**STRATEGIES FOR IMPROVING REVENUE GENERATION FOR DEVELOPMENT IN NKANU EAST LOCAL GOVERNMENT AREA OF ENUGU STATE**

**BY**

**MBODE PAMELA UKAMAKA**

**U14/MSS/PAD/043**

**DEPARTMENT OF BUSINESS MANAGEMENT**

**GODFREY OKOYE UNIVERSITY, ENUGU**

**JULY, 2018**

**TITLE PAGE**

**STRATEGIES FOR IMPROVING REVENUE GENERATION FOR DEVELOPMENT IN NKANU EAST LOCAL GOVERNMENT AREA OF ENUGU STATE**

**BY**

**MBODE PAMELA UKAMAKA**

**U14/MSS/PAD/043**

**A RESEARCH PROJECT REPORT SUBMITTED TOTHEDEPARTMENT OF BUSINESS MANAGEMENT, GODFREY OKOYEUNIVERSITY**

**IN PARTIAL FULFILMENT OF THE REQUIREMENTS**

**FOR THE AWARD OF THE BACHELOR OF SCIENCE (B.SC) DEGREE IN PUBLIC ADMINISTRATION**

 **SUPERVISOR: DR. ANTHONY O. IDEDE**

**JULY, 2018**

**APPROVAL PAGE**

This research project titled: Strategies for Improving Revenue Generation for Development in Enugu East Local Government Area of Enugu State has been approved by the Public Administration Programme, Department of Business Management, Godfrey Okoye University Ugwuomu Nike, Enugu.

………………………….. ………………….

**DR. ANTHONY IDEDE DATE**

**PROJECT SUPERVISOR**

………………………….. ………………….

**ASSO. PROF NIKE IGWE DATE**

 **HEAD OF DEPARTMENT**

………………………….. ………………….

**PROF. ONYEMA OCHEOHA DATE**

**DEAN, FMSS**

………………………….. ………………….

**EXTERNAL EXAMINER DATE**

**CERTIFICATION**

I, Mbode Pamela Ukamaka an undergraduate student of Department of Business Management with the Registration Number U14/MSS/PAD/043 do hereby certify that the work embodied in this project is original and has not been submitted in part or full in any other Degree programme of this University or any other University.

…………………………

**MBODE PAMELA.U**

 **DEDICATION**

This research work is dedicated to the Almighty God for his guidance and protections throughout these turbulent years of my academic pursuit, and for seeing me through successfully. I also dedicate this work to my parent catechist and Mrs Moses Mbode and to my lovely siblings for their prayers.

 **ACKNOWLEDGEMENTS**

I express my profound gratitude to God Almighty for his guidance, protection and love throughout my stay in the University.

I am immensely grateful to my supervisor Dr. Anthony Idede who provided the best assistant and contributions towards making my project work a success.

 I express my appreciation to my Head of Department Assoc.Prof. Nick Igwe. I equally want to appreciate the good works of the lectures; Prof. Festus Nze, Assoc. Prof. Dr. Nick Obodo, Mr Ndukwe Oko and Mrs Ike Oluchukwu for their academic guidance and support throughout this successful completion of my progrommes.

I am ever grateful to the Vice-Chancellor Very Rev.Fr.Pof. Christian Anieke, the Dean Management and Social Sciences Prof. Onyema Ocheoha and the entire Staff of the University, especially those in the Programme of Public Administration for their immense contributions to the success of this work.

 My special recognition also goes to my ever-willing parents, Catechist and Mrs. Moses Mbode whose love, care and financial support have been of great benefit to me throughout this academic years. I appreciate my siblings Vivian, Kinsley, Nelson, Maryrose, Blessing and Martha; your love and prayer have always been a source of strength to me in carrying out this research work.

And also to my friends and roommates, Ikeabuaku Pamela, Nome Melody, Adado Dorathy, Ebuo Cynthia, Nnamani Esther, Omeka Augustine, Ogbuagu Hope and Eneh Ifeanyichukwu, my course mates and to all those whose names are not mention here but in one way or the others contributed to this work and to the success of my stay in the university. To them I say thank you.

MBODE PAMELA UKAMAKA

**TABLE OF CONTENTS**

Title page i

Approval page ii

Certification page iii

Dedication iv

Acknowledgements v

Table of contents vi

List of tables vii

Abstract viii

**CHAPTER ONE: INTRODUCTION**

1.1 Background of the study 1

1.2 Statement of the problem 4

1.3 Objectives of the study 5

1.4 Research questions 6

1.5 Significance of the study 6

1.6 Scope of the study 7

1.7 Limitations of the study 7

1.8 Operational Definition of Terms 8

**CHAPTER TWO: REVIEW OF RELATED LITERATURE**

2.1 Introduction 10

2.2 Conceptual Framework 10

2.2.1 The Concept of Local Government 10

2.2.2 The Concept of Rural Development 12

2.2.3 The concept of Revenue 13

2.2.4 Strategies of Revenue Generation 14

2.3 Empirical Literature 15

2.4.0 Theoretical Framework 25

2.4.1 Structural Functionalism Theory 26

2.4.2 The Efficiency Theory 27

2.4.3 The Functional Theory 27

**CHAPTER THREE: RESEARCH DESIGN AND METHODOLOGY**

3.0 Introduction 29

3.1 Research design 29

3.2 Sources of Data 29

3.2.1 Primary Source of Data 29

3.2.2 Secondary Source of Data 30

3.3 Area of the Study 30

3.4 Population of the Study 30

3.5 Sample Size Determination 32

3.6 Sampling Technique 32

3.7 Method of Data Collection 33

3.8 Instrumentation 33

3.9 Validity of the Research Instrument 33

3.10 Reliability of the Instrument 34

3.11 Method of Data Analysis 34

**CHAPTER FOUR: PRESENTATION AND ANALYSIS OF RESULT**

4.1 Data Presentation 35

4.2 Data Analysis 35

4.3 Discussion of Findings 36

**CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATION**

5.1 Summary of findings 50
5.2 Conclusion 51

5.3 Recommendations 51

Bibliography 53

Appendix 57

Questionnaire 58

***ABSTRACT***

 *The primary objective of this study is to ascertain the strategies of increasing and improving revenue generation for development in the Nkanu East local government area of Enugu state. The theories upon which the study is anchored are the Structural Functionalism Theory, the Efficiency Theory and the Functional Theory. The population of this study comprised of the staff of Nkanu East local government, which is a total of one hundred and nine (109) persons. A sample size of eighty six (86) was drawn using the Taro-Yamane (1967) statistical formula. Data for the study was collected using self-administered questionnaires. The method of data analysis utilized in the study was the frequency tables and percentages. Findings from the analysis revealed that the strategies adopted in generating revenue in Nkanu East are not sufficient; the primary challenges facing the efficiency of revenue generation for development in Nkanu East Local Government Area of Enugu state include corrupt practices among revenue collectors, and lack of education and enlightenment by the local government to the citizens on the need for them to pay their annual rates and fees to the local government; and the level of revenue generation has made no significant impact on the development of Nkanu East Local Government Area of Enugu state. It is therefore the recommendations of this study that modern strategies should be adopted to enhance the internal revenue generation in the local government; that adequate measures should be adopted to curb the tide of financial corruption among revenue collectors in the local government; and, that the revenue generated should be made to impact positively on the development stride of the local government area, among others.*

 **CHAPTER ONE**

**INTRODUCTION**

**1.1 Background of the Study**

Local government is recognized by the 1999 constitution of the Federal Republic of Nigeria as the third tier of government within the tripartite federal structure of governance in Nigeria, with the state and federal government as the super ordinate government. The government in Nigeria which exists at tripartite arrangement (federal, state and local government) plays complimentary roles to each other to meet the needs of the people which include infrastructural facilities (Okpata 2004).

Furthermore, local government is seen as a public sector organization, the third tier government with assigned functions and responsibilities, administrative structure and financial management both for maintaining itself and rendering it’s statutory assigned functions to it’s citizens (Uguru 2011). Local government authorities as a third tier of government in Nigeria are very important in the execution of both central and component government policies and programmes. It is the nearest government that deals with the problems of the masses of the country, especially the grassroots.

One area which has remained neglected over time by the local governments in Nigeria is revenue generation. The usual practice in this country (Nigeria) is that political parties and individual candidates often make promises to the electorate during electioneering campaigns without being explicit on how they intend to finance such programmes. In line with this practice, candidates seeking political offices often promise vote-catching programmes with scarcely any attention to the question of funding (Fajobi, 2010). The result is that ordinary citizens may witness very little government activities and the impact of the government will be felt in almost all sphere. This may lead to disappointment. It is quite obvious that very little thought, if any, is given to how funds were to be generated to implement the various programmes promised to the electorates.

Local governments across the country are particularly guilty in this respect. Chairmen complain of their inability to meet their wage bills with the current level of the local government finances. Chief executive often tries without success to slash the wages of their workers while others may resort to staff retrenchment in order to save money to implement programmes.

Fajobi (2010) argued that the acute dearth of fund currently facing the local government could be squarely attributed to lack of creativity on the part of the local government in seeking alternative sources to complement the allocation from the Federation Account. Most local governments are suffering from hang-over of overdependence on the centre for assistance, a norm during the military governance. They are yet to break away from the practice of relying almost entirely on extension from the Federal Government. The federal government, in turn also depends entirely on revenue from oil and its apportionment of the lion’s share of the Federation Account to itself. Local government will continue to be one of the prime institutional movers of development in Nigeria and their importance and impact on the daily life of citizens cannot be over-emphasized. People are intimately affected by the activities of local government on a day to-day basis and Nigeria, in particular, local governments, have historically provided services of importance to citizens, literally from cradle to grave. The standard of living of Nigerians either in rural or urban areas are inevitably affected by local government activities through the provision or non provision of basic services such as water supply, roads, health and educational services etc. Local governments also remain the focal point of promotion of development and cultural revival through community development projects and mobilization of human and material resources for developments. It is on the basis on the foregoing that this study will be focused on the strategies of increasing and improving revenue generation for development in the Nkanu East local government area of Enugu state.

**1.2 Statement of the Problem**

Obviously, the internally generated revenue in Nigeria Local Government is far below expectation. It has become imperative to diversify areas of revenue generation especially with the dwindling federation allocation which has been the major sources of revenue to the local government. Since inadequate revenue remains one of the devastating challenges hindering effective local government administration in the country, it then necessitated the general outcry by the administrators (chairmen) of local government for a change in Revenue Allocation Formula or strategies for improving revenue generation in the development of their respective local government areas.

Again, the problem of seeing local governments as a mere appendage to the state and federal government financially has beclouded the patriotic and entrepreneurship psyches of local government administrators, hence most local government tilted financially to the federal government for monthly statutory allocation from the federation account. This problem of economic and financial overdependence of the local government in Nigeria is devastating, uncalled for and against the motives for the creation of local government as the third tier. Furthermore, the inability of the local administrators to use in-sourcing techniques for funds to finance the council through internally generated revenue is a thorn in the flesh of meeting up their constitutional responsibilities such as the provision and maintenance of social services (education and health care) payment of the worker’s salary and so have given rise to whether to scrap or restructure local government systems in Nigeria. It is in line with the above problematic scenario that this research is motivated to carry out an empirical analysis of the strategies for improving revenue generation for development in Nkanu East Local Government Area of Enugu State.

**1.3 Objectives of the Study**

The broad objective of this study is to ascertain strategies for improving revenue generation for development in Nkanu East Local Government Area of Enugu state. Hence; the following specific objectives will be actualized:

1. To identify strategies for improving revenue generation for development in Nkanu East L.G.A of Enugu East.
2. To ascertain the various challenges surrounding the efficiency of revenue generation for development in Nkanu East Local Government Area of Enugu state.
3. To evaluate the impact of the level of revenue generation on the development of Nkanu East Local Government Area of Enugu state.

**1.4 Research Questions**

In line with the objectives of the study, the following research questions will pilot the study:

1. What strategies can be identified for improving revenue generation for development in Nkanu East L.G.A of Enugu East?
2. What are the existing challenges surrounding the efficiency of revenue generation for development in Nkanu East Local Government Area of Enugu state?
3. What impact does the level of revenue generation in the Local government have on the development of Nkanu East Local Government Area of Enugu state?

**1.5 Significance of the Study**

The primary importance of this study is that it will empirically identify the pragmatic strategies for improving revenue generation for development in Nkanu East L.G.A of Enugu East. This will in essence be of great significance to local government administrators, students of public administration and other related departments, other researchers, the state and federal government as strategy can be replicated.

**1.6 Scope of the Study**

The focus of this study is to ascertain strategies for improving revenue generation for development in Nkanu East Local Government Area of Enugu state.

**1.7 Limitations of the Study**

This research admits its short-comings or limitations. It is a mark of intellectual honesty to admit that limitations did exist in a research undertaking and to give an account of the way they have been manifested and taken care of. This will enable future investigators to have an idea of what militating factors to look out for and possibly to take care of them. The basic limitations of the study are: financial inadequacies, time factor, the uncooperative attitude of some respondents and scanty resource materials on the subject under investigation.

**Finance:** Limitation of financial resources, coupled with other pressing personal demands militated against the researcher's efforts to cover a wider geographical area. The researcher had to spend so much to download materials from the internet. This was however ameliorated through parental assistance and the adoption of cost saving techniques during the course of the study.

**Time Factor:** Time lag was also a major constraint because the research was carried out within a given time-frame. This work was carried out in an environment where the researcher had to battle with lectures, assignments, class work and sourcing for materials for the study. However, the researcher made tremendous efforts to cover adequate issues in order to give value to the findings of the study.

**Uncooperative Attitude of Some Respondents:** In the course of carrying out this study, some respondents were reluctant to accept and fill their questionnaire. However, the researcher discovered that their main purpose for being reluctant was because of fear of private information disclosure. The researcher however convinced them that every information will be treated with the highest level of privacy.

**Scanty Resources Materials:** One of the major hindrances of the study was scanty materials on the strategies of increasing and improving revenue generation for development. Very few journals, government and newspapers publications exist. Hence, the researcher resorted to the available publications and content analysis in order to beef up the content of the work.

**1.8 Operational Definition of Terms**

**Local Government:** This is defined as Government at the local level exercised through representative council established by law to exercise specific powers within defined areas.

**Revenue:** In the context of this study, revenue is defined as the fund required by the government to finance its activities.

**Strategy:** In this study, this is defined as a systematic proposed way to achieve a particular aim or objective.

**Development:** This is defined as the multidimensional expansion in the economic, political and behavioral attitudes of a particular community, state or country.

**Internally Generated Revenue:** This refers to the revenue or money collected by the local government from its internal sources (within the Local Government Area). The internal sources of revenue comprise many major and miscellaneous items aggregated to provide the required fund for financing the enormous functions ascribed to local government as third tier of government.

**CHAPTER TWO**

**LITERATURE REVIEW**

**2.1 Introduction**

This section of the research is focused on reviewing existing literature connected to the topic under study. This section is divided into conceptual framework, theoretical framework, empirical literature and gap in literature.

**2.2 Conceptual Framework**

**2.2.1 The Concept of Local Government**

This refers to the revenue or money collected by the local government from its internal sources (within the Local Government Area). The internal sources of revenue comprise many major and miscellaneous items aggregated to provide the required fund for financing the enormous functions ascribed to local government as third tier of government.

The term local government has been defined variously by different scholars. In the view of a scholar like Wraith, local government refers to locally elected councils whose main purpose is to provide or administer services with as great degree of independence as modern circumstance allow (Wraith, 2004). For Golding, local government is the management of their own affairs by the people of their locality (Golding, 2009).

Some other scholars have attempted to expand on and perhaps give greater expression to the definitions given above. For Sorka, local government connotes the decentralization or dispersion of authoritative decision making where by the authority to make decision is displaced downwards from remote points near the top administration or outward from geographical locations, thus bringing authority closer to the people affected by it (Sorka, 2008). In the same vein, Oyediran sees local government as the diffusion of political process on area basis, i.e. local self administration and inclusion of noble ideals of impartiality, protection of minority rights and integrity, all of which are considered essential to the evolution of a liberal democratic society (Oyediran, 2009).

Appadorai (2004) defines local government as government by popularly elected bodies charges with administration and executive duties in matters concerning the inhabitants of a particular district or place. According to Shah (2006), local government can be defined as institutions or entities created by national constitutions (Brazil, Denmark. France. India, Italy, Japan. Sweden), by state constitutions (Australia, the United States), by ordinary legislation of a higher level of central government (New Zealand, the United Kingdom, most countries), or by executive order (China) to deliver a range of specific services to a relatively small geographically delineated area. Local governance is thus defined as the formulation and execution of collective action at the local level. Thus, it encompasses the direct and indirect roles of formal institutions of local government and government hierarchies, as well as the roles of informal norms, networks, community organizations, and neighborhood associations in pursuing collective action by defining the framework for citizen-citizen and citizen-state interactions, collective decision making, and delivery of local public services. Local governance, therefore, includes the diverse objectives of vibrant, living, working, and environmentally preserved self-governing communities (Michael, 2008)

**2.2.2 The Concept of Rural Development**

According to Lele (2005), rural development means improving the living standards of the masses of low income residing in rural areas, and making the process of their development self-sustaining. It can also be defined as the articulation, provision and stimulation of economic activities, health and educational advancement facilities, and utilities for rural dwellers (Ugwu, 2009). Furthermore, Ugwu claimed that, rural development is a venture towards urbanizing the rural environment by way of encouraging rural dwellers to participate in activities that will promote economic and social development and enhance their living standards.

On its own part, the World Bank (1973), defined rural development as a strategy designed to improve the economic and social lives of a specific group of people. According to the financial body, it involves extending the benefit of development to the poorest among those who seek a livelihood in the rural areas (Ujo, 2004). But Basu (2006), in a contrary opinion, stated that the essence of rural development is the all round development of the rural areas or villages with the efforts of the people. He contended that the need for citizen participation in plan formulation and implementation processes has been repeatedly stated as the gateway to bringing about social, economic and political development in the rural areas.

**2.2.3 The Concept of Revenue**

The term revenue has been defined by various authors in different ways. Adam (2006) defined revenue as the fund required by the government to finance its activities. These funds are generated from different sources such as taxes, borrowing, fine, fees etc. It is also defined as the total amount of income that accrues to an organization (public or private) within a specified period of time (Hamid, 2008). States revenue comprises of receipt from taxation as well as those which are not the proceeds of taxation, but of either the realization from the sale of government properties or other interests and returns from loans and investment earning. Bhatia (2001) contends that revenue receipt include “routine” and “earned” income. For these reasons, according to him, revenue do not include borrowing and recovery of loans from other parties, but it includes tax receipts, donations, grants, fees and fines and so on.

**2.2.4 Strategies of Revenue Generation**

Hofer and Schedal (2008), described strategy as a game plan through which aims and objectives of an organization is achieved. They also defined strategy of revenue generation as the fundamental pattern of present and planned resource department, and environmental interaction that indicate how the organization will achieve its aims and objectives.

However, for effective revenue generation, Hofer and Schedal (2008), suggested the following strategies:

I. Introduction of additional sources of revenue.

II. Providing an incentive for extra efforts of the revenue generation staffs.

III. Periodic raiding by officer of the revenue generation.

IV. Efficient and effective collection of existing rates.

V. Public enlightenment and campaign that will educate the tax payer on the importance of prompt payment.

**2.3 Empirical Literature**

This part of the study was focused on reviewing some of the previous related studies on the subject under analysis.

Obinna (2017) assessed the effect of tax contractors in revenue generation of Enugu State local governments, Nigeria between the periods, 2010 – 2015. Stratified sampling and random sampling techniques were used in selecting three local governments from each of the three senatorial districts of the state; purposive sampling and convenient sampling techniques were adopted in distributing questionnaires to the sample size. Data were collected from both primary and secondary sources. Data collected were analyzed using frequency and percentages. The Three hypothesis formulated were tested using Chi-square and t- test statistical tools. Findings made include among others: that the use of tax contractors for revenue collection in Enugu State local governments does not lead to an increased revenue generation or an improved tax payers’ records; that factors such as political interferences, lack of transparency in recruitment, corruption, use of non-professionals, use of unorthodox methods of enforcement, etc. are major factors militating against the use of tax contractors. The study concludes that given the right conditions, the use of tax contractors could be a viable tool for increased revenue generation.

Adesoji and Chike (2013) assessed the effect of internal revenue generation on infrastructural development. The research methodology entailed the use of survey research design and purposive sampling method to select respondents from Lagos State Inland Revenue Office. Questionnaires and statistical data were instruments used for the study. Descriptive and inferential statistics were the statistical tool used for the analysis. The descriptive statistics involves the use of simple percentages while the inferential statistics involved the use of Spearman’s Rank, which is to show the direction of relationship between variables in the study and to show the scale for the data that is interval. Two hypotheses were formulated and the Spearman’s rank correlation analysis was used to test the relationship between internally generated revenue and infrastructural development. The result showed that there is a positive relationship between internally generated revenue and infrastructural development. The study also revealed the various methods of generating internal revenue, which are the enforcement of tax personnel, contribution, and creating awareness to the public. The findings of the study however show that revenue administration agencies need to be reviewed to generate more revenue in the country.

Alao and Alao (2013) examined how the application of strategic control and the balanced scorecard can transform the attitude of workers with a view to enhancing overall organization goal. It highlights the requirements of IAS 18 on revenue recognition. The study is descriptive and adopted the desk research approach, using secondary sources of data such as journals, text-books, accounting standards, government papers. The study found that there is need for re-engineering the whole system through strategic controls and using the balanced scorecard as an appraisal system for staff performance which when properly linked with organization objective will enhance increased revenue generation. The study concludes that the performance appraisal system currently in use is counter- productive and subject to abuse thus, it should give way to the use of the balanced scorecard which is goal-directed.

Okafor (2012) explored the impact of income tax revenue on the economic growth of Nigeria as proxied by the gross domestic product (GDP). The ordinary least square (OLS) regression analysis was adopted to explore the relationship between the GDP (the dependent variable) and a set of federal government income tax revenue heads over the period 1981-2007. A simple hypothesis was formulated in the null form which states that there is no significant relationship between federally collected tax revenue and the GDP in Nigeria. The regression result indicated a very positive and significant relationship. However actual tax revenue generated in most years fell below the level expected. The anomaly was attributed to dysfunctionalities in the income tax system, loopholes in tax laws and inefficient tax administration. Suggestions were made as to strategies to be adopted to improve the system of tax administration to increase tax revenue generation.

Moses, Stephen and Basil (2012) examined the various options for maximizing internal revenue generation in the Nigerian local governments. It took critical and hard look on the various sources of internal revenue in the local governments, problems of exploiting the various sources for revenue generation, and the reason why most of the sources remain untapped or under-tapped by the local government in Nigeria. The study suggested feasible and pragmatic ways to maximize internal revenue generation in the local governments. It observed that prior to 1976 Local Government Reform; most local governments were able to maximize their internal revenue generation and discharged their primary responsibilities with little or no financial assistance from the higher tier governments. However, with the introduction of statutory allocations to the local governments following the 1976 Reform, most of the local governments abandoned the hitherto viable internal revenue sources in preference to the revenue from statutory allocation. This unwholesome attitude of most local governments, among others, was identified as the bane of internal revenue generation at this level of government. The paper concludes, by stating that unless the local governments look inwards to maximize their internal revenue sources it cannot be financially self-reliant. The implication of this is that it cannot enjoy reasonable degree of autonomy as a third tier of government if it continues to be heavily dependent on the financial assistance from both the federal and the state governments, to be able to function effectively. The reason is because as the saying goes, “he who pays the piper dictates the tune.”

Uhunmwuangho and Aibieyi (2013) carried out a research to find out lasting solutions to the financial problems hindering local governments in Nigeria, most especially strategies to ameliorate the over-dependence on Federal Government allocation for the up-keep of the Local Government. The paper also recommends amongst others, that any official who divert local government funds to their personal purse should be punished in accordance with the law of the land, use of council staff for revenue collections should be encouraged and stop using agents who are not council staff. The paper concludes that undoubtedly, for Local Governments to be able to perform these functions creditably, they need sufficient funds.

Murana (2015) carried out an examination of Local Government Finance in Nigeria using Iwo Local Government of Osun state as a Case Study. Data for the study were gathered from face-to-face interview, available records in Iwo Local Government, text books, lecture notes, journals, reports, seminar presentation and internet materials. The data collected were subjected to descriptive statistics (simple percentage) and content analysis. The study explored various sources of financing local governments in Nigeria. It also explained financial relationship of Nigerian local government vis-à-vis State and Federal Government using theory of decentralization. The study went further to explain financial management in Iwo L.G. Result obtained from the analysis shows that financial transfers from federal government (Statutory Federal Allocation) are the most viable and reliable source of local government revenue and that without Federal Allocation no capital project can be embarked on. Therefore, to arrest this financial situation that local government find itself, that is over dependence on federal allocation, this work submitted that local government should increase their revenue base by laying more emphasis on the internal revenue sources, especially those areas that are hitherto neglected or not been fully exploited.

Adeoti, Olawale and Abdulraheem (2014) investigated the strength, weakness, opportunities and threats of each of these sources. A sample of 200 respondents from 20 local governments in Oyo State was used for the study. The twenty local governments were selected based on convenience sampling technique and a likert scale of 4 points (Strongly Agreed, Agreed, Disagreed and Strongly Disagreed) was used to test the level of agreement of respondents to the items and variables in the questionnaire. Frequency counts, student t – distribution and multiple regression analysis were used for data analysis. The results revealed that marriage, Tenement rate, local licenses fees and fines and revenue consultancy accounted for 97.3% of sources of revenue to local governments. About 2.7% accounts for other sources outside the model. The regression equation shows that by ranking, marriage contributed a higher percentage to local government revenue followed by consultancy, local license fees and fines, Tenement rate and lastly rent on local government property. The two hypotheses tested showed that all the variables were significant to revenue collection. The study recommends that X3 – Rent on local government properties which is the least in terms of revenue generation should be revisited and divorced of political attachment so that in-coming administration will not have apathy to previous government projects. Secondly, the study recommends that the wage bill of the consulting firms to local government should be considered vis-à-vis the amount they generate.

Ibrahim (2015) determined the general level of revenue generation in Ezinihitte and Aboh Local Government Areas of Imo state under study by examining the two major sources (internal and external) of revenue available to local government in Nigeria. It also examined the relationship between revenue generation and service delivery. The study used survey research method where data was generated through both primary and secondary source. The primary data was collected through the use of questionnaire in soliciting information from the respondents about the management of revenue generated and services delivered. The secondary data was collected through the two local government annual estimates, treasurer’s reports, etc. Pearson chi-square was used for data analysis to show the relationship between effective management of local government revenue and level of service delivery in the local governments. Pearson Correlation was also used to measure the relationship between the amount of revenue generated and service delivery in the two local governments. However, it was found that effective management of local government revenue positively impacted on the efforts of local government in promoting development. And there is a positive correlation between the amount of revenue generated and the level of services delivered. This means that the ability of local governments to provide effective services to people depends on its ability to generate revenue from its internal and external sources. This is achievable through proper collection and remittance of revenue by revenue collectors and financial discipline in budgeting processes. In line with the findings of the study it was recommended that more revenue sources should be identified and adopted in order to increase and improve the revenue base of the local governments. Property and tenement rate as potential sources of local government revenue should also be tapped fully to improve the revenue base of the local governments.

Dagwom, Elizabeth and Ishaya (2016) examined the impact of revenue generation and utilization on social service delivery in Plateau State. This study is based on experimental research design using descriptive and empirical research strategies. The study utilizes simple percentages, graphs and charts, as the strategies for descriptive data analyses and Ordinary Least Square (OLS) regression analysis to empirically test the impact of revenue generation on social service delivery in Plateau State. The study finds that revenue generation as a whole has an impact on social service delivery for the period 2006 to 2015 in Plateau State, with majority of the sources of revenue, coming from federation account, capital receipts and other revenue, which are individually not significant in impacting on social service delivery in Plateau State. The study also finds that revenue generated and allocated to health and education sectors were not adequately utilized in relation to total revenue generated for the period 2006 to 2015 in Plateau State compared to recommended international standard benchmarks. The study recommends amongst others that there should be more focus of utilization of revenue generated on social services capital expenditure in Plateau State to improve the quality of lives of its citizenry by the Plateau State Government.

Mohammed and Mohammed (2017) examined the moderating effect of internal control system on the relationship between government revenue (statutory allocation and internally generated revenue) and expenditure. All the sixteen (16) local governments in Taraba state of Nigeria were considered the population and were as well maintained as the sample size of the study. Secondary data was gathered from the official websites of Federal Ministry of Finance and office of the Accountant General of the Federation, and others from annual accounts and reports of the population of this study. The study utilizes ex-post facto research design to examine the relationship between the study variables. Descriptive statistics, correlation, and hierarchical multiple regression analyses were carried out to answer the research questions raised in this study. The study finds that statutory allocation and internally generated revenue are positively related to government expenditure, which may cause more government spending that may leads to fiscal imbalances. When further analysis was conducted, the result reveals that internal control system moderates both statutory allocation and internally generated revenue towards government expenditure, but internal control system is not effectively applied in the local governments. Therefore, this study suggests that government should strategize ways to improve revenue generation on one hand, and control expenditure excesses on the other hand so as meet its objectives*.*

Abba, Bello and Modibbo (2015) examined the relationship between Expenditure and Internally Generated Revenue at local government level in Adamawa state. They found that expenditure has significant impact on local government internally generated revenue. Their study recommends that Proper accountability and transparency should be adopted in incurring expenditure (capital and recurrent) in the local government. This may include community participation on project to be executed in the local government, disclosing what has been generated as IGR over a period of time. They also recommend that capital expenditure in the local government should be encouraged. Some of the recurrent expenditure that does not contribute significantly to the revenue generation in the local government should be minimized. Such recurrent expenditures are those in the office of the chairman, secretary, legislative arm and personal management should be minimized, so that the amount can be allocated for capital expenditure.

**2.4 Theoretical Framework**

This study relies on a number of relevant theories, developed by different schools of thought in examining the functional responsibilities local governments perform. It is quite imperative to state that these theories remain very central to the understanding of this work. These are discussed as follows:

**2.4.1 Structural Functionalism Theory**

This study is anchored on the theory of structural functionalism. The theory is a variant of the system theory developed in sociology. It is prominent in the work of Augustus Compte (1798 – 1857), Herbert Spencer (1820 – 1903), Emile Durkheim (1902 – 1979) and Talcott Parson who was said to have refined the theory. However, during the 1950’s and early 1960’s, the theory witnessed a steady drop from the discipline of sociology partly because of the criticisms against it. It was then adopted in political and administrative studies. For Nwosu and Ofoegbu (1986) functions as generally used by scholars in politics and administration refers to the contribution of an activity or patterns of behavior to the maintenance of a system in a given society. Olaniyi (1997) asserts that structural functionalism when related to politics and administration can be described as a means of explaining basic functions of both political and administrative structures and it is a tool of investigation that tries to explain the relationship between the parts and the whole on the other hand. This relationship is explained in line with the basic functions of each which are considered positive contributions that led to the breakdown of the system or non functional when it bears neither positive nor negative impact to the operation of the entire political and administrative system.

**2.4.2 The Efficiency Theory**

The main thrust of this school of thought as propounded by Mill (1975) is that it believed that the existence of local government as a tier of government can only be justified when and if it provides services to the public. It also strongly emphasizes that the mere provision of such services notwithstanding, is not the issue but the effectiveness and efficiency in the provision. Mill (1975) further emphasizes that local governments are in position to efficiently provide close services that are essentially local in nature. He further observed that if local government did not exist, it would have had to be created. Local government‘s role as an efficient provider of services is gradually emerging as the most important justification for its present day existence (Bello-Imam, 2010). According to Sharpe (1976), of all the services which local government provides for its citizens, there are some for which they are the most efficient providers compared to other level of government‘. Consequently, it becomes easy to uphold the argument of the efficiency services thoughts, as a reliable framework for the analysis of local government performances, despite the fact that it has its own lapses, which can be located within the issue of autonomy and fiscal jurisdiction.

**2.4.3 The Functional Theory**

The functional theory was propounded by Franklin (1973). The ideals of this school of thought happen to be the most central in the understanding of the subject of this study. This is chiefly due to the fact that this functional school‘s ideals evolve from the integration of the efficiency and the developmental schools. This school splits the functional approach into two categories; these are: The general category and the developmental categories. According to Ola and Bello(2010), embedded in the general category are those ideals of democratic participatory and efficient service school, whose major functional items are: Democratic ideals, Political participation, Protective services, and Infrastructural services‘. He went further to explain that the developmental category entails the following: National integration, Social and economic development, Manpower resources development. However it is important to state that these theoretical frameworks as discussed above are not mutually exclusive in any system, rather they are mutually reinforcing in most local government system.

**CHAPTER THREE**

**RESEARCH DESIGN AND METHODOLOGY**

**3.0 Introduction**

The chapter is made up of the following subheadings: research design, area of the study, sources of data, population of the study, sample size determination, description of the research instruments, and validity of the research instruments,

* 1. **Research Design**

Research design according to Kotler (1973) is a choice among many alternative ways to collect information that would satisfy the research objectives. The researcher must decide in advance the data collection method. The research instruments and sampling plan, in this study, the researcher adopted survey and descriptive designs, which describes and interpret the actual phenomena being studied.

**3.2 Sources of Data**

The data required for this study was extracted from both the primary and secondary sources.

**3.2.1 Primary Source of Data**

Data extracted from the primary source consists of first hand information obtained directly from the field and which had not been used in any previous study. The data will be obtained through structured questionnaire distribution.

**3.2.2 Secondary Source of Data**

This source of data entails information extracted from sources that already exist. Some of such sources are newspaper, journals, textbooks, magazines and internet.

**3.3 Area of the Study**

This study will be carried out in Nkanu East local government area of Enugu State. Nkanu East is a local government area of Enugu state, Nigeria, bordering Ebonyi State to the East. Its headquarters are in the town of Amagunze. Communities in Nkanu East Local Government Area include Akpawfu, Ugbakwa, Nkerefi, Mburubu, Nomeh Unateze, Nara Unataze, Owoh, Ubahu, Amaechi Idodo, Ama Nkanu, Oruku, Amagunze and Ihuokpara. This geographical location was selected given that it is near to the researcher and the case-study is suitable for the analysis under investigation.

**3.4 Population of the Study**

The population of this study constitutes the staff of Nkanu East local government. Based on the population assessment carried out, it was discovered from their data base that the population of staff/employees as is 109 persons. Hence, the population of the study is 109 persons. The table below shows the population distribution that constitutes the aforementioned figure of 109.

**Table 3.1:** *Population Distribution Table of Staff of Nkanu East Local Government of Enugu State.*

|  |  |
| --- | --- |
| **DIVISION**  | **STAFF STATISTICS**  |
| Admin | 29 |
| Finance  | 12 |
| Personnel | 49 |
| Accounts  | 14 |
| Security  | 5 |
| **Total**  | **109** |

 **Source:** *Field Survey, 2018.*

**3.5 Sample Size Determination**

It is considered ideal to derive an optimal sample size for a survey study as it is most times not practically possible to cover and contain the whole subjects as surveyed in the population.

To derive the optimal sample size, the Taro-Yamane (1967) formula will be used. The formula is specified as:



Where:

n = Sample Size [Unknown]

N = Population Size

1 = Fixed Numerical factor

e = margin of error usually 5%

To derive the optimal sample size for the study, we have:







= 86

Therefore, 86 persons will be given the copy of questionnaire to extract the relevant information needed for the analysis.

**3.6 Sampling Technique**

The researcher in the course of conducting this study used the simple random sampling techniques. Simple random sampling will be used as the sampling technique for the reason that the method ensures equal chance of selection among the respondents but also, the method avoids and minimizes biasness hence enhanced validity and reliability.

**3.7 Method of Data Collection**

The data/information used in this research is the distribution of well structured questionnaires.

**3.8 Instrumentation**

The major instruments used by the researcher in gathering data for this study is structured questionnaires. The questionnaire was designed to have two sections. Specifically all questions in section ‘A’ were drawn to provide some general and demographic information of the respondents, while the remaining questions in section ‘B’ were formed and directed to address the research questions. The instrument was designed in a 5-point likert scale of strongly Agree (SA), Agree (A), Disagree (D), strongly Disagree (SD) and Undecided. 86 or less copies of the questionnaires were distributed to the respective respondents

**3.9 Validity of the Research Instrument**

To make sure that the research instruments in this study are valid, the researcher ensured that the instrument measure the concepts they suppose to measure. A proper structuring of the questionnaire and a conduct of a pretest of every question contained in the questionnaire was carried out to ensure that they are valid. Also the design of the questionnaire was made easy for respondents to tick their preferred choice from the options provided.

**3.10 Reliability of the Study**

A reliability test was conducted on the instrument to determine how consistent the responses were. The researcher utilized test/retest method of reliability testing whereby the questionnaire was administered at two different times to the same group of respondents. The Cronbach Alpha reliability test was utilized to conduct the reliability test. A cronbach alpha coefficient of 0.70 and above was considered acceptable.

**3.11 Method of Data Analysis**

This researcher adopted the use of frequency tables/percentages to analyze the descriptive characteristics of the respondents. The formula for it is expressed thus:



Where n = Total Number of Response to a Question.

 a = Number of respondents ticking a Particular answer option to the question.

 A% = “a” expressed as a percentage of N.

**CHAPTER FOUR**

**PRESENTATION AND ANALYSIS OF RESULTS**

**Introduction**

In this chapter, the collected information was analyzed with various statistical tools. It is made up of the following sections; rate of return analysis, Bio Data Analysis, Questionnaire Response Analysis using tables, and frequencies/percentages.

**4.1 Rate of Return Analysis**

In a survey research, questionnaire is distributed to various targeted respondents and in the process the rate of return is calculated to measure if the collected questionnaire is sufficient enough for analysis. In this study, 86 copies of the questionnaire were distributed to the respondents, and 80 were returned. Thus, in all, 80 copies of the questionnaire were used for the analysis. To calculate the rate of return, we have:



Note, ROR means Rate of Return.

Since the return rate is 93%, then the response rate is high and acceptable. Presenting the above analysis in a tabular form, we have:

|  |  |  |
| --- | --- | --- |
| QUESTIONNAIRE RETURNED  | QUESTIONNAIRE DISTRIBUTED  | RESPONSE RATE (%)  |
| 80 | 86 | 93% |

**Source:** *Researcher’s Computation*

**4.2 Tables, Frequencies and Percentages [Demographic Information]**

**GENDER**

|  |  |  |
| --- | --- | --- |
| **Gender**  | **Frequency**  | **Percentage (%)** |
| Male  | 49 | 61 |
| Female  | 31 | 39 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The table above shows the sex distribution of the respondents. It clearly shows that 49 respondents constituting 61 percent of the respondents are male while 39 respondents which are made up of 39 percent of the total respondents are female. In essence, the majority of the respondents are male.

**AGE**

|  |  |  |
| --- | --- | --- |
| **Age**  | **Frequency**  | **Percentage (%)** |
| 18-30 years  | 18 | 23 |
| 31-40 years | 40 | 50 |
| 41-50 years | 16 | 20 |
| 51 years and above | 6 | 8 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The above table shows that 18 of the respondents which is 23 percent of the total respondents fall into the age category of 18 – 30 years, 40 respondents fall into the age category of 31 – 40 years, 16 of the respondents making up 20 percent of the total respondents fall into the age category of 41 – 50 years and 6 of the respondents are into the age category of 51 years and above.

**MARITAL STATUS**

|  |  |  |
| --- | --- | --- |
| **Marital Status**  | **Frequency**  | **Percentage (%)** |
| Single  | 29 | 16 |
| Married  | 51 | 64 |
| Divorced  | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The above table shows that out of a total number of 80 respondents, 29 of them were single as at the time of this study while 51 which constitute about 64 percent of the respondents are married. Hence; we have more of married respondents than single.

**ACADEMIC QUALIFICATION**

|  |  |  |
| --- | --- | --- |
| **Academic-Qualification**  | **Frequency**  | **Percentage (%)** |
| WAEC/SSCE | 4 | 5 |
| OND/NCE | 29 | 36 |
| HND/B.SC | 39 | 49 |
| MBA/M.SC | 8 | 10 |
| Ph.D | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The table shows that just 5 percent of the respondents possess an SSCE, 36 percent possess an OND/NCE, 49 percent are HND/B.Sc holders and 8 percent have their MBA/M.sc. This shows on the average that most of the respondents are holders of HND/B.Sc.

**WORK EXPERIENCE**

|  |  |  |
| --- | --- | --- |
| **Number of Years in Service**  | **Frequency**  | **Percentage (%)** |
| 1-10 | 12 | 15 |
| 11-20 | 42 | 53 |
| 21-30 | 18 | 23 |
| 31 years and above | 8 | 10 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The table shows that 15 percent of the respondents have a working experience of between 1 – 10 years, 53 percent of the respondents have worked for over 11 years. 23 percent of the respondents have worked for over 21 years. 4 percent of the respondents have served 31 years and above on the job.

**SECTION B**

**Table 1**

**The strategies adopted in generating revenue in Nkanu East are adequate.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 49 | 61 |
| Disagree  | 22 | 28 |
| Neutral | - | - |
| Agree | 6 | 8 |
| Strongly Agree  | 3 | 4 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The respondents were asked if the strategies adopted in generating revenue in Nkanu East are adequate. Table 1 above clearly shows that 61 percent of the respondents strongly disagrees that the strategies adopted in generating revenue in Nkanu East are adequate, 28 percent disagree, 8 percent agree and 4 percent strongly agree. This entails that on the average, majority of the respondents disagrees that the strategies adopted in generating revenue in Nkanu East are adequate.

**Table 2**

**Revenue generation in Nkanu East can still be improved upon**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 6 | 8 |
| Disagree  | 4 | 5 |
| Neutral | 2 | 3 |
| Agree | 39 | 49 |
| Strongly Agree | 29 | 36 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

The respondents were ascertained if revenue generation in Nkanu East can still be improved upon. Table 2 shows that 8 percent of the respondents strongly disagree that revenue generation in Nkanu East can still be improved upon. 5 percent disagree, 3 percent are neutral, 49 percent agree and 36 percent strongly agree. This implies that on the average, majority of the respondents agree that revenue generation in Nkanu East can still be improved upon.

**Table 3**

**Tenements fee is the main revenue generation source in Nkanu East Local Government Area.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 58 | 73 |
| Disagree  | 22 | 7 |
| Neutral | - | - |
| Agree | - | - |
| Strongly Agree | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

73 percent of the respondents strongly disagree that tenements fee is the main revenue generation source in Nkanu East Local Government Area and 7 percent disagree on the same subject. This implies categorically that tenements fee is not the main revenue generation source in Nkanu East local government area.

**Table 4**

**Fees are is the most significant source of revenue generation in Nkanu East**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 4 | 5 |
| Disagree  | 3 | 4 |
| Neutral | 5 | 6 |
| Agree | 18 | 23 |
| Strongly Agree | 50 | 63 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

On the question of whether fees are the most significant source of revenue generation in Nkanu East, it was discovered in table 4 that 5 percent strongly disagree, 4 percent disagree, 6 percent are neutral, 23 percent agree and 63 percent being the highest score strongly agree that fees are the most significant source of revenue generation in Nkanu East.

**Table 5**

**Corruption among revenue collectors disrupts the efficiency of revenue generation in the local government**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 10 | 13 |
| Disagree  | 15 | 19 |
| Neutral | 8 | 10 |
| Agree | 29 | 36 |
| Strongly Agree | 18 | 23 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

Table 5 shows that 13 percent of the respondents strongly disagree that corruption among revenue collectors disrupts the efficiency of revenue generation in the local government, 19 percent disagree, 36 percent agree while 23 percent strongly disagree. This shows that majority of the respondents agree that corruption among revenue collectors disrupts the efficiency of revenue generation in the local government.

**Table 6**

**Inexperience of revenue collectors affect the efficiency of revenue generation in Nkanu East.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 10 | 13 |
| Disagree  | 15 | 19 |
| Neutral | 8 | 10 |
| Agree | 29 | 36 |
| Strongly Agree | 18 | 23 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

Table 6 shows that 13 percent of the respondents strongly disagree that the inexperience of revenue collectors affect the efficiency of revenue generation in Nkanu East, 19 percent disagree, 36 percent agree while 23 percent strongly disagree. This shows that majority of the respondents agree that the inexperience of revenue collectors affect the efficiency of revenue generation in Nkanu East.

**Table 7**

**The efficiency of revenue generation in Nkanu East is faced with the challenge of public enlightenment and campaign necessary to educate the citizens on need to pay rates and fees promptly.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 20 | 25 |
| Disagree  | 5 | 6 |
| Neutral | 2 | 3 |
| Agree | 14 | 18 |
| Strongly Agree | 39 | 49 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

Table 7 above shows that 25 percent of the respondent strongly disagree that the efficiency of revenue generation in Nkanu East is faced with the challenge of poor communication between the management and the citizens, 6 percent disagree, 3 percent are neutral, 18 percent agree while 49 percent strongly agree. This implies that majority of the respondents agree that the efficiency of revenue generation in Nkanu East is faced with the challenge of poor communication between the management and the citizens by way of public enlightenment and campaign in need to fulfill their financial obligations to the local government.

**Table 8**

**The revenue generated in Nkanu East Local Government Area has been used to construct rural roads in the area.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 63 | 79 |
| Disagree  | 17 | 21 |
| Neutral | - | - |
| Agree | - | - |
| Strongly Agree | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

79 percent of the respondents explicitly and strongly disagreed that the revenue generated in Nkanu East Local Government Area has been used to construct rural roads in the area and 21 percent disagree on the same question. This clearly implies that revenue generated in Nkanu East Local Government Area has not been used to construct rural roads.

**Table 9**

**Revenue generated are used to provide basic infrastructures in Nkanu East**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 63 | 79 |
| Disagree  | 17 | 21 |
| Neutral | - | - |
| Agree | - | - |
| Strongly Agree | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

Table 9 clearly shows that 79 percent of the respondents strongly disagreed that revenue generated are used to provide basic infrastructures in Nkanu Eastand 21 percent disagree on the same question. This clearly implies that revenue generated are not used to provide basic infrastructures in Nkanu East.

**Table 10**

**Revenue generated in Nkanu East Local Government Area has been used to build market stalls in some villages in the area.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 10 | 13 |
| Disagree  | 15 | 19 |
| Neutral | 8 | 10 |
| Agree | 29 | 36 |
| Strongly Agree | 18 | 23 |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

Table 10 shows that 13 percent of the respondents strongly disagree that revenue generated in Nkanu East Local Government Area has been used to build market stalls in some villages in the area, 19 percent disagree, 36 percent agree while 23 percent strongly disagree. This shows that majority of the respondents agree that revenue generated in Nkanu East Local Government Area has not been used to build market stalls in some villages in the area.

**Table 11**

**Revenue generated are used for the maintenance of infrastructure in Nkanu East.**

|  |  |  |
| --- | --- | --- |
| **ITEM**  | **FREQUENCY**  | **PERCENTAGE (%)** |
| Strongly Disagree | 41 | 51 |
| Disagree  | 30 | 38 |
| Neutral | 3 | 4 |
| Agree | 6 | 8 |
| Strongly Agree | - | - |
| Total  | 80 | 100% |

**Source: Field Survey, 2018.**

It can be clearly seen from table 11 above that 51 percent of the respondents strongly disagree that revenue generated are used for the maintenance of infrastructure in Nkanu East. Furthermore, 38 percent also disagree, 4 percent are neutral and 8 percent agree. This implies that majority of the respondents assert that revenue generated are not used for the maintenance of infrastructure in Nkanu East.

**CHAPTER FIVE**

**SUMMARY, CONCLUSION AND RECOMMENDATION**

**5.1 Summary of Findings**

The primary essence of this study has been to ascertain the strategies for improving revenue generation for development in the Nkanu East Local Government Area of Enugu state. In actualizing this aim, the researcher reviewed the concept of revenue generation strategies in relation to Nkanu East local government area. The problems surrounding revenue generation in Nkanu East were explored. The methodology adopted in the research was survey method which was primarily anchored on questionnaire form of data collection. Findings of the research are summarized as follows:

1. The strategies adopted in generating revenue in Nkanu East are not adequate. More internal revenue generation sources can still be invented and harnessed.
2. The primary challenges surrounding the efficiency of revenue generation for development in Nkanu East Local Government Area of Enugu state are corruption of the revenue collectors, lack of public enlightenment and campaign to educate the citizens on need to fulfill their financial obligations to the local government by way of paying their rates and fees promptly.
3. The level of revenue generation in the local government has not been able to make any meaningful positive impact on the development of the local areas in Nkanu East Local Government Area of Enugu state.

**5.2 Conclusion**

This research has been able to carry out an empirical analysis of the strategies for improving revenue generation for development in Nkanu East Local Government Area of Enugu state. In the light of the findings of this study, the researcher concludes that the level of revenue accruable to the local government is inadequate to make meaningful positive impact in the development of the rural areas of the local government. The implication is that internally generated revenue base of the local government should be diversified in the council will be able to provide relevant social service and infrastructural development in the local government. Revenue generated in the area has not been able to impact meaningfully on the development of the area under analysis. The inability to generate sufficient revenue in the area is a clear bane on rural development in the local government area.

**5.3 Recommendations**

Based on the findings of the study, the following recommendations are suggested:

1. The local government should enhance the internal revenue generation through introduction of additional sources of revenue available in the geographical area. The extant revenue sources available to the local government should be more prudently and diligently utilized. The local government can embark on some meaningful commercial undertakings which could generate more revenue as well as create employment opportunities for citizens. For example, poultry farming, animal husbandry, small and medium scale industries, commercial transport firms, to mention a few. This is expected to increase the internally generated revenue.
2. The corrupt activities of the revenue collectors in the local government must be checked and curbed without further delay. Revenue collectors found wanting should be made to face the wrath of the law and dismissed from their services to deter others from committing such financial crimes. Necessary financial crime prevention mechanism must be put in place to achieve this sanity among them.
3. The revenue generated in the local government, no matter how meager, must be so utilized that the positive impact of such can be visibly seen by the citizens of the local government area by way of development projects. This will encourage the citizens to contribute more earnestly by paying their rates, rents, fees and other financial responsibilities promptly to the local government. In addition, there should public enlightenment and campaign to educate the citizens on the financial responsibilities to the local government.

**REFERENCES**

Abba, M., A.B. Bello and S.A. Modibbo, (2015). Expenditure and internally generated revenue relation: An analysis of local governments in Adamawa State. Journal of Arts, Science and Commerce, 6(3): 67-77.

Adam A, (2006) Local Government Finance in Nigeria: Problems and prospects, Adam Adedeji and Rowland, eds. Ile-Ife: University Press pp. 1 – 19.

Adeoti, Johnson O, Olawale, Yinusa A. and Abdulraheem, Mulikat (2014). A Comparative Analysis of Swot on Sources of Internally Generated Revenue in Oyo State Locl Government. *International Journal of Research in Management & Business Studies (IJRMBS 2014).Vol. 1 Issue 2 April - June 2014*

Adesoji, Adetunji. A. and Chike Faith O. (2013) The Effect of Internal Revenue Generation on Infrastructural Development. A study of Lagos State Internal Revenue Service. *Journal of Educational and Social Research Vol. 3 (2) May 2013.*

Alao, David O and Alao, Esther M (2013) Strategic Control and Revenue Generation: A Critical Success Factor in Local Government Using the Balanced Scorecard. *Arabian Journal of Business and Management Review (Nigerian Chapter) Vol. 1, No. 10, 2013*

Appadorai, A. (1975) *The substance of Politics*. New Delhi, Oxford University Press.

Basu R., (2006), *Public Administration: Concepts and Theories,* New Delhi: Sterling Publishers Pvt. Ltd.

Bello-Imam, I.B. (2010). Expenditure Pattern of Nigerian Local Government‘ in Bello-Imam (ed) *Local Government Finance in Nigeria*, College Press, Ibadan.

Bhatia, F. C. (2001) *Theory and Practice of Local Government:* A Nigeria Perspective. Awka: John-Jacob Classic Publishing.

Dagwom, Y.D, Elizabeth, B. and Ishaya, D.L (2016) Impact of Revenue Generation and Utilization on Social Service Delivery in Plateau State: 2006 – 2015. Tax Academy Research Journal (Tarj) Vol. 1 No.1 Pp 29-48

Fajobi, O. A. (2010). *Principle of Local Government Accounting.* Yaba-Lagos: Eleganza, Publication Ltd.

Golding, M. (2009). Delivery of Social Services in Difficult Environments. *PRDE Working Paper,* 3, Pp. 1-37.

Hamid, J. A. (2008). *Principle and Practice of Local government in Nigeria*. Benin City: S. M.O. Aka and Brother Press.

Hofer and Schedal (2008). Assessment of Community based infrastructures in some selected Northern States, in the Nigeria Journal of Public affairs, (1),1. Institute of Administration, Ahmadu Bello University Zaria. Nigeria. Faculty of Administration.

Ibrahim, A. O. (2015). Social Services Provision and Community Development in Imo state. *Research onHumanities and Social Services*, 5(10), Pp. 195-198.

Kotler, P. (1973). Atmospherics as a marketing tool. Journal of Retailing, 49(4), 48-64.

Lele U., (2005), *The Design of Rural Development: Lessons From Africa,* London: John Hopkins University Press.

Michael, D. (2008). Local Government Finance in Nigeria: Challenges and Prognosis.

Mills, J.S. (1975). Consideration of Representative Government. London, Oxford University Press. cited in Nigeria‘ in Bello-Imam (ed) *Local Government Finance in Nigeria*, . College Press, Ibadan.

Mohammed A. and Mohammed M. K. (2017). Moderating Effect of Internal Control.

Moses, A., Stephen, O., and Basil C. N (2012) Analysis of options for Maximizing Local Government internally generated Revenue in Nigeria. *International Journal of Learning & Development ISSN 2164-4063 2012, Vol. 2, No. 5*

Murana A.O (2015) Local Government Finance In Nigeria: A Case Study of Iwo Local Government Area of Osun State. International Journal of Politics and Good Governance Volume VI, No. 6.1 Quarter I 2015 ISSN: 0976 – 1195

Obinna, C.O (2017) Revenue Generation in Enugu State Local Governments, Nigeria: An Assessment of Tax Contractors. *International Journal of Social Science and Humanities Research ISSN 2348-3164 (online) Vol. 5, Issue 1, pp: (236-247), Month: January - March 2017, Available at:* [*www.researchpublish.com*](http://www.researchpublish.com/)

Okafor R. (2012) Tax Revenue Generation and Nigerian Economic Development. European Journal of Business and Management [www.iiste.org](http://www.iiste.org) ISSN 2222-1905 (Paper) ISSN 2222-2839 (Online) Vol 4, No.19, 2012

Okpata, T.(2004). Problem Confronting Revenue Generation and Proper Monitoring of Field Officials in the Local Government Councils: A paper Presented at the Seminar for Secretaries and Treasurers of Local Governments at Nike Lake Hotel, Enugu.

Ola, R.F. and Bello-Imam, I.B. (2010) Residents‘ Perceptions on Local Government Services in Bello-Imam (ed) *Local Government Finance in Nigeria*, College Press, Ibadan.

Oyediran, R.N. (2009), Revenue sharing in Nigeria: A retrospective evaluation. In Garba, A.G., Equraikhide, F. & Adenikinju, A. (eds.). Leading issues in macroeconomic management and development, Ibadan: Nigeria Economic Society.

Sharpe, L.J. (1976). The Roles and Functions of local government‘ cited inBello-Imam (ed) *Local Government Finance in Nigeria*, College Press, Ibadan.

Sorke, O. (2008). *Financial Management of Local Government in Nigeria*, Obafemi Awolowo University Press, Ile-Ife.

Taro, Y. (1967): Statistics: An Introductory Analysis, 2nd Ed., New York:

 Harper and Row.

Uguru, L.C (2011) “Examination of Sources and Utilization of Internally Generated Revenues in the Local Government System in Nigeria” *Journal of Accounting and Contemporary Studies,* Vo. 1 (I) 50 – 59, Copy Craft International Ltd Abakaliki.

Ugwu S., (2009), “Youth Empowerment as Sustainable Economic and Rural Development, A Paradigm for Conflict Resolution”, *Nigerian Journal of Public Administration and Local Government,* University of Nigeria, Nsukka. Vol. XIV, Nos. 1 & 2, September.

Uhunmwuangho, S.O and Aibieyi, S.(2013)Problems of Revenue Generation in Local Government Administration in Nigeria. *An International Journal of Arts and Humanities Bahir Dar, Ethiopia* Vol. 2 (3), S/No 7, July, 2013: 192-209 ISSN: 2225-8590 (Print) ISSN 2227-5452 (Online)

Ujo, A.A., (2004), *Development Administration in Nigeria,* Kaduna: Solmora Ventures Ltd

Wraith, M. (2004). Effective utilization of tax revenue in Nigeria. *International Journal of Academic Research in Business and Social Sciences,* 2(7), 1-9.

**APPENDIX**

PUBLIC ADMINISTRATION PROGRAMME

DEPARTMENT OF BUSINESS MANAGEMENT

GODFREY OKOYE UNIVERSITY

THINKERS CORNER

ENUGU.

MAY 2018.

**TO WHOM IT MAY CONCERN**

**LETTER OF INTRODUCTION**

 I am a student of Public Administration of above mention Institution. I am carrying out a research on a topic “Strategies for Improving Revenue Generation for Development in Nkanu East Local Government Area of Enugu State”. I humbly plead for your cooperation in filling out the attached questionnaire which is aimed at data gathering. Please note that information gathered will be strictly used for academic purpose and identity of respondents will not be revealed in other to avoid the use of the work for unintended purposes.

Thanks for your active cooperation.

**MBODE PAMELA UKAMAKA**

U14/MSS/PAD/043

RESEARCHER

**QUESTIONNAIRE**

**SECTION A – BIO DATA**

(1) **Sex**

 Male

 Female

(2) **Age**

18 – 30

 31- 40 year

 41 – 50

 1 years and above

(3) **Marital Status**

Single

Married

 Divorced

(4) **Academic Qualification**

 WAEC/SSCE

 OND/NCE

 HND/B.Sc

 MBA/M.Sc.

 Ph.D

(5) **Number of Years in Business**

 1 – 10

 11 – 20

 21 – 30

 31 – 40

 41 and above

**SECTION B**

**Instruction**

Please tick the option that corresponds to your answer. However note that: strongly agree (SA), agree (A), undecided (UD), strongly disagree (SD) and Disagree (D).

**To Identify Strategies for Improving Revenue Generation for Development in Nkanu East Local Government Area**

(6) The strategies adopted in generating revenue in Nkanu East is adequate.

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(7) Revenue generation in Nkanu East can still be improved upon

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(8) Tenements fee is the main revenue generation source in Nkanu East Local Government Area.

 Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(9) Fees are the most significant source of revenue generation in Nkanu East

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

**To Ascertain the Various Challenges Surrounding the Efficiency of Revenue Generation for Development in the Nkanu East Local Government Area of Enugu State**

(10) Corruption among revenue collectors disrupts the efficiency of revenue generation in the local government

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(11) Inexperience of revenue collectors affect the efficiency of revenue generation in Nkanu East.

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(12) The efficiency of revenue generation in Nkanu East is faced with the challenge of poor communication between the management and the citizens.

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

**To evaluate the impact of revenue generation on the development of Nkanu East Local Government Area of Enugu State**

(13) The revenue generated in Nkanu East Local Government Area has been used to construct rural roads in the area.

 Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(14) Revenue generated are used to provide basic infrastructures in Nkanu East

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(15) Revenue generated in Nkanu East Local Government Area has been used to built market stalls in some villages in the area.

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree

(16) Revenue generated are used for the maintenance of infrastructure in Nkanu East

Strongly Disagree

 Disagree

 Neutral

 Agree

 Strongly Agree