

**THE IMPACT OF REVENUE GENERATION ON THE
DEVELOPMENT OF UHUNMWODE LOCAL GOVERNMENT
AREA EDO STATE**

BY

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**DEPARTMENT OF PUBLIC ADMINISTRATION
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UNIVERSITY OF BENIN
BENIN CITY**

OCTOBER, 2025

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**A PROJECT SUBMITTED TO THE DEPARTMENT OF PUBLIC
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UNIVERSITY OF BENIN, BENIN CITY. IN PARTIAL FULFILLMENT
OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF
SCIENCE (B.Sc) DEGREE IN PUBLIC ADMINISTRATION**

OCTOBER, 2025

CERTIFICATION

This is to certify that this research work was carried out by **Iyinbor Gift** with Matriculation Number: **SSC2105824** in partial fulfillment of the requirements for the award of Bachelor of Science (B.Sc) degree in Public Administration, faculty of social sciences, University of Benin, Benin City, Edo State.

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Project Supervisor

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Head of Department

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DATE

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DATE

DEDICATION

This work is dedicated to God Almighty for His guidance and protection throughout my stay in school.

I also want to dedicate this project work to my amiable and educationally conscious parents, Mrs. Iyinbor and all my siblings for their unending and general support.

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All gratitude to God Almighty, the one who has made it possible for me to complete this programme and this project work. May his name be praised forever.

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ABSTRACT

The study examined the impact of revenue generation on the development of local government Area; a case study of Uhunmonde Local government area. It sought to ascertain if there is a significant relationship between of revenue generation and the development of local government taking into consideration some dimensions of revenue generation. A convenience sampling method was adopted and a sample size of 180 was used and distributed. A total number of 158 questionnaires was retrieved and analysed for the study. Descriptive statistics and ANOVA were adopted for the study. The study revealed that there Local government tax collectors yield high revenue for your Local Government Area. It also revealed that the level of local government funding on community development projects is sufficient. It was concluded that service provisions by local government is the product of the ability to generate revenue. Therefore, based on this, the higher the revenue the higher the number/quantity of services provided and vice versa. The study recommended that . The present revenue sources should also be fully tapped to improve the revenue base of the local government. Here, it is strongly recommended that the local government should adequately be involved in commercial transportation. By this, it means that commercial vehicles (cars, buses and trailers) should be purchased and operated, not on a subsidised bases but purely on commercial bases.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Local government is the third tier of government and serves as a vital instrument for political, social, and economic development at the grassroots. It is designed to decentralize governance, bring it closer to the people, and enhance citizens' participation in the decision-making process. The origins of local governance can be traced back to ancient civilizations where communities designated local authorities to manage their affairs and maintain order (Adeyemi, 2019). In modern states, local governments are structured to serve as vehicles for grassroots development and to complement the efforts of the central and state governments in delivering public goods and services.

In Nigeria, the local government system has evolved through various stages, influenced by both colonial and post-independence political developments. The foundation of formal local government administration was laid during the colonial era with the introduction of the Native Authority system. The British colonial administration created native authorities as intermediaries to maintain law and order and facilitate indirect rule through traditional rulers and local elites (Orewa & Adewumi, 2020). However, these institutions were largely authoritarian, lacking

democratic accountability and often serving the interests of the colonial regime rather than the local populace.

Following Nigeria's independence in 1960, a series of reforms were initiated to restructure the local government system to make it more democratic, autonomous, and development-focused. The most notable reform was the 1976 Local Government Reform, which introduced a uniform structure across the country and emphasized the autonomy of local governments. This reform granted local governments constitutional recognition, provided for the election of local council officials, and assigned them responsibilities in areas such as primary education, health care, rural roads, and sanitation (Adeyemi, 2019). Despite these efforts, the promise of local government as a driver of grassroots development has remained largely unfulfilled.

Central to the ability of local governments to fulfill their development mandates is the issue of revenue generation. Revenue generation refers to the process by which government institutions mobilize financial resources from various sources to fund public services and infrastructure. For local governments in Nigeria, revenue is derived from two major streams: internally generated revenue (IGR) and statutory allocations from the federation account. Internally generated revenue includes taxes, levies, fines, rents, licenses, and fees collected within the jurisdiction of the local government. Statutory allocations, on the other hand, are transfers from the federal

government, often disbursed through joint allocation accounts administered by the states (Ikechukwu & Ogunyemi, 2021).

Despite the availability of these revenue sources, local governments in Nigeria have continued to grapple with chronic underfunding. Internally generated revenue remains alarmingly low due to poor administrative capacity, weak enforcement mechanisms, lack of accurate data, and limited public trust in local institutions (Okolie & Eze, 2018). Many local governments rely almost exclusively on federal allocations, which are frequently delayed, politically influenced, and insufficient to meet the rising needs of local populations. This financial dependency has undermined the autonomy and accountability of local governments, making it difficult to implement meaningful development projects or maintain existing infrastructure.

The case of Uhumwonde Local Government Area (LGA) in Edo State reflects these broader national challenges. Uhumwonde LGA, established to bring governance closer to its people and promote local development, possesses significant economic potential, particularly in agriculture and trade. Yet, it continues to experience developmental setbacks due to weak revenue mobilization, poor administrative capacity, and inefficient utilization of funds (Ikechukwu & Ogunyemi, 2021). The inability to effectively harness local revenue sources and manage public

finances has limited the LGA's ability to provide essential services such as healthcare, education, road infrastructure, and environmental sanitation.

Moreover, the fiscal dependence of Uhumwonde LGA on federal statutory allocations makes it vulnerable to economic fluctuations and political manipulation. This dependency has stifled innovation in local governance and restricted the LGA's capacity to engage in long-term developmental planning (Eboh & Oduh, 2014). Strengthening local revenue generation mechanisms and improving transparency in fund utilization are therefore critical to revitalizing grassroots development in Uhumwonde and similar LGAs across Nigeria.

This study is therefore motivated by the need to critically examine the impact of revenue generation on the development of local governments, using Uhumwonde LGA as a case study. It aims to explore how financial resources are mobilized and managed at the local level, identify the constraints in revenue administration, and propose strategies to enhance the developmental role of local governments.

1.2 Statement of the Problem

Local governments in Nigeria were established with the fundamental purpose of bringing governance closer to the people and promoting grassroots development through effective service delivery. However, decades after the introduction of various

reforms most notably the 1976 Local Government Reform, the capacity of local governments to function as engines of development remains severely undermined. At the heart of this persistent underperformance is the issue of revenue generation, which has become a major challenge affecting the autonomy, functionality, and overall effectiveness of local governments.

In theory, local governments are expected to generate revenue internally from taxes, levies, rates, licenses, and commercial activities to complement statutory allocations from the federal government. Unfortunately, in practice, most local governments have failed to harness these internal sources effectively. Weak revenue generation mechanisms, poor record-keeping, lack of skilled manpower, widespread tax evasion, and public mistrust have made it difficult for local governments to mobilize sufficient internal resources. Consequently, many LGAs, including Uhumwonde in Edo State, have become heavily dependent on federal allocations that are not only irregular and inadequate but also politically influenced and susceptible to delays (Ikechukwu & Ogunyemi, 2021).

Uhumwonde Local Government Area, despite its significant agricultural potential, strategic location, and population base, continues to suffer from poor infrastructure, inadequate social services, and limited economic growth. Basic amenities such as healthcare facilities, road networks, public schools, and waste

management systems are either poorly maintained or grossly insufficient. These developmental setbacks raise important questions about the effectiveness of the local government's revenue generation efforts and the utilization of available funds. Furthermore, the over-reliance on statutory allocations from the federation account has led to a culture of fiscal laziness and poor financial planning among local government authorities. This has weakened local accountability, reduced community participation, and created a disconnect between the government and the people it is meant to serve. In many cases, revenue collected at the local level is either misappropriated or mismanaged due to a lack of transparency and institutional checks and balances (Okolie & Eze, 2018). This situation not only hampers development but also erodes public confidence in local governance.

Despite the growing scholarly attention to the role of local governments in national development, there is still a lack of empirical research focused specifically on the link between revenue generation and development at the LGA level, particularly in under-researched areas like Uhumwonde. This gap in the literature and in local government practice forms the basis of this study. It is necessary to investigate the specific challenges, opportunities, and implications of revenue generation on development outcomes in Uhumwonde Local Government Area, with the aim of proposing practical solutions to improve local governance and service delivery.

1.3 Objectives of the Study

1. To identify the major sources of revenue available to Uhumwonde Local Government Area.
2. To assess the efficiency and effectiveness of revenue collection and management in the LGA.
3. To examine the relationship between revenue generation and the level of infrastructural and social development in Uhumwonde LGA.
4. To investigate the challenges hindering effective revenue generation in the LGA.
5. To recommend practical strategies for improving revenue generation and utilization for sustainable local development.

1.4 Research Questions

To guide this study, the following research questions will be addressed:

1. What are the major sources of revenue available to Uhumwonde Local Government Area?
2. How effective are the current revenue collection and management practices in the LGA?

3. In what ways has revenue generation impacted infrastructural and social development in Uhumwonde LGA?
4. What are the major challenges affecting revenue generation in the LGA?
5. What strategies can be adopted to improve revenue generation and ensure its effective utilization for development?

1.5 Research Hypotheses

The following hypotheses have been formulated to guide the study and will be tested empirically:

Hypothesis 1 (H₀):

There is no significant relationship between internally generated revenue and the level of development in Uhumwonde Local Government Area.

Hypothesis 1 (H_R):

There is a significant relationship between internally generated revenue and the level of development in Uhumwonde Local Government Area.

1.6 Scope of the Study

This study will focus on examining the impact of revenue generation on the development of local government areas, with a specific emphasis on Uhunmwonde Local Government Area in Edo State, Nigeria.

Geographically, the study is confined to Uhunmwonde LGA, and data will be collected from local government officials, revenue officers, community leaders, and residents within the area. This location was selected due to its developmental challenges and its representative nature of many local governments across Nigeria that face similar financial constraints.

Thematically, the study will focus on the following areas: the sources of revenue available to the local government; the efficiency and effectiveness of revenue collection mechanisms; the relationship between revenue generation and service delivery (such as education, healthcare, road maintenance, and waste management); and the key challenges facing the revenue system. It will also explore possible strategies for improving revenue mobilization and its impact on grassroots development.

The study will cover a five-year period (e.g., 2019–2024), to provide a recent and relevant analysis of revenue generation trends and developmental outcomes within the LGA.

While the study aims to provide in-depth insight into the dynamics of revenue generation and development, it will not cover every department or function within the local government. Also, broader national or state-level financial structures are outside the primary focus, unless they directly affect local revenue policies.

1.7 Significance of the Study

This study is significant for several reasons, as it provides both practical and academic contributions to understanding of local governance and development in Nigeria.

Firstly, the study contributes to the growing body of knowledge on local government finance and administration by offering empirical insights into the relationship between revenue generation and development outcomes at the grassroots level. While much has been written about Nigeria’s fiscal federalism and the inefficiencies in public finance, few studies have explored this relationship within the specific context of Uhumwonde Local Government Area. This research, therefore, fills an important gap in both literature and policy analysis.

Secondly, the study is of practical importance to local government administrators and policymakers. By identifying the strengths and weaknesses in revenue generation practices within Uhumwonde LGA, the study will provide evidence-based recommendations for improving financial performance and service delivery. These recommendations can serve as a blueprint not only for Uhumwonde LGA but also for other LGAs across Nigeria that face similar developmental and fiscal challenges.

Thirdly, the study will benefit residents and community stakeholders by highlighting the importance of local participation in governance and revenue processes. Improved understanding of how local funds are raised and utilized can promote transparency, accountability, and citizen engagement. This in turn may lead to increased public trust and cooperation in tax compliance and community development initiatives.

Fourthly, the findings of this research may inform state and federal government agencies, particularly those involved in fiscal planning, local government reform, and development policy. Insights from the study can support ongoing efforts to strengthen local governance systems, promote fiscal autonomy, and enhance grassroots development.

Lastly, this study will serve as a useful resource for students, researchers, and academics interested in public administration, development studies, and local

governance. It offers a practical case study and analytical framework that can guide future research on similar topics.

In summary, this research has the potential to make meaningful contributions at multiple levels, academic, policy, administrative, and community, toward strengthening the financial base and developmental capacity of local governments in Nigeria.

1.8 Definition of Terms

To aid clarity and enhance understanding, the following key terms used in this study are defined operationally:

1. **Local Government:** The third tier of government in Nigeria, established by law to perform administrative and developmental functions at the grassroots level. It is responsible for delivering essential services and promoting the welfare of local communities.
2. **Revenue Generation:** The process by which a local government raises funds through various sources, including taxes, levies, rates, licenses, and grants, to finance its activities and development projects.

3. **Internally Generated Revenue (IGR):** All revenue collected by a local government from within its jurisdiction. This includes taxes, fees, fines, and income from public assets or enterprises operated by the local authority.
4. **Statutory Allocation:** Funds allocated to local governments by the federal and state governments, typically from the Federation Account, based on an established formula.
5. **Development:** In the context of this study, development refers to improvements in infrastructure, public services, and the overall quality of life of residents in a given locality. This includes sectors such as health, education, transportation, and sanitation.
6. **Tax Administration:** The system and processes by which taxes are assessed, collected, and enforced by the government or its agencies. It includes policy design, taxpayer registration, compliance monitoring, and penalties for default.
7. **Fiscal Autonomy:** The extent to which a local government can independently raise and manage its own financial resources without excessive reliance on higher tiers of government.
8. **Service Delivery:** The provision of public goods and services such as healthcare, education, water, and waste management by the government to meet the needs of its citizens.

9. **Uhunmwonde Local Government Area:** One of the 18 LGAs in Edo State, Nigeria. It is the focus area of this study and serves as the case through which the issues of revenue generation and local development are examined.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

2.1 Concept of local government

The term local government has been defined variously by different scholars. Akindele, (2020) defines local government down to earth to reflect Nigerian local government system when he maintains that: The Nigerian 1976 reform for Local Government Reform define local government as: Government at the local level exercised through representative council, established by law to exercise powers within defined areas. These powers should give the council substantial control over local affairs, institutional and financial powers to initiate, determine and implement projects so as to compliment the activities of the state and federal government in their areas while ensuring active participation of the people and their traditional institutions so that local initiative and response to local needs and conditions are maximized (Akindele et al, 2020). The United Nations Division of public Administration defined local government as a political subdivision of a nation (or in a federal system, a state) which is constituted by law and has substantial control of local affairs, including powers to impose taxes or exact labour for prescribed purposes. It is also seen as a branch of government that is closest to the people. It is seen as a medium through which the people participate actively in grassroot government and for the provision of social services to the people (Mukoro, 2023).

In view of Nwanegbo and Okafor (2021), local government is defined as a political subdivision of a state which has a legal existence under the law and is run by elected representatives of the local people, with substantial autonomy in administrative and financial affairs. They are of the view that local government is legal entity which can sue and be sued with perpetual succession. With this therefore, it means local government exists where elections are to take place as at when due to enable the people have a direct or indirect participation in the matters that concern the people. It is a viable instrument for the delivery of social services to greater percentage of the rural masses in any given country (Olaoye 2008).

According to Adekoya (2020) local governments as an institution are created to entrenched grassroots democracy and ensure social and economic wellbeing of the citizens in the areas of security, infrastructural developments, and provision of goods and services. Therefore, the creation of local government is to ensure and promote grassroots development and local participation in governance. It is also to facilitate democratic self-government at the grassroots level; act as a channel of communication with the other tiers of government; ensure infrastructural, socio-economic development activities; gives the local citizens the opportunity to conduct their own affairs in their own way; provides the ground for art of learning governance and administration of justice; and to ensure the involvement of traditional rulers in effective leadership, decision making and entrenchment of better administration.

Aworom, (2022) defined local government as an essential instrument of national and state government for the performance of certain basic services which can best be decided upon and administered locally on the intimate knowledge of the needs, conditions and peculiarities of the area concerned.

Scharticles (2014) posited that one of the major justifications for local government in modern times is that it promotes participation by local communities in governmental activities, as well as serving as machinery for harnessing local level efforts for development purposes. And local government he said also serves as a bridge and channel of interactions between local populations and the central arena of government. Local government is therefore not sovereign; it is Nevertheless, the justification for the establishment of local government is based on the socio-economic and political mobilization towards solving the problems of the rural people. Due to its far distance from both state and federal government, this level of government is established to bring governance closer to the people since it is believed that government that is close to the people are more likely to understand the challenges of their existence. As noted by Chukwuemeka (2013), the rural areas in Nigeria are faced by total lack of basic infrastructure and where they exist, they are totally inadequate.

Local Government Revenue

According to Agya, Ibrahim, and Emmanuel (2021), revenue is all form of monetary receipts from both taxes and non-taxes sources. Tax revenue is a compulsory payment on income, profit and property while non-tax revenue are collectables that are subjects to usage or activities, these are fees, fines, rates, tolls, licenses, permits and other miscellaneous revenues. According to Federal Ministry of Finance (2012) the National Tax Policy (NTP) defined revenue as income received from all activities engaged in by the receiving entity. It is the entire amount received by the government from all sources within and outside the government entity. Revenues generation is vital to local government because local governments are established to provide for the immediate needs of the people at the grassroots level.

Section 162 (10) of 1999 Constitution defines revenue as —any income or returns accruing to the government from any source and include: any receipt however described arising from the operation of any law, and receipt however described from or in respect of any property held by government, any returns by way of interest on loans and dividends in respect of shares of interest held by government in any company or statutory body" (Nigeria Constitution, 1999). However, revenue can also be defined as tolls, taxes, import rates,, fees royalties, refits and other receipts of government from whatever source such as proceeds from loans given out.

Thus, the term "revenue generation" refers to the processes and methods used by local governments to raise funds for service delivery. Taxes are the primary source of revenue for Nigerian local governments. Tax is a mandatory levy by the government on individuals and businesses to fund the state's various lawful tasks (Olaoye, 2008). Taxation is an essential component of civilization. No system or set of regulations, whether foreign or domestic, can be effective unless it has some financial independence. The development of direct taxation in the Nigerian local government may be traced back to the pre-colonial British period when community taxes were levied on communities (Rabiu, 2004).

Development of Local Government

The evolution of local government in Nigeria has undergone a lot of changes. These are all geared towards making the local government a system that could serve the purposes for which they are created, before the emergence of the British Colonial/ Administration; various communities in Nigeria were governed through the instrumentality of their traditional political Institutions. These institutions were anchored on the people's habits of thought, prestige and custom which are adapted to meet the new conditions for general development of their areas (Aworom 2022).

Local authorities were empowered to charge and collect developmental rates based on a certain percentage of the income of the rate payers. The council enjoyed the social autonomy of providing certain social services to the community, for

instance the local government was vested with the responsibility of healthcare services delivery with the transfer of primary healthcare delivery system. In the 1950s, election was introduced according to the British model in the western and eastern parts of the country with some measure of autonomy in financial, general administration and in personnel which gave rise to tide of progress, growth and development experienced in the local government. Prior to this period, the British introduced native courts chaired by Chiefs, native treasuries where taxes collected from people were paid in for use by the local government. Native authorities were created with traditional rulers at the head of each authority. The traditional rulers continued to dominate local government's administration until the military took over power. In 1966, from then the powers of the traditional rulers, especially in the northern region, reduced gradually. The newly created states in the Northern region increased popular participation in local government administration. Larger local authorities were broken to smaller ones and native authorities were changed to local governments (Nwali, 2018).

The local government reform of 1976 provided the guidelines for local governments in Nigeria. The reform created large-sized local government areas throughout the federation based on a certain minimum population requirement, these results in uniform local government areas. The federal government for the first time was involved in the funding of local governments. The local government gets

statutory percentages share of Federation accounts and state revenue. The local government was made a third tier of government, which means the local government has its own powers. There were about 301 local government councils in Nigeria as at 1976 (Afubero, 2014)

In 1986, the Babangida Administration made local government an effective third tier of federal system, introduced reforms aimed at enhancing their autonomy and strengthening their administrative framework. All elected councilors now constitute legislative arm of the local government which the executive arm consists of the chairman and vice-chairman and supervisory councils. The local government witnessed several reforms between 1991 to 1992. the reforms shows a fundamental implications for local government administration, especially in regard to the reforms to the local government service. 589 local government areas were in existence as of 1991 local government reforms and there was establishment of the executive chairmanship of local government with functions firmly entrenched in schedule four of the constitution.

The federal government established the local government service commission aimed at preserving the independence of the local government staff. The federal government increased the local government share of the federation accounts to twenty percent. This increase in revenue base gave local governments high degree of confidence and power to equip them for the challenging role, facing them.

Sources of Local Government Revenue

According to (Alo, 2019), Sources of local government revenue mean the various avenues through which local governments generate financial resources to meet up with financial obligations in the course of discharging constitutional functions and duties. There are two major sources of local government finance in Nigeria, which include internally generated revenue and externally generated revenue.

External Sources of Local Government Revenue

According to Adejoh (2013), statutory allocation from the federation account, grants and loans from federal, state, and other sources are all external sources of revenue for the local government. The following sources are briefly discussed: The Federation Account is obligated to make the following statutory allocations: The Federal Republic of Nigeria's 1999 Constitution establishes mandatory transfers of public funds to local government councils within the state. For example, Section 7(6a-b) of the Constitution mandates that the federal and state governments distribute monies to local governments for developmental purposes and excellent government administration. For the time being, this is a key source of money for the local government, and it is frequently evaluated to increase the revenue base. According to Nwali (2018), the statutory allocation from the federal account remains the most important external source of revenue for local governments in Nigeria. Nwali went on to say that each of Nigeria's three tiers of government, the federal, state, and local

governments, has financial responsibilities, and as a result, there is a fiscal relationship between the tiers in which the states and local governments rely heavily on federal revenue sharing to meet their financial obligations.

Grants

According to Onwe (2014), grants, sometimes known as grants-in-aid, are another external source of money for local governments in Nigeria, coming from the federal or state governments. Government grants to local governments are mainly in the form of recurrent expenditure. According to him, recurrent awards can be divided into several categories, including:

Grants for specific purposes: According to Onwe (2014), a specific grant is a grant-in-aid intended to cover the costs of certain services such as education and health care. In Nigeria's fiscal federalism, these unique grants are always available.

Percentage Grant: According to Onwe (2004), this was the most typical type of grant to local governments before 1976. As a result, it is based on the actual expenditure made by the authority on a particular service to increase the grade of the service and encourage it, regardless of whether the expenditure is due to higher costs or inflationary trends. The drawback is that the government is usually forced to shoulder a percentage of the cost of a service, even if the loss is due to excessive costing or wastage by the local government. According to Onwe (2004), a unit award is based on the number of individuals served or units of services delivered to the community.

For instance, a grant per classroom built by councils, as was the case in the Northern States, or medical treatment awarded per kid in local council dispensaries, as was the case in the Old Western States.

Block Grant: A block grant is a form of grant granted to local governments to supplement their internal or independent revenue. According to Okoli (2015), an equalization grant is a sort of subsidy given to impoverished and backward local governments to help them catch up in terms of development.

Matching Grant: Matching grant which is financial aid made by the State or central government to a local government that embarks on development listed as priorities of the government

Loans/Borrowings Loans and borrowings are other forms of external revenue generation accruable to local governments in Nigeria. In the words of Onwe (2004), the local government in Nigeria has the right to borrow money and secure such borrowing upon the property and authority. However, the borrowing power of local government areas is statutorily restricted to a certain ratio of their tangible assets.

Overdraft: This is another form of external revenue generation source available to local governments in Nigeria. According to Onwe (2004), local governments in Nigeria have the right with the approval of the Commissioner for Local Government Affairs to obtain an advance from banks by overdrafts provided that no such overdraft

shall at any time in any circumstance exceed the income of the local government in the proceeding financial year.

Internal Revenue Sources

Azu, (2025) stated that internal sources of revenue for local governments are important sources of funding for their operations. The amount of internally generated revenue generated by each local government is determined by the size of the government, the nature of business activities, the council's urban or rural nature, the rate to be charged, revenue collection instruments used, political goodwill and people's willingness to pay based on the council's legitimacy and citizens' socio-cultural beliefs about taxation. Local governments are constitutionally entitled to regulate and control certain activities within their jurisdiction, and to levy fees and rates on those activities as a means of raising cash for operations. Rates, property (tenement) rates; general/development rates; licenses, fees such as marriage registration fees, cart/truck licenses, interest on revenues such as deposits, investments, profits from the sale of stocks, shares, and so on are some of the ways local governments generate revenue internally. Departmental recurrent revenues from survey fees, repayment of personal advances, nursery and day-care centre fees, fees on local government quarters, and other internal sources (Atakpa, Ocheni, & Nwankwo, 2012).

In view of Abubakar, (2020), Local government revenue sources could be generally grouped into tax and non-tax revenues. Tax revenue of local government falls under the system of intergovernmental fiscal relationships. Two factors have been considered in allocating tax powers amongst the component level of government in any federal system. These are: administrative efficiency and fiscal independence. The efficiency criterion demands that a tax be assigned to that level of government that will administer it efficiently at minimum cost; while the fiscal independence requires that each level of government should, as far as possible, raise adequate resources from the revenue sources assigned to it to meet its needs and responsibilities. In effect, the allocation of tax powers should take into consideration the respective assignment of function among the federating units.

Agba, (2021) opined that tax is a critical component of revenue creation, development, and transformation . Taxes are mandatory levies placed by the government on individuals and businesses to fund the numerous lawful responsibilities of the federal, state, and municipal governments' tax jurisdictions. Local governments in Nigeria can rely on tax revenue if it is effectively collected and publicly accounted for. Inadequate and incorrect population numbers, corruption, large-scale tax evasion, unemployment and poverty, a lack of skilled people, bad planning, and poor performance of local governments all obstruct revenue collection

in rural areas. Local governments must persuade rural residents to pay taxes by providing effective and efficient social services and public goods that are localized in nature. Local governments also create revenue internally through commercial activity, as previously mentioned. This includes, among other things, the ability to obtain loans or mortgage financing, the construction of stores and shopping malls, the rental of local government properties such as reception halls, chairs, canopies, and tables, local government plants such as tractors and generators, local interstate transportation, ferry and boat transportation in river line areas, and commercial farming (Ajayi, 2020).

Local Government Revenue and Service Delivery

Odoko and Nnanna, (2015) opined that there are basically two major sources of funds for the states and local governments. These are allocation from the Federalism Accounts (including VAT, Stabilization Receipts and General Ecology) and internal revenue generation (tax revenue and non-tax revenue) Intergovernmental transfers are made from the federal account to the states. The funds are meant to provide general revenue to all tiers of government to fund basic operations where their own revenue would not be sufficient to fulfill such responsibilities. The states then transfer funds to local governments. Allocation of funds in Nigeria is decided by the National Revenue Mobilization, Fiscal and Allocation Commission (NRMFAM) based on criteria to ensure that there is equity in allocation, both vertically between tiers of government and horizontally, across Nigeria (Aniakon. 2009).

Nangobi (2025) defined service delivery as an attitude or dispositional sense, referring to the internalisation of even service values and norms. It is the delivery concerned with supply ‘superior goods/products’ based on the opinion of the customers. The above definition of service delivery by Nagobi seems to define service delivery from point of view of business as he refers to the end users of services as customers. This tends to narrow the scope of service delivery to business, for service delivery can be provided to the general public by the government or its agencies.

Kitimbo (2015) asserts that service delivery should be designed in such a way to provide maximum levels of services to respond to customers yearning in a specific location and time. Therefore, location of service delivery and their accessibility contribute to customer needs and performance satisfaction.

According to (Abigaba, 1996) the decentralisation of local authorities had a loophole in the revenue collection and efficiency of service delivery. This was due to the fact that laws were not clear as to times at who should collect revenues and to whom to offer the services, the poor accounting system, untrained personnel and politicians all affected the performance of local authorities. This is in agreement with (Babiiha, 2020) who noted that the sub-counties in Ntungamo district give water programmes a less priority thus giving minimal funding hindering construction of new and rehabilitation of old safe and communal water resources.

As noted by Benga, (2021) lack of appropriate tools for ensuring adequate tax compliance account for more than 85% loss in the ability of local governments in Nigeria to generate revenue internally, as he asserts, —overdependence of the local government on their statutory allocation from Federation Account and grants from federal government has contributed immensely to the failure of local governments to come out with more effective measures towards ensuring tax compliancel (Benga, 2021).

Based on the above quotation, it could be realized that Benga has attributed statutory allocation and grants to local government as major factors that discourage local governments from designing and implementing strategies for ensuring tax payers comply adequately toward paying taxes to local authorities. Therefore, if there were no statutory allocation and adequate grants from federal government, local government would have developed more effective measures towards ensuring tax compliance.

Consequently, the efficient and effective provisions of basic amenities and social infrastructures for the people at the grass root are key factors to the existence of any government (Bolatito & Ibrahim, 2014). In sequel to the above, the Nigerian constitution assigns service delivery responsibilities to the three tiers of government with states and local government playing the most significant role in the delivery of basic services. Some of the services expected form local government authority

include education, health, housing, water, rural electricity, waste disposal services, roads, transport, and so on (Adeyemi, 2013; Agba, Akwara, & Idu, 2013). Thus local government councils are required to serve the public interest in areas of constructing roads, public markets, healthcare centres, drainages, transportation, motor parks, building primary schools, among others (Bolaito & Ibrahim, 2014).

In support of this position, Agba, Akwara, & Idu (2013) contends that as agents of rural development, local governments are to use funds made available to them by both federal and state governments and their internally generated revenue to improve on the lives of the people within their areas of operations through initiating and attracting developmental projects to the local government such as provision of access roads, water and rural electricity. Apart from being available political and administrative organ for the transformation of rural communities, local governments also act as the training ground for the breeding of the grassroots democracy fundamental in national development (Adeyemo, 1995; Lawal and Oladunjoye, 2010).

Empirical Literature

According to Abba Ugoo E. (2018) the need for revenue generation can't be overemphasized, the management of revenue generated in the local government constitutes the crucial and central component in the Administrative process of the local government. This is largely so because finance determines the services rendered by the local government. The following gave rise to the need for revenue generation

in the local government. In the same way, where the local government is allocated diverse functions, as it now has in Nigeria, some of which are large in scope like education, health, water supply and rural electrification. The revenue sources to be provided should correspondingly be large in scope, viable and rich in content to match the diverse functions.

Related to the above is a wide variety and meningitides of functions require a large body of high skilled, professionally trained and technically competent staff that must also be regularly motivated. The employment of such staff would necessitate the purchase of a lot of costly equipment and materials for use in the discharge of their duties. Most local government in Nigeria are very large both in terms of territorial and population sizes, in such a circumstance, a greater need for revenue arises to enable such a local government cope with the developmental problems of such a large area and at the same time be able to meet satisfactorily the diverse needs of the large population.

Adedji (2019) capped it all when he declared that the success or the failure of the local government depend on the financial resources available to the individual local government and the way those resources are utilized. This fact is further recognized and emphasized in the guideline for local government reforms of 1976 which stated that it must be recognized that if meaningful local government is to be

expected in Nigeria, much larger financial resources are needed in the development of such local government area.

2.2 Theoretical Framework

The theory adopted in this study is the fiscal decentralization theory. According to Davey (2003) fiscal decentralization theory covers two interrelated issues. The first is the division of spending responsibilities and revenue sources between levels of government (national, regional, local etc). The second issue is the amount of discretion given to regional and local governments to determine their expenditures and revenues (both in aggregate and detail). These combined dimensions have a significant impact on the reality of decentralization in its broader political and administrative sense. How much power and responsibility regional and local governments actually exercise depends substantially on what range of public services they finance, whether their revenues are commensurate with these responsibilities, how much real choice they have in allocating their budget to individual services and whether they can determine the rates of their taxes and charges (both allowing them to vary their spending level and making them answerable to the taxpayers). The network of the theory posits that local finances involve the Spending responsibility, Local taxes, Intergovernmental transfer, Capital finance, Local discretion and Beneficiary of the government service (public)

The above theory is very important in investigating this study because it explains how both internal and external revenue helps local government in service delivery. These services may range from primary health care, basic education and social welfare, development agriculture among other services that are within the constitutional functions of local government. It tends to relate local taxes and intergovernmental transfer with service delivery with the former being a discretion of local government council. Thus, as stated by the theory the extent to which services are delivered depends on not only the local taxes collected and intergovernmental transfer but also the spending responsibility, capital finance and local discretion of the local government council.

CHAPTER THREE METHODOLOGY

3.1 Introduction

This chapter explains the methodology relevant to this study. It contains the research design, the population and sampling techniques, the operationalization and measurement of variables, the research instrument, sources of data and method of data analysis.

3.2 Research Design

A research design is a grand plan of approach to a research topic (Greener,2008). It is the framework that has been created to seek answers to the research questions.

A survey research design will be used for the study. The survey design provides a quantitative description of trends, attitudes or opinions of a population by studying a sample of that population (Creswell, 2014). The purpose of using the survey research design is to generalize from the sample to the population, so that inferences can be made about some characteristics, attitude or behavior of this population.

3.3 The Population of the study

The population consists of all staff of Uhumwonde local government area Benin City, Edo State. The population of Uhumwonde Local Government Area in

Edo State, Nigeria, is approximately 326 selected from five (5) departments. Therefore, a total number of 326 which include 53 from finance department, 114 from department of works, 43 from internal audit department, 44 from personnel and 72 from social welfare department. (National Bureau of Statistics, 2022)

3.4 Sampling Technique

In determining the sample size, the Taro Yamani (1964) formula was used as presented below:

$$n = \frac{N}{1 + Ne^2}$$

Where n = Sample size

N = Population (326)

e = Level of significance (5% i.e 0.05)

$$n = \frac{326 \dots \dots \dots}{1 + 326(0.05)^2}$$

$$n = \frac{326 \dots \dots}{1 + 0.815}$$

$$n = 180$$

Hence, the sample is 180 Respondents making up the sample size were conveniently selected from the population.

3.5 The Research Instrument

The research instrument for the study will be self-administered questionnaire. It consists of two sections. Section A will focus on respondents personal Bio-data such as gender, marital status, Age, highest educational qualification, and number of years spent in the institution. Section B will request respondents to complete

questions related to the study variable of the impact of revenue generation on the development of local government area. a case study of Uhumwonde local government area

. 3.6 Sources of Data

For the purpose of the study, primary and secondary data formed the nuclei of data collection for analysis. The primary source of data will be based on the administration of questionnaire and the conduct of interviews, while the secondary source will include perusal of textbooks, journals, newspapers, magazines, internet amongst others.

Instrument of data collection

The instrument used for data collection will be questionnaire. The likert scale questionnaire will have two sections (section A and B). Section A will be designed to collect demographic data of the respondents this include the name, gender, school age. while the section B was collected based on the issues raised in the research questions. In this section, the respondents are to tick (✓) against their preferred answers as shown below. Strongly Disagree, (SD), Disagree (D), Agree (A), Strongly Agree (SA). This will enable the researcher to group those that support the questions from those that have other opinion about the questions.

Validity of data collection

To validate the instrument, the supervisor and two other lecturers in the department of public administration helped to scrutinize the items in the

questionnaires in order to make sure that they are relevant to the study. Their corrections and suggestions will be considered in the production of the final copy.

Reliability of the instrument

To ascertain the reliability of the instrument a test re- test reliability was conducted on 20 respondents who are outside the sample space used for the study. The results that was obtained from both the test re-test was compared using Pearson Product Moment correlation coefficient and a value of . 0.99.

Method of data collection

The questionnaires was administered personally by the researcher. The researcher also assures the respondents that every information provided was confidential and was treated as such. The questionnaires were filled and administered on the spot to save the researcher the problem of invalid entries as well as assuming sheets.

3.7 Method of Data Analysis

The demographic profile of respondents were analyzed using frequency distribution tables and simple percentages. The descriptive statistics for the various variables will be analyzed with the use of means and grand mean. All the hypothesis stated in this research was tested using ANOVA, which was carried out using the Statistical Package for Social Sciences (Version 22.0). The use of ANOVA show the

degree of relationship that exists between the dependent variable and the independent variables.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND DISCUSSION OF FINDINGS

The study examined the impact of revenue generation on the development of local government area. a case study of Uhumwonde Local Government Area. This study uses qualitative research instrument through the administration of questionnaires to one hundred and eighty (180) staff of the local Governemnt. The responses from the questionnaires administered were analyzed using descriptive statistics, cronbach Alpha test and ANOVA, through the statistical package for social sciences (SPSS, 22.0.)

4.1 Data presentation and Analysis

This section describes the sample in terms of demography (gender, age, marital status, highest level of educational qualification and the number of years spent in the institution). This is presented in Table 2 below.

Table 4.1: Response Rate

Options	Frequency	Percentage (%)
Returned	158	87.8
Unreturned	22	12.2
Total	180	100

Source: Field Survey, 2025

Table 4.1 shows that during the process of carrying out this research, 180 questionnaires were distributed to respondents and 158 questionnaires were duly completed and returned and usable. This represents 87.8% response rate subsequently

analyzed. The personal Bio-Data profile of the respondents is presented in the Table 2 below.

Table 4.2: Bio-Data profile of respondents

Variables	Measurement	Frequency	Valid percentage %
GENDER	Male	86	54.4
	Female	72	45.6
	Total	158	100
MARITAL STATUS	Single	81	51.3
	Married	66	41.8
	Divorced	11	7.0
	Total	158	100
AGE	20-30	65	41.1
	31-36	49	31.0
	37-42	28	17.7
	42-Above	16	10.1
	Total	158	100
EDUCATIONAL QUALIFICATION	SSCE	11	7.0
	OND	10	6.3
	NCE	12	7.6
	HND	19	12.0
	B.Sc	77	48.7
	POST GRADUATE	29	18.4
	Total	158	100
NUMBER OF YEARS IN THE L.G.A	0-10	96	60.8
	11-20	44	27.8
	21-30	10	6.3
	31 AND ABOVE	8	5.1
	Total	158	100

Source: Field survey, 2025

From Table 4.2 above, it is evident that with respect to gender, 54.4% (86) of the respondents were male while 45.6% (72) of the respondents were female. This implies that more of the respondents from the sample were males.

From the age category, 41.1% (65) of the respondents were between the age of 20-30years, 31.0% (49) of the respondents were between the ages of 31-36, 17.7% (28) of the respondents were between the age of 37-42years, 10.1% (16) of the respondents were above 42years. This means that more of the respondents (41.1% of the total sample) were between the age of 20-30years.

With respect to marital status, Table 4.2 shows that 51.3% (81) of the respondents were single, 41.8% (66) of the respondents were married and 7.0% (11) of the respondents were Divorced. This means that most of the respondents (51.3% of the total sample) were single.

From the category of highest level of educational qualification, 7.0% (11) of the respondents were SSCE holders, 6.3% (10) of the respondents were OND holders, 7.6% (12) of the respondents were NCE holders, 12.0% (19) of the respondents were HND holders, 48.7% (77) of the respondents were B.Sc holders and 18.4% (29) of the respondents were Post Graduates. This means that most of the respondents (48.7%) of the total sample were B.Sc holders.

From the category of number of years in the institution, 60.8% (96) of the respondents have spent between 0-10years in the institution, 27.8% (44) of the

respondents have spent 11-20years in the institution, 6.3% (10) of the respondents have spent 21-30years in the institution and 5.1% (8) of the respondents have spent above 31 years in the institution. This implies that most of the respondents (60.8% of the total sample) have spent 0-10years in the institution.

4.3 Data Presentation and Reliability Analysis

S/N	VARIABLE	SA	A	N	D	SD	Mean
6	Your local government has several sources of revenue generation.	95 60.1%	54 34.2%	6 3.8%	2 1.3%	1 0.6%	4.52
7	The level of commitment of your local government towards identifying more sources of revenues is essentially effective	67 42.4%	74 46.8%	13 8.2%	4 2.5%	0	4.29
8	The attitude of taxpayers towards paying tax is essentially cooperative	60 38.0%	72 45.6%	20 12.7%	5 3.2%	1 0.6%	4.17
	Grand mean						4.32

Source: Field survey, 2025

Decision rule: there is a unanimous agreement when the mean values of respondents are above 3, unanimous disagreement when it is below 3, and also respondents are neutral when the mean value is equal to 3.

Table 4.3 above shows that there is a unanimous agreement to the statements provided, indicating that local government has several sources of revenue generation, the level of commitment of local government towards identifying more sources of revenues is essentially effective and the attitude of taxpayers towards paying tax is

essentially cooperative. This is evident in the mean value of 4.32. All three questions received positive responses ranging from 4.17 – 4.52.

Table 4.4:

Reliability Statistics	
Cronbach's Alpha	N of Items
.702	3

From Table 4.4 above, the questions are reliable with a cronbach’s alpha value of 0.702 which is greater than 0.70.

Table 4.5:

S/N	VARIABLE	SA	A	N	D	SD	Mean
9	The local government revenue generation efforts is essentially satisfactory.	68 42.8%	75 47.2%	8 5.0%	4 2.5%	2 1.3%	4.29
10	The level of local government funding on community development projects is sufficient.	85 53.4%	56 35.2%	17 10.7%	1 0.6%	0	4.41
11	There is high level of remittance of revenue into local government account by the revenue collectors	53 33.3%	79 49.7%	16 10.1%	6 3.8%	4 2.5%	4.08
	Grand mean						4.26

Source: Field survey, 2025

Table 4.5 above shows that there is a unanimous agreement to the statements provided, indicating that local government revenue generation efforts is essentially satisfactory, the level of local government funding on community development projects is sufficient and there is high level of remittance of revenue into local

government account by the revenue collectors. This is evident in the mean value of 4.26. All three questions received positive responses ranging from 4.08 – 4.41.

Table 4.6:

Reliability Statistics	
Cronbach's Alpha	N of Items
.711	3

From Table 4.6 above, the questions are reliable with a cronbach's alpha value of 0.711 which is greater than 0.70.

Table 4.7

S/N	VARIABLE	SA	A	N	D	SD	Mean
12	There is a better level of utilization of the revenue generated in your Local Government Area.	43 27.2%	84 53.2%	19 12.0%	9 5.7%	2 1.3 %	4.00
13	Your local government has performed creditably well.	45 28.5%	87 55.1%	22 13.9%	4 2.5%	0	4.09
14	your local government send revenue staff for training very often	50 36.1%	83 52.5%	20 12.7%	5 3.2%	0	4.13
	Grand mean						4.07

Source: Field survey, 2025

Table 4.7 above shows that there is a unanimous agreement to the statements provided, indicating there is a better level of utilization of the revenue generated in your Local Government Area, local government has performed creditably well and local government send revenue staff for training very often. This is evident in the

mean value of 4.07. All three questions received positive responses ranging from 4.00
– 4.13.

Table 4.8:

Reliability Statistics	
Cronbach's Alpha	N of Items
.810	3

From Table 4.8 above, the questions are reliable with a cronbach's alpha value of 0.810 which is greater than 0.70.

Table 4.9

S/N	VARIABLE	SA	A	N	D	SD	Mean
15	Local government tax collectors yield high revenue for your Local Government Area	52 32.9%	75 47.5%	18 11.4%	10 6.3%	3 1.9%	4.03
16	Allocations to local government are mismanaged by local government officials	50 31.6%	71 44.9%	23 14.6%	12 7.6%	2 1.3%	3.98
17	Internally generated revenue has an impact on local government performances	54 34.2%	74 46.8%	15 9.5%	9 5.7%	4 2.5%	4.07
	Grand mean						4.02

Source: *Field survey, 2025*

Table 4.9 above shows that there is a unanimous agreement to the statements provided, indicating that Local government tax collectors yield high revenue for your Local Government Area, allocations to local government are mismanaged by local government officials as well as internally generated revenue having an impact on local government performances. This is evident in the mean value of 4.02. All three questions received positive responses ranging from 3.98 – 4.07.

Table 4.10:

Reliability Statistics	
Cronbach's Alpha	N of Items
.808	3

From Table 4.10 above, the questions are reliable with a cronbach's alpha value of 0.808 which is greater than 0.70.

Table 4.11:

S/N	VARIABLE	SA	A	N	D	SD	Mean
18	Direct Federal Allocation to Local Government will enhance performance	73 46.2%	68 43.0%	12 7.6%	2 1.3%	3 1.9%	4.30
19	Drainages are adequately constructed by your local government.	76 48.1%	69 43.7%	11 7.0%	2 1.3%	0	4.39
	Grand mean						4.35

Source: Field survey, 2025

Table 4.11 above shows that there is a unanimous agreement to the statements provided, indicating that direct Federal Allocation to Local Government will enhance performance and drainages are also adequately constructed by local government.. This is evident in the mean value of 4.35. All two questions received positive responses ranging from 4.30 – 4.39.

Table 4.12:

Reliability Statistics	
Cronbach's Alpha	N of Items
.709	2

From Table 4.12 above, the questions are reliable with a cronbach's alpha value of 0.709 which is greater than 0.70.

Table 4.13: Dependent variable

S/N	VARIABLE	SA	A	N	D	SD	Mean
20	Revenue Generation is positively Utilized in local government system?	75 49.5%	73 46.2%	8 5.1%	1 0.6%	1 0.6%	4.39
21	Poor revenue generation by local governments hinders grass root development	55 34.8%	79 50.0%	14 8.9%	7 4.4%	1 0.6%	4.80
22	Do you think that people of questionable integrity are not result oriented	65 41.1%	59 37.3%	20 12.7%	7 4.4%	1 0.6%	4.06
	Grand mean						4.42

Source: Field survey, 2025

Table 4.13 above shows that there is a unanimous agreement to the statements provided, indicating the respondents believe that revenue Generation is positively Utilized in local government system, Poor revenue generation by local governments hinders grass root development and they also think that people of questionable integrity are not result oriented. This is evident in the mean value of 4.42. All four questions received positive responses ranging from 4.06 – 4.80.

Table 4.14:

Reliability Statistics	
Cronbach's Alpha	N of Items
.807	3

From Table 4.14 above, the questions are reliable with a cronbach's alpha value of 0.807 which is greater than 0.70.

Testing Hypotheses

In this section, the hypotheses are tested using regressions analysis. Table 15 shows the regression output

Table 4.15: Regression output

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.539 ^a	.290	.251	1.95688

a. Predictors: (Constant),

Table 4.16

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.808	5	3.362	7.434	.000 ^b
	Residual	582.067	152	3.829		
	Total	598.875	157			

a. Dependent Variable: Revenue Generation

4.2 Discussion of findings

The major objective of this study is to find out the impact of revenue generation on the development of local government area. a case study of Uhumwonde local government area. In course of this study, various data were collected, presented and analysed, the following findings were reached

It was found that in Uhumwonde local government area, the IGR was very low compared to the external source. This has affected the level of revenue generation and service delivery.

That effective management of local government revenue positively impacts on the effort of local government in promoting development. This is evidenced in the level of allocation given to capital expenditure that is meant for service delivery.

Generally there is a positive correlation between the amount of revenue generated and the level of service delivery in Uhumwonde local government area.

Public enlightenment campaign was the most effective way of encouraging tax payers to pay tax in order to generate more revenue to deliver more services.

The result of the analysis also shows that the larger percentage of the revenue received by the local governments was in favour of recurrent expenditure. And living smaller percentage to service delivery (capital spending).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY

This research is conducted to examine impact of revenue generation on the development of local government area. a case study of Uhumwonde Local Government Area. The research is divided into five main chapters. Chapter one is apparently introductory in nature which provides the basis upon which the whole research is carried out. The chapter includes, among others, the background to the study, statement of the problem, hypotheses, research question, objectives of the study and significant of the study. Chapter two reviews the various literature relevant to the study in terms of conceptual issues, theoretical issues and empirical studies and the theoretical framework of fiscal decentralization was adopted as the foundation upon which the study was based. Chapter three deals with the methodology of the study whereby the various research design and methods of data collection were discussed. Not only that, the methods of data analysis and population, sample size and sampling techniques were also highlighted.. Chapter four was on data presentation and analyses whereby all the data collected from the survey and that obtained from the secondary sources were summarised, organised, presented and analysed using both descriptive and statistical tools. All the hypotheses formulated were tested under this chapter. Chapter five which was the concluding chapter dealt with summary, conclusion and

recommendations. The chapter summarised the whole work and conclusions were drawn while recommendations were made on how to improve local government revenue generation in order to provide more services.

5.2 Conclusion

Based on the data collected, presented and analysed and the result of statistical tests, the following conclusions are discernable. That service provisions by local government is the product of the ability to generate revenue. Therefore, based on this, the higher the revenue the higher the number/quantity of services provided and vice versa. That commercial/economic activities are great determinants of local government revenue and subsequently service provision. This is based on the comparative data analysis where results have shown that Uhumwonde Local Government Area revenue generation capacity has more impact on service provisions. It is therefore concluded that, as a result of the growing level of economic/commercial activities in Uhumwonde Local Government Area, revenue generation is relatively high. The effective management of generated revenue is also a fundamental issue in the provision of services to the local populace. Therefore, revenue generation is not an end in itself in determining service provision, but proper utilisation is also a great determinant.

5.3 Recommendations

Having summarised and concluded the work, the following recommendations among others would serve as ways through which local government revenue generation should be boosted in order to improve the level of service delivery to the local citizenry.

- (1) Having established that the more the revenue generated the more services are provided to the citizenry, more revenue sources should be identified and adopted in order to increase and improve the revenue base of the local governments. The present revenue sources should also be fully tapped to improve the revenue base of the local government. Here, it is strongly recommended that the local government should adequately be involved in commercial transportation. By this, it means that commercial vehicles (cars, buses and trailers) should be purchased and operated, not on a subsidised bases but purely on commercial bases i.e. profit maximisation. However, this commercial vehicles should not be managed by any official or any department of the local government council, but a management consult be given to manage.

- (2) Diversification of income sources should be made in the local government under study. However, Uhumwonde Local Government Area should be more diversified

This diversification could be done even in terms of agriculture in addition to the commercial undertakings.

(3) In order to ensure that taxpayers pay their taxes as at when due, a public enlightenment campaign should regularly be organised explaining the importance of paying tax not only for revenue generation but also for service delivery. There has always been reciprocity between tax payers and the government (Local Government). Tax payers refusal to pay local taxes was as a result of poor services or lack of services rendered by local governments. The higher the services, the higher the taxes and vice versa.

(4) 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.

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**APPENDIX I
QUESTIONNAIRE
DEPARTMENT OF PUBLIC ADMINISTRATION
FACULTY OF SOCIAL SCIENCES
UNIVERSITY OF BENIN, BENIN CITY.**

Dear Sir/Madam,

**REQUEST FOR YOUR COOPERATION IN COMPLETING THIS
QUESTIONNAIRE.**

I am final year undergraduate student in the above named school and department. As part of the requirement for the programme, I am undertaking on **“the impact of revenue generation on the development of local Government Area; a case study of Uhunmonde Local Government area.** In this regard, you have been duly selected as a member of the sample.

I wish to appeal to you to kindly assist this study by sparing few minutes to complete this questionnaire. Please be assured that your answers will be treated with utmost confidence and used solely for the research purpose.

Thank you for your cooperation.

**IYINBOR GIFT
(Project student)**

SECTION A: PERSONAL BIO-DATA

Instruction: please tick [] against your chosen response and record your view where necessary in the provided spaces.

1. Gender: Male[] Female[]
2. Marital Status: Single[] Married[] Divorced[]
3. Age Range: 20 – 30[] 31 – 36[] 37 – 42[] 42years and
above[]

4. Highest level of education attained; OND/NCE [] HND/B.Sc [] Post-graduate []
5. The number of years spent in the institution; 0-10years[] 11-20years[] 21-30years [] 31years and above[]

SECTION B

Instruction: Kindly tick [] the option that most agree with your views. Please note that the meaning of the following abbreviations: SA – Strongly Agree, A – Agree, N – Neutral, D – Disagree, SD – Strongly Disagree

S/N	VARIABLE	SA	A	N	D	SD
6	Your local government has several sources of revenue generation.					
7	The level of commitment of your local government towards identifying more sources of revenues is essentially effective					
8	The attitude of taxpayers towards paying tax is essentially cooperative					
9	The local government revenue generation efforts is essentially satisfactory.					
10	The level of local government funding on community development projects is sufficient.					
11	There is high level of remittance of revenue into local government account by the revenue collectors					
12	There is a better level of utilization of the revenue generated in your Local Government Area.					
13	Your local government has					

	performed creditably well.					
14	your local government send revenue staff for training very often					
12	There is a better level of utilization of the revenue generated in your Local Government Area.					
13	Your local government has performed creditably well.					
14	your local government send revenue staff for training very often					
15	Local government tax collectors yield high revenue for your Local Government Area					
16	Allocations to local government are mismanaged by local government officials					
17	Internally generated revenue has an impact on local government performances					