

**CHALLENGES OF REVENUE GENERATION AND RURAL
DEVELOPMENT IN NIGERIA: A CASE STUDY OF OVIA NORTH-EAST
LOCAL GOVERNMENT AREA, EDO STATE**

BY

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UNIVERSITY OF BENIN
BENIN CITY**

JULY, 2023

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF PUBLIC
ADMINISTRATION, FACULTY OF SOCIAL SCIENCES, UNIVERSITY OF
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REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.)
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CERTIFICATION

We, the undersigned, certified that this research was conducted by **Avan-Nomayo Kate** with matriculation number **SSC1713029** in partial fulfilment of the requirements for the award of Bachelor of Science degree in Public Administration, University of Benin, Benin City.

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DEDICATION

This project is dedicated to God Almighty for His endless love, protection and provision towards my life throughout my days in school.

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I am eternally grateful to God Almighty for the strength he gave to me from start to finish.

I wish to express my sincere gratitude to my husband, Hon. Ese Ovie-Adogbeji, who stood by me in the course of this program.

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May God in His infinite mercy, bless you and be there for you always!

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ABSTRACT

This study examined the challenges of revenue generation and rural development in Nigeria: A case study of Ovia North-East LGA, Edo State. The data collected were presented in a tabular form with focus on the major research questions which enabled the researcher determine the results. The findings from the study revealed that Ovia North-East LGA raises loans for incurring capital development programme that are within their statutory functions, lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources, the role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes, bad local government politics affects the implementation of development programmes in Ovia North-East LGA, Ovia North-East LGA has facilitated rapid development at the grass-root. The study recommended that efforts should be enhanced by the local government towards generation of internal revenue so as to meet the yearnings and aspiration of the people at grassroot level; local government should encourage the collection of IGR through the application of modern equipment's and electronics means; local government should also find a means of closing up the loopholes and discourage frauds among the revenue collectors and the tax payers; local government should embark on the establishment of some mini-sized industries that will provide employment opportunities to the people. The participation in agriculture will encourage the inhabitants of local governments to improve their standard of living on one hand, and to improve the revenue base of local governments on the other hand.

The study concluded that local government which is mostly endowed with natural resources should be allowed to persuade foreign investors for the much desired development at the local level, and any restructuring of this tier of government must as a necessity be done in concert with the generality of the people, while every autonomous community in Nigeria should constitute a level of governance, as this will facilitate rapid development of Nigeria and bring about dividends of democracy nearer to the people. Therefore, the effective management of generated revenue is also a fundamental issue in the provision of services to the local populace, so revenue generation is not an end in itself in determining service provision, but proper utilisation is also a great determinant.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

According to Ojofeitimi (2010), the word “local” entails councils meant for small communities and “government” that have certain attributes of government. Agbakogba and Ogbonna (2014) describes local government from a legal perspective. They see it as a “political administrative unit that is empowered by law to administer a specific locality”.

Local governments function at the grassroots and are expected to provide services to the people at the grassroots. In a federal system like Nigeria, local governments are close to the people and therefore could effectively modify socioeconomic and political conditions within their jurisdictions. Apart from providing and maintaining basic infrastructures, local governments can complement the economic activities of other levels of government. This of course depends on the availability and proper utilization of funds (Awofeso, 2014).

The issues of revenue generation is therefore an important prerequisite for Local Government Councils. It is through this activity that the local government source the finance for funding their developmental programmes, thus to a large extent, determining the quantity and quality of services provided to the generality of people within their jurisdiction (Adedeji, 2017). These reasons, coupled with the fact that local governments are engines of growth and development, make important the need for local governments to draw out strategies for improved revenue

generation, more specifically the internal sources which are more flexible, and could be in the total control of the local governments (Bello-Imam, 2019).

In order to fulfill these vital constitutional responsibilities, local governments require huge sums of money, which is usually difficult for them to generate. The primary source of local government sustenance is from federal allocation. It is the livewire of a local government (Jumare, 2018).

Sections 7 and 8 of the 1999 Constitution of the Federal Republic of Nigeria provide for the existence of an autonomous and democratic local government. It also outlined the sources of local government revenue to include rates, statutory allocations, fines, earnings and profits, fees and charges, grants, loans and other miscellaneous sources (Lawal & Oladunjoye, 2020). The extent to which a local government can go in accomplishing its goal greatly depends on its revenue strength. The ability of local government to generate revenue internally is one very critical consideration for the creation of a local council. Despite these considerations, the local governments still faced with great difficulties in generating revenue. It is against this backdrop, that this study seeks to evaluate the issues of revenue generation and development programmes of Ovia North-East Local Government Area of Edo State.

1.2 Statement of the Research Problem

In recent years, it has become increasingly difficult for local governments to fulfil their statutory obligations and effectively carryout their developmental programmes because of the costs involved. The general concern over the slow development of rural areas in Nigeria has created a

doubt as to the relevance of local governments in Nigeria, whose primary duty is to effect a representative government faster and closer to all the areas of the state. Shortage of funds for various developmental projects stands as the cause for these inadequacy despite the increasing revenue allocation from the federation account to the local governments, hence, the reasons for the various opportunities granted the local governments to generate revenues themselves (Bolaito & Ibrahim, 2014). The most serious challenges facing public institutions is a fiscal one, particularly in the local government. The fiscal problem is often caused by factors including over-dependence on statutory allocations from the state and federal governments, deliberate tax evasion by the local citizenry, creation of non-viable local government areas that is not self-sustaining and cannot provide for its local populace, differences in the status of local governments in terms of rural-urban dimension leading to variation in internal revenue, inadequate revenue and fiscal jurisdiction.

The local government is faced with diverse challenges ranging from corruption and embezzlement, poor financing, mismanagement of funds to poor leadership. This obviously has daunted the development of local government in Nigeria (Akindele, 2015). However, the most challenging issue of local government is the revenue generation. It is in light of the problems above, that this study seeks to evaluate the issues of revenue generation and how it affects the developmental programmes in Ovia North-East Local Government Area of Edo State.

1.3 Research Questions

The following research questions has been raised to guide the study;

1. What are the challenges of revenue generation and the impact on developmental programmes in Ovia North-East LGA of Edo State?
2. To what extent does the restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA in Edo State?
3. What is the relationship between the statutory allocation and internally generated revenue in Ovia North-East LGA of Edo State?
4. What are the factors responsible for ineffective implementation of developmental programmes in Ovia North-East LGA of Edo State?

1.4 Objectives of the Study

The main objective of the study is to evaluate the issues of revenue generation and development programmes of Ovia North-East LGA of Edo State. The specific objectives are to:

1. ascertain the challenges of revenue generation and impact on developmental programmes in Ovia North-East LGA, Edo State.
2. examine the extent to which the restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA of Edo State.
3. determine the relationship between the statutory allocation and internally generated revenue of Ovia North-East LGA of Edo State.
4. ascertain the factors responsible for ineffective implementation of developmental programmes in Ovia North-East LGA of Edo State.

1.5 Significance of the Study

From historical precedence, it is obvious that there is underperformance of the local government and there is need for the local government to improve their performance. However, this research will significantly consider the actions and inactions of the government at the grassroots as regards the issues of revenue generation and the need to utilize substantial revenue from its various sources in addition to federal and state statutory allocation for developmental purpose.

The study will also help in identifying some means of generating revenue that has been neglected over the years. It will also be beneficial to grassroots because, improved revenue generation means improved standard of living in form of provision of social services and amenities such as roads, hospitals and primary health centres, local parks, drinkable water, rural electrification, etc.

The study will also take into consideration the fiscal issues, deficiencies and challenges of generating and utilizing revenue in Ovia North-East LGA of Edo State, analyse facts and figures about revenue status of the local government and make recommendations which will be helpful for educationists, researchers and political office holders and the government in general.

1.6 Scope of the Study

The study is focused on the issues of revenue generation and how it affects developmental programmes of Ovia North-East local government areas, Edo State. It will also involve the analysis of issues associated with revenue generation and its impact on the developmental programmes of Ovia North-East Local Government Area.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

There is a diverse literature on the concept of local government and the challenges of revenue generation. A number of relevant conclusions can be drawn from the review of related literature. Discussion of relevant literatures and scholarly views will be presented from a general view of the concept of local government, revenue generation and developmental challenges of the local government.

2.2 CONCEPTUAL REVIEW

2.2.1 The Concept of Local Government

According to Lawal (2014) ‘local government is that tier of government closest to the people and is entrusted with certain powers to exercise control over affairs of people in its jurisdiction’. In this context, a certain level of autonomy is given to local governments in the management of grassroots affairs. The local government is seen in this essence as a major force in the relationship between the machinery of the state (that is, the government) and the people.

In Agi (2012) view, he sees local government as a political authority set up by a nation or a state as a subordinate authority for the purpose of dispersing or decentralizing political power.

Akpan (2018) defined local government as a “separate tier of government that enjoys some reasonable measures of autonomy, with elected representatives as officials especially in a

democracy”. A local government is a geographical entity having a well-defined political bounding with district settlements such as towns, villages and hamlets is simply termed to be local government (Olawuwo, Ogunleye & Olaleye, 2013). The 1976 Guidelines for local government reforms in Nigeria defined local government as government at local level, exercised through representative councils established by law to exercise specific powers within defined areas. According to Agi (2012), the concept of local government as taken to be a political authority set up by a nation or state as subordinate authority for the purpose of dispersing or decentralizing political power.

2.2.2 The Concept of Revenue

The term revenue is described and defined in different ways by different researchers and scholars. Revenue is the fund needed for governance in the public sector to finance government activities. It is the cumulative income accruable to an organization (public or private) from one period to another (Abovu, 2015).

Also, Bhatia (2018) sees revenue as a receipt which includes; routine and earned income; and revenue but does not include borrowings and recovery of loans and advances previously given to the third tier of government and other associated persons, rather, it is comprised of income taxes, vehicle, haulages, sales of government unserviceable properties, aids, royalties, fees etc.

Furthermore, Otunbala (2011) posits that government revenue includes the entire fund generated from oil and non-oil sources other than fund raised from issue of debt instrument such as government bonds, stocks, treasury certificates and treasury bills from capital and money market.

He further states that the non-oil source includes income tax, receipts, changes, royalties, fees, utilities, miscellaneous revenues, etc. In the words of Stephen and Osagie (2013), they noted that public revenue is concerned with the numerous ways in which government raises revenue. Revenue is the sum of money generated from sources by an established organs or entity.

2.2.3 Revenue Generation in Local Government

Revenue generation in local government according to Olawuwo, Ogunleye and Olaleye (2013) is the sum of legislated or legitimate income usually in monetary term collected from citizenry for the purpose of rural development and for meeting other social needs of people. Revenue generated internally may be seen as income generated in the form of capital receipts and taxes, which includes local rates, market taxes, and levies excluding any market where state finance is involved. Bicycle, truck, canoe, wheel barrow and cart fees, other than a mechanically propelled truck, permits and fines charged by customary courts, local governments business investment, tenement rate, fees from schools, shops and kiosks rates, on and off liquor license fees, slaughter slab fees, marriage, birth and death registration fees; other sources of internally generated revenue include; naming of street registration, fee excluding any street in the state capital, right of occupancy, fees on lands in the rural areas excluding those collectable by the federal and state governments, cattle tax payable by cattle farmers only, merriment and road closure levy, religious places establishment permit fees, sign board and advertisement fees, radio and television license fees (other than radio and television transmitter), wrong packing charges, hackney permit fees, earnings from commercial undertaking, e.g. sales of farm products, sales of

eggs and fowls, sales of fertilizer, income from piggery, fishery and snailery, rent on local government properties e.g. rent on staff quarters, local government conference halls and ambulance (Onah, 2017).

Revenue generation is the basis and the path to modern development (Onodugo, Onodugo, Asogwa Benjamin & Anyadike, 2015). The practicality or functionality of any local government depends on its internal revenue generation efforts; and the extent to which a local government can go in accomplishing its developmental goals depend on its internally generated revenue (IGR) strength (Olusola & Siyanbola, 2014). They explained that, the capacity of local government to generate revenue internally is one very crucial consideration for the creation of a local council but what exists today is that local governments are just springing up without giving due consideration to how the local government established would be able to sustain itself (Olusola & Siyanbola).

2.3 Sources of Revenue Generation in Local Government

Rate: This is one of the independent sources of revenue for the local government. People residing within a Local Government area pay some money to it in form of rates. Rate is, thus a local tax of the local government which is of three types namely property rate, special rate and capitation rate otherwise known as poll tax. Property rate is a fixed percentage amount of the current value of a private property levied on the owner of such property. Capitation rate which is also a fixed amount of money levied on all rateable adults living in the local government. It is not only fixed but equal for every payer and like the property rate, it is paid annually. As a flat

rate, it is generally low so that the low income people can conveniently pay (Oti & Odeh, 2017). Special rate is a fixed amount meant to be paid by all rateable adults residing in the local government area. Special rate is usually levied for specific and priority projects like education, water supply and rural electrification which the local government has inadequate fund for its provision.

Statutory Allocation: As the third tier of government, the local government receives statutory allocation from the federation account just like the state and federal government. This share of revenue is as fixed by law, part of it also comes from the state government total internally generated revenue based on percentage formula because it is fixed by law, it is not voluntary but mandatory and does not depend on the whims and caprices through a legitimate process of change of the law that provides it. Statutory allocation is definite and certain (Omodero, Ekwe & Ihendinihu, 2018).

Fines: These are penalties imposed by the customary courts on individuals for the contravention of the bye-laws of the local government to regulate and control services allocated to them within their areas of jurisdiction. It is important to note that revenue accruing to the local government through this source is relatively very insignificant (Oti & Odeh, 2017).

Earning and Profits: These are profits, interests and premiums accruable to the local government from its investment of funds in private or public economic ventures. In other words, they are money realized by the local government from commercial ventures and industrial establishments, such ventures includes mass transit services, soap industry, bakery, Agricultural

farms, shares owned in companies. If such business is effectively managed with minimum local government interference and political influences, higher revenue could be realized (Adesoji & Ogechi, 2013).

Fees and Charges: In local government, revenue is generated through payments for the services which the local government provides, such fees are in some cases designed to regulate and in other cases to maintain these services. Fees and charges are imposed and revenue realized from the issuance of various types of licenses like bicycle, wheelbarrow, canoe and cart license, others are charges on bakeries, sale of liquor in restaurant and public places, erection of sign-boards, registration of births and marriages, motor parks and markets, personal identification, public urinary and toilets etc (Akabom-Ita, 2013). The imposition of fees and charges on these services by the local government always requires enabling laws for them to be lawful.

Grants: The Federal and State Government give grants often called grants-in-aid, to local government to enable it discharge its administrative and developmental functions effectively, particularly in the area of the provision and maintenance of certain basic amenities for the people, such basic amenities like water and electricity supply, building of educational and health facilities. The maintenance of roads attracts grants. Four main types of grants which include general or block grant, specific grants, equalization grant and matching grant (Nightngale, 2012).

Local governments are expected to embark on certain development programmes that are listed as priorities of government. Consequently, any local government that embarks on such priority

programmes or projects is given a matching grant which is designed to simulate and encourage development.

Loan: Local governments are empowered to obtain loans from the Federal, State and other Local Government. They are also allowed to raise loans from financial institutions like banks and from individuals. They raise loans for incurring capital development projects that are within their statutory functions. Educational, Agricultural and Industrial development Projects, drainage schemes, health and market development are good examples of developmental projects for which loan can be raised. In addition, no Local Government can make any reasonable giant stride in rapid community development without borrowing (Nightngale, 2012). It is however important to note that loans are necessity provided that they are prudently applied on capital projects for which they are obtained, on capital projects which are expected to be of immense benefits to the people including the coming generation which incidentally are reasonably expected to pay for such loans in future, our of the rates and other forms of taxes they will pay.

2.4 Challenges of Revenue Generation in Nigerian Local Governments

One of the major challenge that has continued to affect local governments in Nigeria despite the numerous sources of revenue is lack of adequate and efficient model/method of collecting the revenue. As noted by Coker, Eteng, Agishi and Adie (2015), the central issue has tended to be that of not sufficiently identifying and adopting appropriate strategies for expanding their revenue bases internally.

Therefore, it is undisputable fact that the revenue generation of most local government in Nigeria is far below what it should be, all things being equal. The affiliated effect of the poor revenue generation and maximization, is that inadequate finance remains the most single devastating problem undermining effective local government administration in the country (Onwe, 2010).

Local government in Nigeria have diverse sources of generating revenue internally, these sources must be defined and areas of responsibilities and accountability made (Coker et al., 2015). Coker, et al, (2015) itemized some of the problems affecting the local governments in Nigeria to include endemic corruption and other related vices not tackled; dependence on the federal government for hand-outs of flourishing financial and resources of local governments by their respective states governments. Orewa (2016) described various sources of revenue open to local governments and problems in the collection and management of their finances. He enumerates such problems to include shortage of trained manpower, ignorance of the councilors over their duties and non-commitment to duty on the part of the staff and councilors alike. Adediji (2017) attributes poor internal revenue generation of local government to lack of proper structure, low quality of staff and lack of mission comprehensive functional role.

According to Bello-Iman (2019), the major challenges to internal revenue generation in local government is the shortage of well trained and qualified personnel which supposed to serve as tool for collection of taxes and rates at the local level. Bello-Iman (2019) noted that even the few available ones are not properly trained in efficient budgetary and financial management systems. Also, he asserts that most of the local governments are short-staffed to carry out their duties.

Omodero, et al. (2018) posits that the problem of personnel in internal generation of local government system is due to early recruits were mainly sons of the soil; party stalwarts, relations of councilors, amongst others. OModero, et al. (2018) further blamed the shortage of trained staff in local government on politicization of recruitment, selection and placement. The situation has even been made worse judging by the fact that most state governments have placed a sort of embark on recruitment at the local government levels. Mbanefoh and Egwaikhide (2011) stated that poor auditing has contributed greatly to the problem of revenue generation of Local governments.

Anyafu (2016) posits that corruption remains a major problem which has constrained local governments especially in developing countries from contributing meaningfully to the enhancement of the standards of living of the local people; it is rife in the areas of revenue generation and declaration by collectors to embezzlement of local government funds by official of local government.

Other reasons for poor revenue generation in local government as advanced by Onyisi (2010), Adewale (2018) and Ezeani (2014) is the fact that most of the local governments cannot enforce by by-laws on revenue collection; in some cases, the law on revenue collection is not updated. They also reports that there is poor communication network particularly in the riverine areas. There is a high incidence of corruption, fraud and embezzlement among local government revenue officials; some of the unscrupulous councils' officers collect revenue for which they issue fake receipts to the payers, and the funds collected are not paid into the councils' treasury,

others collect revenue without issuing receipts (Coker et al., 2015). Coker et al. (2015) concluded that by so doing, that large sums of revenues are lost by local governments to some corrupt and fraudulent rates and fees collectors, licensing officials, collectors of fees and fines, market masters and valuation officers. Coker et al. (2015) state further that some tenement assessments are under-evaluated or they completely escape valuation and rating; and at particular points, it is very common for local governments' enforcement officers to ensure that the poor are the payers of the tenement rates, whereas the rich and the well-connected escape payment.

Atakpa, Ocheni and Nwankwo (2012) stress that some local government officials exhibit their inability to keep proper and adequate accounting records because they have little or no knowledge about the accounting systems in local governments. These problems are further compounded by poor assessment methods (Coker et al., 2015). Lack of foresight and entrepreneurial skills on the part of key local government functionaries and the revenue officials militate against effective generation of revenue locally (Coker et al., 2015). Adewumi (2019) supports this view that the major problems of internal revenue generation in the local government centre on the inability of local governments to enforce bye-laws which could enhance their method of revenue collection.

The failure to remit 10% to local government by state governments is yet another problem associated with revenue generation of local governments. Ola and Tonwe (2005) noted that although the constitution provided that a certain of the total revenue of state should be disbursed to their local councils, the state governments had in most cases paid in only a small fraction of

the 10% to their local government councils, and in some cases, nothing at all was paid to the local government councils by the state governments. This still remains the position today. Most councils cry to get their statutory allocation paid into the State Joint Local Government Account from state government talk-less of getting 10% as state revenue to the local government council (Ola & Tonwe, 2005).

2.4.1 Challenges of Services Delivery of Local Government in Nigeria

Local government is the closet tier of government to the people in Nigeria, yet the resident population in it is denied the benefits of its existence. This is evident in the poor environmental state, deteriorating public school building, poor market facilities and lack of health centers (Olusola, 2011).

The local government was put in place for reasonable purposes ranging from political, social, and economic reasons. These reasons are captured in section 7 (2) of the Nigeria constitution (Iguisi. 2010). It is quite disturbing over the years; that these purposes have not been fully realized. There has been a sustained argument that the 774 Local Government Areas, which form the third tier of government in Nigeria, are contributing little to national development to justify their existence. Local government has not really facilitated rapid development at the grassroots, which is the essence of their creation (Amaechi. 2012). The concept of bringing governance closer to the people through a third-tier participatory form of government has not materialized in Nigeria. Lack of capacity of local government to fulfill the aspirations of their communities are caused by lack of adequate resources, including inappropriate fiscal base, the usurpation of its

power to raise internal revenue and the manipulation of the state joint local government account (John, 2012). This development according to Mimiko in (Aborisade. 2012) has made people to see the councils as a place where top administrators' engage in corruption and an environment where supposed professional had little or no idea of what the councils should be doing.

Yovbi, (2018) posits that majority of Nigerians do not see that politics at the Local Government level can be a means of honest livelihood and an opportunity to contribute effectively and meaningfully to the development of society. Therefore, they sit by while those who know even less than themselves, walk away with easy victories won with intimidation and then proceed to abuse citizens and erode the quality of our lives.

However, Yovbi (2018) associates the failure of service delivery of local government functionaries with the bad local politics. Thus, he directly related the challenges of service delivery to bad local government politics. While in real sense, the challenges of service delivery is a product not only bad local politics (through closely related to it) but also other things like poor revenue generation strategies, poor utilisation of the revenues generated and, among other things, poor project implementation mechanisms.

2.5 Theoretical Framework

This study is premised on the pecking order theory developed by Brealey & Myers (1996) and the resource curse theory, also known as the paradox of plenty propounded by Przeworski, Adam in 1991.

2.5.1 *The Resource Curse Theory*

The resource curse theory, also known as the paradox of plenty as propounded by Przeworski, Adam in 1991 refers to the paradox that countries and regions with an abundance of natural resources, specifically point-source non-renewable resources like minerals and fuels, tend to have less economic growth and worse development outcomes than countries with fewer natural resources. This is assumed to happen for many different reasons, including a decline in the competitiveness of other economic sectors, volatility of revenues from the natural resource sector due to exposure to global commodity market swings, government mismanagement of resources, or weak, ineffectual, unstable or corrupt institutions possibly due to the easily diverted actual or anticipated revenue stream from extractive activities. The idea that natural resources might be more of an economic curse than a blessing began to emerge in the 1980s. The term resource curse theory was first used by Richard Auty in 1993 to describe how countries rich in natural resources were unable to use that wealth to boost their economies and how, counter-intuitively, these countries had lower economic growth than countries without an abundance of natural resources (Gylfason, 2011).

This theory was adopted in this study because it deals on the decline in the competitiveness of other economic sectors, volatility of revenues from the natural resource sector due to exposure to global commodity market swings, government mismanagement of resources, or weak, ineffectual, unstable or corrupt institutions possibly due to the easily diverted actual or

anticipated revenue stream from extractive activities and lack of development plans and structures in local government due to financial and administrative mismanagement.

CHAPTER THREE

RESEARCH METHOD

3.1 Introduction

The method adopted for conducting this research is aimed at evaluating the issues of revenue generation and development programmes of Ovia North-East Local Government Area of Edo State. Research design aimed at showing the various methods and procedures of the research work. The method adopted for this work reflects the researcher's sense of originality and research capability. The method of enquiring, data collection, questionnaire design and data analysis technique will validate this fact.

3.2 Research Design

The research design used in this study is descriptive design which seek to describe the existing status of what is being investigated and it will also help the researcher to know where the variable are gotten and how the objectives could be achieved. This descriptive approach involves the normal gathering, analysis and interpretations of a set of data so as to explain the underling factors that surround the problems that prompted the research.

3.3 Population Size

Population is the number of respondents, the researcher is investigating. This is also known as the universe. The population under study consists of 200 staffs of Ovia North-East local government council.

3.4 Sample Size and Sampling Techniques

In determining the sample size for the study, the researcher will use a 5% level of significance, the sample size will be derived using Yaro Yamnane formular;

$$n = \frac{N}{1+N(e)^2}$$

Where

n = sample size

N = Population of the study

e = level of significance/Error estimate at 5%

1 = Constant

$$n = \frac{200}{1+200(0.05)^2}$$

$$n = \frac{200}{1+200(0.0025)}$$

$$n = \frac{200}{1+ 0.05}$$

$$n = 200 = \frac{133.33}{1.5} = 133$$

However, the sample size of this study as determined from the calculation above will be 133.

Therefore, one hundred and thirty-three (133) structured questionnaire will be distributed to the respondents. The sampling technique employed in this study is the simple random sampling technique.

3.5 Instrument for Data Collection

The instrument that will be used for data collection for this study will be the questionnaire and direct interview. The questionnaire will be generated in line with the research questions in a simple and clear grammar to enable the respondent understand and respond to the research questions. In this study, the researcher will also employ other instruments for data collection like personal observation and interview.

3.6 Sources of Data Collection

Primary source of data collection are information that are generated specifically for the purpose of this research work. In this study, data will be collected from personal observation, interview and responses on the questionnaire. The questionnaire will be a well-structured one, which enable the respondents to answer in five point Likert Scale (Strongly Agree, Agree, Strongly Disagreed, Disagreed and Undecided). The questions will be designed in the closed ended manner in order to ensure accurate statistical evaluation.

The secondary sources of data were gotten from existing information that are already written, published and unpublished that are related to the topic which includes textbooks, journals newspaper, international financial publication towards development.

3.7 Method of Data Analysis

The data collected will be presented in a tabular form with focus on the major research questions in other to enable the researcher determine the results. The data collected will be analyzed using simple percentage analysis.

CHAPTER FOUR

DATA ANALYSES AND DISCUSSION OF RESULTS

4.1 Demographic Presentation

One hundred and thirty-three (133) questionnaire were administered and retrieved, containing the information gotten from the respondents, and were presented, analysed and interpreted using percentages. While the hypothesis were tested using chi-square statistical analysis.

Table 4.1 Demographic information on respondents

S/N	Variable	Attributes	Frequency	Percentage (%)
1.	Gender	Male	74	55.6
		Female	59	44.4
	Total		133	100
2.	Age	18 – 22	23	17.3
		23 – 27	41	30.8
		28 – 32	36	27.1
		33 and above	33	24.8
Total		133	100	
3.	Educational Background	Primary/SSCE	16	12.0
		OND/HND	27	20.3
		B.Sc.	53	39.8
		Masters Degree	37	27.8
Total		133	100	
4.	Religion	Christianity	76	57.1
		Islam	37	27.8
		African Traditional Religion	20	15.0
Total		133	100	

Source: Field Survey, 2023.

The demographic variables in Table 4.1 reveals that out of a total 133 respondents, 74 (55.6%) are male, while 59(44.4%) are female respectively. Also, in the age variable, out of the 133 respondents 23(17.3%) fall within the age range of 18-22 years; 41(30.8%) fall within the age

range between 23-27 years; and 36(27.1%) fall within the age of 28-32; while 33(24.8%) fall within the age range of 33 years and above respectively. Also, for educational qualification, 16(12.0%) of the respondents fall within the primary and senior school leaving certificate educational level; 27(20.3%) of the respondents fall within the ordinary national diploma and higher national diploma education level; and 53(39.8%) of the respondents falls within the B.Sc. degree level of educational attainment; while 37(27.8%) of the respondents fall within the Masters degree educational attainment. For religion, majority of the respondents appear to the Christians, which is represented with 76(57.1%), and 37 respondents with 27.8% are Muslim, while 20(15.0%) of the respondents practice African Traditional Religion.

4.2 Descriptive Analysis

SECTION B: DATA ANALYSIS AND PRESENTATIONS

In this section, the responses to the questions were analyzed in the tables below.

Table 4.2: Challenges of revenue generation and development programmes in Ovia North-East LGA, Edo State.

S/N	Variable	Attributes	Frequency	Percentage (%)
1.	Corruption and lack of transparency pose a challenge to revenue generation in Ovia North-East LGA.	A	63	47.4
		SA	70	52.6
		D	Nil	Nil
		SD	Nil	Nil
	Total		133	100.0
2.	The attitude of taxpayers towards paying taxes pose a challenge to revenue generation in Ovia North-East LGA.	A	37	27.8
		SA	63	47.4
		D	18	13.5
		SD	15	11.3
	Total		133	100.0
3.	The level of commitment of local	A	54	40.6

	government towards identifying more sources of revenue aid its developmental strides.	SA	27	20.3
		D	33	24.8
		SD	19	14.3
	Total		133	100.0
4.	Lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA.	A	64	48.1
		SA	59	44.4
		D	4	3.0
		SD	6	4.5
	Total		133	100.0
5	The shortage of well-trained and qualified personnel pose a challenge to effective revenue generation in Ovia North-East LGA.	A	29	21.8
		SA	50	37.6
		D	35	26.3
		SD	19	14.3
	Total		133	100.0

Source: Field Survey, 2023

From the analysis in question 1 in table 4.2, out of the 133 respondents, 63 respondents consisting of 47.4% agreed that corruption and lack of transparency pose a challenge to revenue generation in Ovia North-East LGA; in the same vein, 70 respondents, which accounts for 52.6% strongly agreed with the statement; while none of the respondents neither disagreed nor strongly disagreed with the statement. Thus, it can be concluded from the responses that corruption and lack of transparency pose a challenge to revenue generation in Ovia North-East LGA.

In item two, majority of the respondents which consist of 63(47.4%) strongly agreed to the term that the attitude of taxpayers towards saying taxes pose a challenge to revenue generation in Ovia North-East LGA. Slightly followed by this are 37 respondents, which accounts for 27.8% who also agreed with the statement. While 18(13.5%) and 15(11.3%) of the respondents disagreed with this. Thus from the responses, it can be deduced that the attitude of taxpayers towards paying taxes pose a challenge to revenue generation in Ovia North-East LGA.

It question 3, a high number of respondents 54(40.6%) agreed with the statement that the level of commitment of local government towards identifying more sources of revenue aids its developmental strides; while 27 respondents with 20.3% strongly agreed with the statement; while 33(24.8%) of the respondents also disagreed with the term, and 19(14.3%) of the respondents strongly disagreed with the issues raised. Thus, in line with the responses, it can be concluded that the level of commitment of local government towards identifying more sources of revenue aids it development strides.

In item 4, out of the 133 respondents, 64(48.1%) agreed, and 59(44.4%) strongly agreed lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA; while 4(3.0%) and 6(4.5%) of the respondents disagreed and strongly disagreed that lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA. Therefore, from the responses above, we can conclude that lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA.

Furthermore, in item 5, majority of the respondents which accounts for 29(21.8%) and 50(37.6%) are of the view that the shortage of well-trained and qualified personnel pose a challenge to effective revenue generation in Ovia North-East LGA; while 35(26.3%) and 19(14.3%) of the respondents disagreed and strongly disagreed that the shortage of well-trained and qualified personnel does not pose a challenge to effective revenue generation in Ovia North-East LGA. Thus, it can deduced from the responses that the shortage of well-trained and qualified personnel pose a challenge to effective revenue generation in Ovia North-East LGA.

Table 4.3 The extent to which the restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA, Edo State.

S/N	Variable	Attributes	Frequency	Percentage (%)
1.	The restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA.	A	69	51.9
		SA	60	45.1
		D	4	3.0
		SD	Nil	Nil
	Total		133	100.0
2.	Other levels of government encroachment on the legitimate rights of local government affects is developmental stride.	A	59	44.4
		SA	53	39.8
		D	Nil	Nil
		SD	21	15.8
	Total		133	100.0
3.	Revenue generation is the basis and the path to modern development in Ovia North-East LGA.	A	58	43.6
		SA	54	40.6
		D	11	8.3
		SD	10	7.5
	Total		133	100
4.	The practicality or functionality of Ovia North-East LGA depends on its internal revenue generation efforts.	A	50	37.6
		SA	43	32.3
		D	13	9.8
		SD	27	20.3
	Total		133	100.0
5	The extent to which Ovia North-East LGA can go in accomplishing its developmental goals depend on its internally generated revenue.	A	58	43.6
		SA	38	28.6
		D	22	16.5
		SD	15	11.3
	Total		133	100.0

Source: Field Survey, 2023

From table 4.3 in question 1, majority of the respondents 69(51.9%) and 60(45.1%) are of the view that the restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA; while only 4(3.0%) of the respondents disagreed with the statement. We can then concluded that restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA.

In item 2 from table 4.3, out of the 133 respondents 59(44.4%) and 53(39.8%) agreed that other levels of government encroachment on the legitimate rights of local government affects its developmental stride; while only 21(15.8%) disagreed with the statement. Therefore, in line with the responses, it can be concluded that other levels of government encroachment on the legitimate rights of local government affects its developmental stride.

Also, in item 3, 58 respondents, consisting of 43.6%, and 54(40.6%) of the respondents are in support that revenue generation is the basis and the path to modern development in Ovia North-East LGA; while 11(8.3%), and 10(7.5%) of the respondents disagreed with the statement, and said that revenue generation is not the basis and the path to modern development in Ovia North-East LGA. Thus, we can then concluded in line with the responses above that revenue generation is the basis and the path to modern development in Ovia North-East LGA.

Furthermore, in question 4, majority of the respondents, comprising 50(37.6%), and 43(32.3%) agreed that the practicality or functionality of Ovia North-East LGA depends on its internal revenue generation efforts; while 13(9.8%) and 27(20.3%) of the respondent disagreed that the practicality or functionality of Ovia North-East LGA does not depend on its internal revenue generation efforts.. Thus, in line with the responses, it can concluded that the practicality or functionality of Ovia North-East LGA depends on its internal revenue generation efforts.

In item 5, out of the 133 respondents, 58(43.6%) and 38(28.6%) of the respondents are of the view that the extent to which Ovia North-East LGA can go in accomplishing its developmental goals depends on its internally generated revenue; while 22(16.5%) and 15(11.3%) of the respondents disagreed with the statement. From the responses, it can be taken that the extent to

which Ovia North-East LGA can go in accomplishing its developmental goals depend on its internally generated revenue.

Table 4.4: The relationship between the statutory allocation and internally generated revenue in Ovia North-East LGA, Edo State.

S/N	Variable	Attributes	Frequency	Percentage (%)
1.	The capacity of local government to generate revenue internally is one very crucial consideration for its creation.	A	15	11.3
		SA	18	13.5
		D	49	36.8
		SD	51	38.3
	Total		133	100.0
2.	Adequate sound revenue base for local government is an essential pre-condition for the success of fiscal decentralization.	A	36	27.1
		SA	64	48.1
		D	18	13.5
		SD	15	11.3
	Total		133	100.0
3.	As the third tier of government, Ovia North-East LGA receives statutory allocation from federal accounts just like the state government.	A	31	23.3
		SA	43	32.3
		D	39	29.3
		SD	20	15.0
	Total		133	100
4.	Local government are empowered to obtain loans from the federal/state government.	A	49	36.8
		SA	51	38.3
		D	18	13.5
		SD	15	11.3
	Total		133	100.0
5.	Ovia North-East LGA raise loans for incurring capital development programme that are within their statutory functions.	A	49	36.8
		SA	51	38.3
		D	23	17.3
		SD	10	7.5
	Total		133	100.0

Source: Field Survey, 2023

Table 4.4 reveals in question 1 that 15(11.3%) and 18(13.5%) of the respondents are of the view that the capacity of local government to generate revenue internally is one very crucial consideration for its creation; while majority of the respondents, which accounts for 49(36.8%)

and 51(38.3) disagreed with the statement. With the responses, we can then concluded that the capacity of local government to generate revenue internally is not a major consideration for its creation.

In question 2, 36(27.1%) and 64(48.1%) of the respondents agreed that adequate sound revenue base for local government is an essential pre-condition for the success of fiscal decentralization; while 18(13.5%) and 15(11.3%) of the respondents disagreed with the statement. Thus, it can then be concluded that adequate sound revenue base for local government is an essential pre-condition for the success of fiscal decentralization.

Item 3 reveals that 31(23.3%) and 43(32.3%) of the respondents agreed that as the third tier of government, Ovia North-East LGA receives statutory allocation from federal accounts just like the state government; but 39 respondents with 29.3%% and 20(15.0%) said Ovia North-East LGA does not receive statutory allocation from federal accounts just like the state government as the third tier of government. In line with the responses above, we can say that Ovia North-East LGA receives statutory allocation from federal accounts just like the state government as the third tier of government.

Statement from question 4 revealed that majority of the respondents, which accounts for 49(36.8%) and 51(38.3%) are of the view that local government are empowered to obtain loans from the federal/state government; while 18(13.5%) and 15(11.3%) disagreed that local government are not empowered to obtain loans from the federal/state government. Therefore, in line with the responses, it can be concluded that local government are empowered to obtain loans from the federal/state government.

In item 5, most of the respondents, which stands at 49(36.8%) and 51(38.3%) agreed that Ovia North-East LGA raises loans for incurring capital development programme that are within their statutory functions; while 23(17.3%) and 10(7.5%) disagreed with the statement. From the responses above, we can then conclude that Ovia North-East LGA raises loans for incurring capital development programme that are within their statutory functions.

Table 4.5: The factors responsible for ineffective implementation of developmental programmes in Ovia North-East LGA, Edo State.

S/N	Variable	Attributes	Frequency	Percentage (%)
1.	Lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources.	A	56	42.1
		SA	33	24.8
		D	15	11.3
		SD	29	21.8
	Total		133	100.0
2.	The role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes.	A	51	38.3
		SA	49	36.8
		D	31	23.3
		SD	2	1.5
	Total		133	100.0
3.	Bad local government politics affects the implementation of development programmes in Ovia North-East LGA.	A	41	30.8
		SA	69	51.9
		D	9	6.8
		SD	14	10.5
	Total		133	100
4.	Ovia North-East LGA has not really facilitated rapid development at the grass-roots.	A	51	38.3
		SA	49	36.8
		D	27	20.3
		SD	6	4.5
	Total		133	100.0
5.	The poor utilization of the revenue generated and poor project implementation mechanism affects the developmental programmes of Ovia North-East LGA.	A	48	36.1
		SA	69	51.9
		D	11	8.3
		SD	5	3.8
	Total		133	100

Source: Field Survey, 2023

In table 4.5, questions 1 shows that 56(42.1%) and 33(42.1%) of the respondents agreed that lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources; while 15(11.3%) and 29(21.8%) of the respondents thinks otherwise. Thus, in view of the responses above, it can be concluded that lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources.

Also, in questions 2 in table 4.5, majority of the respondents which consists of 51(38.3%) and 49(36.8%) said the role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes; while 31(23.3%) and 2(1.5%) of the respondents disagreed with the statement. We can then conclude that the role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes.

Furthermore, item in question 3 shows that a higher percent of the respondents, which accounts for 41(30.8%) and 69(51.9%) are of the view that bad local government politics affects the implementation of development programme in Ovia North-East LGA. Then 9(6.8%) and 14(10.5%) of the respondents thinks otherwise. Therefore, in line with the response, we then conclude that bad local government politics affects the implementation of development programmes in Ovia North-East LGA.

Statement in question 4 revealed that 51(38.3%) and 49(36.8%) of the respondents agreed that Ovia North-East LGA has not really facilitated rapid development at the grass-roots. Then 27(20.3%) and 6(4.5%) of the respondents disagreed that Ovia North-East LGA has facilitated

rapid development at the grass-root. In line with the responses, we then conclude that Ovia North-East LGA has not really facilitated rapid development at the grass-root.

Finally, in questions 5, a total of 48(36.1%) and 69(51.9%) of the respondents agreed the poor utilization of the revenue generated and poor project implementation mechanism affects the development programmes of Ovia North-East LGA; while 11(8.3%) and 3(3.8%) of the respondents disagreed with the issues raised. From the responses above, we can then say that the poor utilization of the revenue generated and poor project implementation mechanism affects the developmental programmes of Ovia North-East LGA.

4.3 Discussion of Findings

From the analysis, the findings from the study revealed that corruption and lack of transparency pose a challenge to revenue generation in Ovia North-East LGA; the attitude of taxpayers towards paying taxes pose a challenge to revenue generation in Ovia North-East LGA; the level of commitment of local government towards identifying more sources of revenue aids it development strides; lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA; the shortage of well-trained and qualified personnel pose a challenge to effective revenue generation in Ovia North-East LGA; other levels of government encroachment on the legitimate rights of local government affects its developmental stride, and that revenue generation is the basis and the path to modern development in Ovia North-East LGA.

Furthermore, the analysis revealed that the practicality or functionality of Ovia North-East LGA depends on its internal revenue generation efforts; the extent to which Ovia North-East LGA can

go in accomplishing its developmental goals depend on its internally generated revenue; the capacity of local government to generate revenue internally is not a major consideration for its creation, adequate sound revenue base for local government is an essential pre-condition for the success of fiscal decentralization., Ovia North-East LGA receives statutory allocation from federal accounts just like the state government as the third tier of government, and that local government are empowered to obtain loans from the federal/state government.

Finally, the study showed that Ovia North-East LGA raises loans for incurring capital development programme that are within their statutory functions, lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources, the role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes, bad local government politics affects the implementation of development programmes in Ovia North-East LGA, Ovia North-East LGA has facilitated rapid development at the grass-root. In line with the responses, we then conclude that Ovia North-East LGA has not really facilitated rapid development at the grass-root, and that poor utilization of the revenue generated and poor project implementation mechanism affects the developmental programmes of Ovia North-East LGA.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

This study identified and examined the issues of revenue generation and development programmes of Ovia North-East Local Government Area of Edo State. The study revealed that local government in Nigeria are confronted with several problems which include corruption on the part of revenue collectors, lack of bye-laws on revenue tariff, farming out of revenue base on political patronage and so on. It has become obvious that corruption is the major issue in the developmental study of the local government councils in Nigeria. It is therefore believed that the local governments could do better in internally generated revenue if council officials honestly and aggressively do their job. But more often, these officials are involved in corrupt practices by short changing the council either by printing their own personal receipt booklets or misappropriate council funds. The fact that such culprits are not decisively dealt with accordance with extant rules and regulations have encourage other to be the same line of corruption, resulting in the ever more dwindling internal revenue profile of the council.

The estimated coefficient for internally generated revenue is positive to the cost of infrastructure. This shows that there exist significant relationship between internally Generated Revenue and cost of infrastructure in the five South Eastern States of Nigeria. The result of the findings show that internally collected revenue has insignificant effect on infrastructural development in the area under survey. This implies that the internally generated revenue has not really improved the

infrastructural development. Now that Nigeria no longer depend on statutory allocation to meet up to her expenditures. It is necessary that IGR should be up graded.

5.2 Conclusion

Local government revenue generation in Nigeria needs restructuring so that taxing powers be given to local authorities and also it should be allowed to share major tax bases with other levels of government to enable enough independent funds for development. It is noted that federal government is highly favored in all the revenue allocation systems so far and fiscal federalism is tilted more in favor of the federal government. This, in a way, is affecting the economic survival of the sub-national governments. Local governments therefore, shall strive towards improving internally generated revenue and instil transparency and accountability in their management structure. This can be effectively carried out through community participation in their various activities.

The need to carry people along in the execution of the projects will encourage administrative openness and accountability. Local governments which constitute the areas mostly endowed with natural resources should be allowed to persuade foreign investors for the much desired development at the local level. Local government is the most popular among the three tier structure in the Federal Republic of Nigeria. Any restructuring of this tier of government must as a necessity be done in concert with the generality of the people. The present claim of proliferations of local government is highly untenable. Indeed, every autonomous community in Nigeria should constitute a level of governance. This, the researcher believes, will facilitate rapid development of Nigeria and bring about dividends of democracy nearer to the people. Therefore,

the effective management of generated revenue is also a fundamental issue in the provision of services to the local populace, so revenue generation is not an end in itself in determining service provision, but proper utilisation is also a great determinant.

5.3 Recommendations

In the light of the findings of this study and the conclusions reached, the following recommendations have been made:

- i. Efforts should be enhanced by the local government towards generation of internal revenue so as to meet the yearnings and aspiration of the people at grassroot level.
- ii. Local government should encourage the collection of IGR through the application of modern equipment's and electronics means.
- iii. Local government should also find a means of closing up the loopholes and discourage frauds among the revenue collectors and the tax payers.
- iv. Local government should provide incentives and allowances in other to motivate and ginger the revenue collectors.
- v. The local government should embark on the establishment of some mini-sized industries that will provide employment opportunities to the people.
- vi. There is an urgent need for development and improvement in agricultural ventures like crop farming in cocoa, coffee, cashew etc. The participation in agriculture will encourage the inhabitants of local governments to improve their standard of living on one hand, and to improve the revenue base of local governments on the other hand.

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APPENDIX

**DEPARTMENT OF PUBLIC ADMINISTRATION
FACULTY OF SOCIAL SCIENCES
UNIVERSITY OF BENIN
BENIN CITY**

QUESTIONNAIRE

Dear Respondents,

I am a student of the aforementioned institution, undertaking a research on “Challenges of revenue generation and rural development in Nigeria: A case study of Ovia North-East Local Government Area, Edo State.

The research is purely an academic issue. It is not intended for any other purpose. Any information volunteered shall be treated in absolute confidentiality.

You are therefore kindly requested to respond to the questions as honest as possible. Thank you for your anticipated cooperation.

Yours faithfully,

Avan-Nomayo Kate
SSC1713029

SECTION A

DEMOGRAPHIC DATA

1. Gender: Male [] Female []
2. Age: 18 – 22 [], 23 – 27 [], 28 – 32 [], 33 and above []
3. Educational Background: Primary/SSCE [] OND/HND [] B.Sc. [] Masters Degree []
4. Religion: Christianity [] Islam [] African Traditional Religion []

SECTION B:

Objective One: Challenges of revenue generation and development programmes in Ovia North-East LGA, Edo State

S/N	Items	SA	A	D	SD
5.	Corruption and lack of transparency pose a challenge to revenue generation in Ovia North-East LGA.				
6.	The attitude of taxpayers towards paying taxes pose a challenge to revenue generation in Ovia North-East LGA.				
7.	The level of commitment of local government towards identifying more sources of revenue aid its developmental strides.				
8.	Lack of adequate and efficient model/method of collecting revenue is a challenge to revenue generation in Ovia North-East LGA.				
9.	The shortage of well-trained and qualified personnel pose a challenge to effective revenue generation in Ovia North-East LGA.				

Objective Two: The extent to which the restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA, Edo State

S/N	Items	SA	A	D	SD
10.	The restriction of local government fiscal autonomy affects the effective functioning of Ovia North-East LGA.				
11.	Other levels of government encroachment on the legitimate rights of local government affects is developmental stride.				
12.	Revenue generation is the basis and the path to modern development in Ovia North-East LGA.				
13.	The practicality or functionality of Ovia North-East LGA depends on its internal revenue generation efforts.				
14.	The extent to which Ovia North-East LGA can go in accomplishing its developmental goals depend on its internally generated revenue.				

Objective Three: The relationship between the statutory allocation and internally generated revenue in Ovia North-East LGA, Edo State

S/N	Items	SA	A	D	SD
15.	The capacity of local government to generate revenue internally is one very crucial consideration for its creation.				
16.	Adequate sound revenue base for local government is an essential pre-condition for the success of fiscal decentralization.				
17.	As the third tier of government, Ovia North-East LGA receives statutory allocation from federal accounts just like the state government.				
18.	Local government are empowered to obtain loans from the federal/state government.				
19.	Ovia North-East LGA raise loans for incurring capital development programme that are within their statutory functions.				

Objective Four: The factors responsible for ineffective implementation of developmental programmes in Ovia North-East LGA, Edo State.

S/N	Items	SA	A	D	SD
20.	Lack of capacity of Ovia North-East LGA to fulfil the aspiration of their communities are caused by lack of adequate resources.				
21.	The role of the state governors in the affairs of Ovia North-East LGA results in the ineffective implementation of its developmental programmes.				
22.	Bad local government politics affects the implementation of development programmes in Ovia North-East LGA.				
24.	Ovia North-East LGA has not really facilitated rapid development at the grass-roots.				
24.	The poor utilization of the revenue generated and poor project implementation mechanism affects the developmental programmes of Ovia North-East LGA.				