Princeton, New Jersey: Princeton University Press.

Scott, James C. 1998. *Seeing like the State*. Yale University Press.

Stoler, A.L. 2016. "I*mperial Debris and Ruination*," in Duress: Imperial Durabilities in our Times. Durham: *Duke University Press*. 336-379. (43 pages)

Waris, Attiya. 2007. *Taxation without principles: A historical analysis of the Kenyan Taxation Sytem*. Kenya Law Review Vol.1 272

Waris, Attiya. 2013. "*Taxing Intra-Company Transfers:The law and its Application in Rwanda*." Bulletin for International Taxation 16 (2): 1-9.

Wenzel, Micheal. 2005. "*Misperceptions of Social Norms about tax compliance*." Elsevier.