

**CHALLENGES OF REVENUE GENERATION IN LOCAL
GOVERNMENT IN NIGERIA; A CASE STUDY OF ETHIOPE EAST
LOCAL GOVERNMENT**

BY

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CERTIFICATION

We the undersigned hereby, certify that this project work was carried out by **UMUKORO OGHENERUKEVWE VICTORIA** with matriculation number **SSC2105875** under our supervision and is adequate in scope and quality for partial fulfilment of the requirement for the award of Bachelor of Science (B.Sc) in Public Administration.

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DEDICATION

This project work is dedicated to God Almighty for his mercies, grace and strength which led to the completion of this programme.

ACKNOWLEDGMENT

First and foremost, I return all glory to Almighty God, whose unfailing grace, wisdom, and strength have guided me through every step of this journey. His love has been my anchor, and without Him, I would not have come this far.

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ABSTRACT

The main objective of this study is to find out the association between demographic characteristics of Social Work Students of University of Benin and the awareness of Ubuntu Philosophy? This study focused on the total full time undergraduate and postgraduate students in University of Benin in the 2019/2020 Session. The population for this study is 46,986 and the sample size is 400. Data for this study was collected by personally administering the questionnaires to the respondents with the help of a research assistant and analyzed using the Statistical Package for Social Sciences (SPSS). This study concludes that most of the respondents are aware of Ubuntu Philosophy, but the level of awareness varies by demographic characteristics. Although the respondents are aware of the Ubuntu Philosophy, they do not consider that Ubuntu is what Nigeria needs. This is the major findings of this study. This study recommends that the government and Non-Governmental Organizations should promote awareness programmes on the awareness of the relevance of Ubuntu Philosophy to the contemporary challenges in Nigeria. This would inspire young people to spread knowledge about Ubuntu with their schools, homes and communities and help restore the Spirit of Ubuntu among them. Furthermore, the influence of Ubuntu could help address contemporary social issues like drunkenness and sexual assault, among others, for the benefit of community members and throughout Nigeria.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Local government administration in Nigeria has been constitutionally recognized as the third tier of government since the 1976 Local Government Reforms. The primary rationale behind its establishment is to bring governance closer to the people, foster grassroots development, and ensure equitable distribution of resources (Agagu, 2004; Adeyemi, 2019). According to the 1999 Constitution (as amended), local governments are entrusted with a wide range of functions, including construction and maintenance of rural roads, primary education, healthcare, markets, waste disposal, and other public services critical to rural communities.

However, the successful execution of these responsibilities is largely contingent upon the availability of adequate financial resources. Local governments in Nigeria rely heavily on statutory allocations from the Federation Account and internally generated revenue (IGR) from sources such as taxes, rates, fees, and licenses (Ekpo, 2022). In theory, this dual revenue framework should sustain local governance. In practice, however, internal revenue mobilization is grossly inadequate, and statutory allocations are often insufficient, delayed, or subject to political interference (Okolie & Eze, 2020).

A historical perspective shows that Nigeria's revenue structure has always been centralized. Before the discovery of oil, regions generated revenue primarily through agriculture, trade, and personal income tax. With oil boom revenues in the 1970s, fiscal centralization became dominant, as the federal government took control of the major revenue sources and redistributed funds through allocations (Olaoye, 2021). While this system benefited resource-poor regions, it undermined the revenue autonomy of local governments, creating a dependency culture that persists to this day.

In Delta State, despite its oil wealth and significant contributions to the Federation Account, many local governments remain financially constrained. Ethiope East Local Government, endowed with natural resources, fertile agricultural land, and vibrant commercial activities, should in principle, sustain itself through IGR. Yet, studies show that its revenue base is weak due to poor collection mechanisms, leakages, inadequate taxpayer education, and corruption (Oseghale & Itiveh, 2022).

Thus, Ethiope East Local Government presents a paradox: abundant potential for revenue generation but weak fiscal performance. This mismatch between potential and actual revenue underscores the urgency of addressing structural challenges affecting local government finance in Nigeria.

1.2 Statement of the Problem

The perennial problem of weak revenue generation at the local government level is a major impediment to development in Nigeria. Despite constitutional provisions, most local governments, including Ethiope East, remain unable to mobilize sufficient resources to meet basic responsibilities.

Firstly, excessive dependence on federal allocations exposes councils to fiscal instability. Fluctuations in global oil markets directly affect allocations, making local councils vulnerable to external shocks (Onah & Oguonu, 2018). Secondly, internally generated revenue remains grossly inadequate. In Ethiope East Local Government, many potential revenue sources such as markets, motor parks, agricultural produce taxes, and property rates are underutilized (Ogbobine, 2021).

Moreover, poor record-keeping, lack of digital tax infrastructure, and corruption further weaken revenue mobilization. Leakages are common, with revenue agents colluding with taxpayers to divert funds. Additionally, political interference through the State Joint Local Government Account undermines fiscal autonomy, as state governments frequently deduct substantial sums from federal allocations to councils (Ikeanyibe & Okechukwu, 2020).

Citizens' apathy towards tax compliance compounds the problem. Many residents question the rationale for paying taxes when there are no visible developmental projects. This creates a vicious cycle of poor revenue collection and poor service delivery (Eze & Okeke, 2019).

The consequence is that Ethiope East Local Government lacks the capacity to provide critical infrastructure, improve healthcare and education, or stimulate local economic growth. If the challenges are not adequately addressed, the council risks perpetual underdevelopment and declining public trust in governance.

1.3 Objectives of the Study

The main objective of this study is to examine the challenges of revenue generation in Ethiope East Local Government, Delta State. The specific objectives are to:

1. Identify the statutory and internally generated revenue sources of Ethiope East Local Government.
2. Analyze the major challenges affecting revenue generation in Ethiope East Local Government.
3. Examine the implications of poor revenue generation on local governance and service delivery.
4. Suggest practical strategies to enhance revenue generation in Ethiope East Local Government.

1.4 Research Questions

What are the major sources of revenue available to Ethiopia East Local Government?

What challenges hinder effective revenue generation in Ethiopia East local government Area?

How does inadequate revenue affect local governance and development outcomes in Ethiopia East local government Area?

What measures could be adopted to improve revenue generation in Ethiopia East Local Government?

1.5 Significance of the Study

This study is significant for its theoretical, practical, and policy contributions. Theoretically, it will deepen the literature on fiscal federalism and grassroots governance in Nigeria. Practically, it will provide actionable recommendations for Ethiopia East Local Government to expand its revenue base through modern tax reforms and accountability measures. Policy-wise, the findings will inform state and federal governments on ways to restructure fiscal arrangements and grant more autonomy to councils.

For scholars and students, the study will enrich the knowledge on local government finance and serve as reference material for future research. For the citizens of Ethiope East, the research will enhance awareness about the importance of tax compliance in achieving sustainable development.

1.6 Scope of the Study

The study focuses on Ethiope East Local Government in Delta State. It covers both statutory allocations and internally generated revenue sources between the years 2015 and 2023. While the study acknowledges national challenges of local government finance, emphasis is placed on the peculiar issues in Ethiope East. Methodologically, the study is limited to documentary evidence, interviews with stakeholders, and revenue data obtainable from the council.

1.7 Justification of the Study

Several studies have addressed local government finance in Nigeria, yet many remain generalized without giving detailed attention to specific councils like Ethiope East. This study is justified on the grounds that localized analysis can provide context-specific recommendations. Furthermore, given the increasing need for grassroots development in Delta State, understanding revenue constraints in Ethiope East is critical for policy reform.

1.8 Operational Definition of Terms

- Revenue Generation: The process through which a government mobilizes funds for developmental purposes through taxes, rates, levies, and allocations.
- Internally Generated Revenue (IGR): All forms of revenue raised by a local government from within its jurisdiction, excluding allocations from higher tiers of government.
- Fiscal Federalism: A system of government where financial responsibilities and resources are shared among different levels of government.
- Tax Evasion: The deliberate refusal of individuals or organizations to pay legally imposed taxes.
- Fiscal Autonomy: The ability of a local government to manage its finances without undue interference from state or federal governments.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework of Local Government Finance

Local governments are widely recognized as engines of grassroots development. Their financial health determines their capacity to provide basic services such as healthcare, education, and rural infrastructure. Olusola and Siyanbola (2022) define local government finance as the framework of fiscal arrangements that allows councils to meet constitutional obligations. This involves two main revenue streams: statutory allocations and internally generated revenue (IGR).

While statutory allocations are derived from the Federation Account, IGR includes revenue from taxes, rates, licenses, and fees levied within the jurisdiction. Obi and Nwachukwu (2020) note that IGR is more sustainable because it reflects community ownership and promotes fiscal autonomy. However, in practice, Nigerian local governments often underexploit IGR due to weak institutional mechanisms, low compliance, and corruption.

The mismatch between potential and actual revenue collection reflects a deeper challenge of fiscal centralization, where revenue-generating powers are concentrated at the federal level (Ewetan & Akinwale, 2021). This structural imbalance explains the persistent dependency culture in councils like Ethiope East.

2.2 Theoretical Framework

2.2.1 Fiscal Federalism Theory

Fiscal federalism emphasizes the allocation of financial responsibilities across different levels of government. According to Oguonu and Eme (2018), effective decentralization allows local governments to mobilize and utilize resources based on local needs. However, Nigeria's model is skewed, as the federal government controls key revenue sources while local councils remain financially handicapped.

2.2.2 Public Choice Theory

This theory suggests that citizens are more likely to pay taxes when they see tangible benefits. Adesoji and Chike (2019) argue that in Nigeria, citizens' reluctance to pay taxes stems from a weak connection between taxation and visible service delivery. This helps explain tax apathy in places like Ethiope East, where infrastructure deficits persist despite tax demands.

2.2.3 Resource Dependency Theory

This framework posits that organizations (or governments) that rely excessively on external resources become vulnerable to control by those who provide them. Akindele (2022) applies this to Nigerian local governments, showing how reliance on federal allocations weakens councils' bargaining power and autonomy.

Together, these theories provide a lens for understanding the persistent challenges of revenue generation in Nigerian local councils.

2.3 Sources of Local Government Revenue

2.3.1 Statutory Allocations

The 1999 Constitution entitles local governments to allocations from the Federation Account, derived primarily from oil revenues and VAT. However, the existence of the State Joint Local Government Account (SJLGA) undermines direct access, as state governments frequently make deductions (Ikeanyibe & Okechukwu, 2020).

2.3.2 Internally Generated Revenue (IGR)

IGR sources include:

Property and tenement rates

Market fees and levies

Motor park dues and transport levies

Licenses and permits

Agricultural produce taxes

Despite this diversity, most councils fail to maximize IGR due to poor collection infrastructure and resistance from citizens (Oseghale & Itiveh, 2022).

2.3.3 Grants and Loans

Local governments are sometimes supported by external grants or loans. However, such funding is rare, irregular, and often politically motivated (Ekpo, 2022).

2.4 Challenges of Revenue Generation in Nigerian Local Governments

2.4.1 Overdependence on Federal Allocations

Heavy reliance on federal allocations exposes councils to global oil price shocks. Okolie and Eze (2020) show that revenue instability stalls grassroots projects, especially during recessions.

2.4.2 Weak Tax Administration

Manual revenue collection, poor record-keeping, and lack of digital infrastructure create leakages. Ogbobine (2021) documents cases where tax collectors collude with citizens to divert funds.

2.4.3 Political Interference and SJLGA

State governments' control of SJLGA reduces fiscal autonomy. Akindele (2022) argues that this political interference discourages innovation in IGR.

2.4.4 Corruption and Revenue Leakages

Corruption remains endemic, with revenue diversion common at both collection and disbursement stages. Ojo and Olayiwola (2019) estimate that billions of naira are lost annually through leakages.

2.4.5 Citizens' Tax Apathy

Tax resistance is fueled by poor service delivery. Eze and Okeke (2019) highlight that citizens are unwilling to pay taxes when local governments fail to provide infrastructure.

2.4.6 Inadequate Human Capacity

Revenue departments in many councils lack trained personnel. This results in inefficiency, misclassification of taxpayers, and weak enforcement (Adebisi & Gbegi, 2021).

2.5 Implications of Weak Revenue Mobilization

The inability of local governments to mobilize adequate resources has several consequences:

Poor service delivery: Weak finances hinder the provision of healthcare, education, and waste management (Onah & Oguonu, 2018).

Erosion of public trust: Citizens lose confidence when councils fail to deliver despite revenue collection (Olaoye, 2021).

Perpetual underdevelopment: Communities remain dependent on state or federal interventions, slowing grassroots development.

In Ethiopia East, these challenges manifest in poor infrastructure, weak agricultural support, and lack of effective social services.

2.6 Strategies for Enhancing Revenue Generation

Several measures have been proposed in the literature:

1. Digitization of Tax Systems: Electronic revenue platforms reduce leakages and improve transparency (Ekpo, 2022).
2. Taxpayer Education: Awareness campaigns improve compliance and citizen buy-in (Adebisi & Gbegi, 2021).
4. Anti-Corruption Mechanisms: Regular audits, monitoring systems, and whistleblower policies can curb diversion (Ojo & Olayiwola, 2019).
5. Fiscal Autonomy Reforms: Abolishing or reforming the SJLGA to allow councils direct access to funds (Ikeanyibe & Okechukwu, 2020).
6. Capacity Building: Training revenue officers and equipping them with digital tools (Obi & Nwachukwu, 2020).

7. Public-Private Partnerships (PPPs): Partnering with private firms to manage markets, parks, and motor parks for improved efficiency (Ewetan & Akinwale, 2021).

2.7 Empirical Review

Empirical studies provide context-specific evidence:

Eze and Okeke (2019) documented tax apathy in southeastern Nigeria, linking it to weak infrastructure provision.

Oseghale and Itiveh (2022) reported corruption and inadequate taxpayer education as barriers to IGR in Delta State.

Obi and Nwachukwu (2020) found that fiscal decentralization improves accountability and efficiency in councils.

Adebisi and Gbegi (2021) showed that tax compliance improves significantly with digitization and education.

Ewetan and Akinwale (2021) observed that states with reformed tax systems recorded higher IGR.

Ojo and Olayiwola (2019) emphasized the role of anti-corruption measures in closing revenue leakages.

The consensus across these studies is that while Nigerian local governments have abundant revenue potential, poor governance, corruption, and centralization remain the greatest obstacles.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study adopts a descriptive survey research design. The choice of this design is informed by the need to obtain first-hand information from respondents concerning the challenges of revenue generation in Ethiope East Local Government. The survey approach is appropriate because it allows the researcher to collect data directly from stakeholders, analyze opinions, and draw inferences on the subject matter (Creswell & Creswell, 2018).

3.2 Area of the Study

The study is situated in Ethiope East Local Government Area of Delta State, Nigeria. The LGA has its headquarters at Isiokolo and is endowed with fertile agricultural land, natural resources, and vibrant markets. Despite these advantages, revenue mobilization remains weak, making it a suitable case study for exploring challenges of local government finance.

3.3 Population of the Study

The target population of this study comprises:

1. Revenue officers of Ethiope East Local Government Council.

2. Local government officials involved in finance and administration.
3. Market leaders, traders, and motor park operators as primary taxpayers.
4. Community leaders and residents who are direct beneficiaries of service delivery.
5. According to records from the Local Government Service Commission (2023), Ethiopia East LGA employs about 310 staff in various departments, while its estimated population is over 200,000 residents.

3.4 Sample and Sampling Technique

Given the size of the population, a sample will be drawn to ensure manageability and reliability. Using the Yamane (1967) formula at a 95% confidence level, the study proposes a sample size of approximately 150 respondents. The sample will be selected through a stratified random sampling technique to ensure fair representation of government officials, revenue officers, traders, and community members.

3.5 Sources of Data

Two major sources of data will be utilized:

Primary Data: Information obtained directly from respondents through questionnaires and semi-structured interviews.

Secondary Data: Documentary sources such as official revenue records from the council, journals, textbooks, policy documents, and online publications relevant to local government finance.

3.6 Instrument for Data Collection

The main research instrument will be a structured questionnaire designed around the study objectives. The questionnaire will be divided into sections:

Section A: Demographic information of respondents.

Section B: Sources of local government revenue.

Section C: Challenges of revenue generation.

Section D: Implications of weak revenue mobilization.

Section E: Suggested strategies for improvement.

Additionally, interviews will be conducted with key stakeholders (e.g., senior finance officers and market leaders) to complement the survey data.

3.7 Validity and Reliability of Instruments

To ensure validity, the questionnaire will be reviewed by experts in public administration and finance to confirm its appropriateness and alignment with the research objectives. A pilot test will be conducted with 20 respondents from a nearby LGA, and necessary adjustments will be made.

For reliability, the Cronbach's Alpha test will be applied. A coefficient of 0.70 and above will be considered acceptable for internal consistency (Tavakol & Dennick, 2011).

3.8 Method of Data Collection

The researcher will personally administer the questionnaires with the help of trained research assistants. This approach ensures high response rates and clarifications where necessary. Interviews will be scheduled with selected respondents, and notes/audio recordings (with consent) will be taken.

3.9 Method of Data Analysis

Data collected will be analyzed using both descriptive and inferential statistical methods:

Descriptive Statistics: Frequency tables, percentages, and mean scores will be used to summarize responses.

Inferential Statistics: Chi-square tests will be employed to examine relationships between variables such as revenue sources, challenges, and service delivery. The Statistical Package for the Social Sciences (SPSS) will aid in the analysis.

Qualitative data from interviews will be analyzed thematically, identifying patterns and linking them to existing literature.

3.10 Ethical Considerations

The study will adhere to ethical research principles. Respondents will be assured of confidentiality and anonymity, and their participation will be entirely voluntary. Informed consent will be obtained before administering questionnaires or conducting interviews. Data will be used solely for academic purposes.

CHAPTER FOUR

DATA PRESENTATION, ANALYSIS AND INTERPRETATION

4.1 Introduction

This chapter presents, analyzes, and interprets the data collected for the study titled “*Challenges of Revenue Generation in Local Government in Nigeria: A Case Study of Ethiope East Local Government.*” It provides empirical evidence to support the discussions in the preceding chapters by analyzing responses obtained from participants within the study area. The chapter begins by examining the demographic characteristics of the respondents, including their gender, age, educational qualification, occupation, and years of experience. These characteristics offer an essential background for understanding the nature of the respondents and the context in which the study was conducted.

Following this, the analysis focuses on the major research variables that form the core of the study. These include the various sources of revenue available to Ethiope East Local Government, the challenges that hinder effective revenue generation, the implications of poor revenue mobilization on local governance and service delivery, and the strategies that could be adopted to enhance revenue performance at the local government level.

In total, one hundred and fifty (150) structured questionnaires were distributed to respondents comprising revenue officers, administrative staff, market leaders, traders, and community representatives within Ethiope East Local Government Area. All 150 questionnaires were successfully retrieved and found valid for analysis, representing a complete response rate. The data collected were carefully collated, coded, and analyzed using both descriptive and inferential statistical methods. Descriptive statistics such as frequency counts, percentages, and mean scores were used to summarize the responses, while inferential statistics, particularly the Chi-square test, were employed to examine the relationships between key variables such as revenue sources, the challenges encountered, and the overall quality of local governance.

The findings of the analysis are presented in tables and charts to aid clarity and comprehension. This chapter concludes with a detailed interpretation and discussion of the key findings in line with the research objectives and questions presented in Chapter One. The insights derived from this analysis highlight the fiscal challenges confronting local governments in Nigeria, using Ethiope East as a case study, and provide practical recommendations for improving revenue generation and strengthening local governance.

4.2 Demographics of Respondents

This section contains a descriptive analysis of the socio-demographic data drawn from the sampled respondents. The socio-demographic variables include the institution of the respondent, gender, age, educational qualification, **marital status**, and **employment status**.

4.3 Demographic Characteristics of the Respondents

The demographic characteristics of the respondents provide context for interpreting the data collected. This section presents the gender distribution of the 150 respondents who participated in the study.

Table 4.3.1: Analysis of Gender of the Respondents

Gender	Frequency	Percentage (%)
Male	95	63.3%
Female	55	36.7%
Total	150	100%

Source: Fieldwork Survey, 2025

The data presented in Table 4.3.1 shows the gender distribution of respondents who participated in the study on “*Challenges of Revenue Generation in Local Government in Nigeria: A Case Study of Ethiopie East Local Government.*” Out of the total 150 respondents, 95 (representing 63.3%) were male, while 55 (representing 36.7%) were female. This distribution indicates that the majority of the respondents were male. The dominance of male participants may be attributed to the nature of the local government workforce and business environment in Ethiopie East, where men are more frequently involved in administrative duties, revenue collection, and market or transport operations that form part of the local government’s revenue base. Conversely, the lower proportion of female respondents could reflect their relatively lower participation in official and revenue-generating activities within the local government area.

Table 4.3.2: Analysis of Age Distribution of the Respondents

Age Group	Frequency	Percentage (%)
18–25 years	10	6.7%
26–35 years	70	46.7%
36–45 years	60	40.0%
46 years and above	10	6.6%
Total	150	100%

Source: Fieldwork Survey, 2025

Table 4.3.2 presents the age distribution of respondents who participated in the study. The data reveals that the majority of respondents (70 individuals, representing 46.7%) were within the age bracket of 26–35 years. This is followed by 60 respondents (40.0%) who were between 36–45 years of age. The youngest group, aged 18–25 years, and the oldest group, aged 46 years and above, each accounted for 10 respondents (6.7% and 6.6%, respectively). This distribution indicates that most of the respondents were within the economically active and working-age population, particularly between 26 and 45 years. This age group is often engaged in employment, business, and administrative roles relevant to local government operations and revenue generation. The relatively smaller proportion of respondents aged 18–25 years and those above 46 years suggests that younger individuals may have less involvement in revenue administration, while older individuals may be less active in field or market-based activities.

Table 4.3.3: Analysis of Educational Qualifications of Respondents

Educational Qualification	Frequency	Percentage (%)
SSCE	20	13.3%
OND/NCE	65	43.3%
B.Sc./HND	50	33.3%
Postgraduate	15	10.1%
Total	150	100%

Source: Fieldwork Survey, 2025

Table 4.3.3 presents the educational qualifications of the respondents. The findings indicate that the majority of the respondents, 65 individuals (43.3%), possessed OND or NCE qualifications. This is followed by 50 respondents (33.3%) who held a Bachelor's degree or Higher National Diploma (HND), 20 respondents (13.3%) with SSCE qualifications, and 15 respondents (10.1%) who had attained postgraduate degrees.

This distribution suggests that most respondents were reasonably educated, with a significant proportion holding tertiary qualifications. The presence of respondents with OND/NCE and B.Sc./HND indicates that the majority have the academic background required to understand the dynamics of local government finance and the challenges associated with revenue generation. The smaller number of respondents with only SSCE qualifications reflects the inclusion of traders and artisans who engage directly in local business and taxation processes. Similarly, the small proportion of postgraduate respondents represents senior administrative or professional staff who likely play key roles in policy formulation and implementation.

Table 4.3.4: Analysis of Marital Status of Respondents

Marital Status	Frequency	Percentage (%)
Single	40	26.7%
Married	90	60.0%
Divorced	10	6.7%
Widowed	10	6.6%
Total	150	100%

Source: Fieldwork Survey, 2025

Table 4.3.4 presents the marital status of the respondents who participated in the study. The results show that the majority of the respondents, 90 individuals (60.0%), were married. This is followed by 40 respondents (26.7%) who were single, while 10 respondents (6.7%) were divorced and another 10 respondents (6.6%) were widowed.

This distribution indicates that most of the participants were married adults who are likely to be economically active and socially responsible members of the community. Married individuals often engage more directly in business, public service, and community activities, which makes their opinions on issues related to

local revenue generation particularly relevant. The presence of single respondents also adds value, as they may represent younger, active participants within the local economy, such as traders or revenue officers.

Table 4.3.5: Analysis of Employment Status of Respondents

Employment Status	Frequency	Percentage (%)
Civil Servant	30	20.0%
Business Owner	80	53.3%
Self-Employed	30	20.0%
Unemployed	10	6.7%
Total	150	100%

Source: Fieldwork Survey, 2025

Table 4.3.5 presents the distribution of respondents according to their employment status. The results show that the majority of respondents, 80 individuals (53.3%), were business owners. This is followed by 30 respondents (20.0%) who were civil servants, another 30 respondents (20.0%) who were self-employed, and 10 respondents (6.7%) who were unemployed.

This distribution indicates that most of the participants are engaged in entrepreneurial and business-related activities, reflecting the dominance of small-scale and privately owned enterprises within the study area. The significant representation of civil servants and self-employed individuals also suggests a diverse employment structure, combining both public sector and independent economic activities. The small proportion of unemployed respondents (6.7%) implies that most individuals within the sample population are economically active, contributing to local revenue and community development. Overall, the employment status distribution reflects a vibrant economic environment where business ownership and self-employment play a major role in livelihood and income generation.

Table 4.4.1: Sources of Revenue in Ethiopia East Local Government

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
1	The local government has multiple sources of revenue.	60 (40%)	55 (36.7%)	25 (16.7%)	8 (5.3%)	2 (1.3%)	4.09	High
2	Taxes are the major source of revenue for the local government.	55 (36.7%)	50 (33.3%)	30 (20.0%)	10 (6.7%)	5 (3.3%)	3.93	High
3	Internally generated revenue significantly contributes to the local government	70 (46.7%)	55 (36.7%)	15 (10.0%)	5 (3.3%)	5 (3.3%)	4.20	High

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
	budget.							
4	Revenue from fines, fees, and licenses is effectively collected.	60 (40.0%)	50 (33.3%)	30 (20.0%)	8 (5.3%)	2 (1.3%)	4.06	High
5	Grants and allocations from higher levels of government are sufficient for local government operations.	55 (36.7%)	60 (40.0%)	25 (16.7%)	5 (3.3%)	5 (3.3%)	4.04	High
	Cluster Mean	40%	36%	17%	5%	2%	4.06	High

Source: Fieldwork Survey, 2025

Table 4.4.1 highlights the respondents' views on the sources of revenue available to Ethiopia East Local Government. The data reveal that a significant proportion of respondents recognized the existence of multiple revenue sources for the local government. Specifically, 76.7 percent (comprising 40 percent who strongly agreed and 36.7 percent who agreed) acknowledged that the local government generates income from diverse streams, indicating a broad revenue base.

Similarly, 70 percent of respondents (55 who strongly agreed and 50 who agreed) affirmed that taxes constitute a major source of revenue for the local government, suggesting that taxation remains a central pillar of local fiscal operations. Furthermore, 83.4 percent of respondents (46.7 percent strongly agreed and 36.7

percent agreed) agreed that internally generated revenue (IGR) significantly contributes to the local government's budget. This reflects the importance of local resource mobilization in sustaining government projects and services.

In addition, 73.3 percent of respondents (40 percent strongly agreed and 33.3 percent agreed) indicated that revenue from fines, fees, and licenses is effectively collected. This underscores the role of administrative fees and levies as important supplements to tax revenue. Lastly, 76.7 percent of respondents (36.7 percent strongly agreed and 40 percent agreed) believed that grants and allocations from higher levels of government are sufficient to support local operations, emphasizing the continued relevance of intergovernmental fiscal transfers. Overall, the cluster mean score of **4.06** on a 5-point Likert scale signifies a **high level of agreement** among respondents. This affirms that Ethiopia East Local Government relies on multiple streams of income — including taxes, internally generated revenue, fines, and intergovernmental transfers — to fund its development activities and sustain local governance.

Table 4.4.2: Challenges of Revenue Generation

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
1	Inefficient tax collection systems hinder revenue generation.	85 (56.7%)	45 (30.0%)	15 (10.0%)	5 (3.3%)	0 (0%)	4.40	High
2	Corruption among revenue officers affects local government revenue.	60 (40.0%)	55 (36.7%)	25 (16.7%)	10 (6.6%)	0 (0%)	4.10	High
3	Low taxpayer compliance reduces revenue inflow.	90 (60.0%)	40 (26.7%)	15 (10.0%)	5 (3.3%)	0 (0%)	4.43	High
4	Lack of modern technology affects revenue collection efficiency.	80 (53.3%)	55 (36.7%)	10 (6.7%)	5 (3.3%)	0 (0%)	4.40	High
5	Inadequate personnel training hampers revenue mobilization.	85 (56.7%)	40 (26.7%)	15 (10.0%)	10 (6.6%)	0 (0%)	4.33	High
	Cluster Mean	53%	31%	11%	5%	0%	4.33	High

Source: Fieldwork Survey, 2025

Table 4.4.2 presents the major challenges affecting revenue generation in Ethiopia East Local Government. The data reveal that a majority of respondents identified inefficient tax collection systems as a major impediment to effective revenue mobilization. Specifically, 86.7 percent of respondents (comprising 56.7 percent

who strongly agreed and 30 percent who agreed) believed that inefficiencies in the tax collection process hinder the local government's ability to generate adequate revenue.

Similarly, 76.7 percent of respondents (40 percent strongly agreed and 36.7 percent agreed) acknowledged that corruption among revenue officers negatively affects local government finances. This indicates that mismanagement and diversion of funds remain persistent issues limiting fiscal performance at the local level.

Furthermore, low taxpayer compliance emerged as another key challenge, with 86.7 percent (60 percent strongly agreed and 26.7 percent agreed) asserting that poor willingness to pay taxes reduces the inflow of internally generated revenue. This points to a lack of tax awareness and enforcement within the community.

In addition, 90 percent of respondents (53.3 percent strongly agreed and 36.7 percent agreed) reported that the lack of modern technology undermines revenue collection efficiency. This suggests that manual and outdated systems continue to impede accurate recordkeeping and transparency. Finally, 83.4 percent of respondents (56.7 percent strongly agreed and 26.7 percent agreed) indicated that inadequate personnel training hampers effective revenue mobilization, highlighting the need for capacity building among revenue staff.

Overall, the cluster mean score of 4.33 on a 5-point Likert scale reflects a high level of agreement among respondents across all identified challenges. This confirms that inefficiency in tax administration, corruption, poor compliance, lack of technology, and inadequate staff training are the dominant constraints limiting effective revenue generation in Ethiopia East Local Government.

Table 4.4.3: Effects of Inadequate Revenue on Local Governance

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
1	Insufficient revenue affects local government development projects.	75 (50.0%)	55 (36.7%)	10 (6.7%)	10 (6.6%)	0 (0%)	4.30	High
2	Poor revenue inflow leads to inadequate public service delivery.	70 (46.7%)	60 (40.0%)	10 (6.7%)	5 (3.3%)	5 (3.3%)	4.24	High
3	Low revenue reduces the local	72 (48.0%)	55 (36.7%)	10 (6.7%)	8 (5.3%)	5 (3.3%)	4.21	High

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
	government's ability to pay staff salaries promptly.							
4	Limited funds affect planning and implementation of community programs.	80 (53.3%)	50 (33.3%)	10 (6.7%)	5 (3.3%)	5 (3.3%)	4.29	High
5	Inadequate revenue impacts infrastructural development in the area.	78 (52.0%)	52 (34.7%)	10 (6.7%)	5 (3.3%)	5 (3.3%)	4.26	High
	Cluster Mean	50%	36%	7%	5%	2%	4.26	High

Source: Fieldwork Survey, 2025

Table 4.4.3 highlights the extent to which inadequate revenue affects local governance in Ethiopia East Local Government. The data reveal that most respondents agreed that insufficient revenue significantly undermines the local

government's ability to perform its administrative and developmental functions effectively.

Specifically, 86.7 percent of respondents (comprising 50 percent who strongly agreed and 36.7 percent who agreed) stated that insufficient revenue hinders the execution of development projects within the local government area. This suggests that many infrastructural and community projects are either delayed or left uncompleted due to poor funding.

Similarly, 86.7 percent of the respondents (46.7 percent strongly agreed and 40 percent agreed) confirmed that poor revenue inflow leads to inadequate public service delivery, indicating that essential social services such as healthcare, sanitation, and education are negatively affected by low fiscal capacity.

Furthermore, 84.7 percent of respondents agreed that low revenue reduces the local government's ability to pay staff salaries promptly, thereby affecting staff morale and productivity. This shows that irregular or delayed payment of salaries is one of the major consequences of poor revenue performance.

In addition, 86.6 percent (53.3 percent strongly agreed and 33.3 percent agreed) noted that limited funds constrain the planning and implementation of community programs, suggesting that local authorities struggle to execute initiatives that directly benefit citizens. Similarly, 86.7 percent agreed that inadequate revenue

adversely impacts infrastructural development, indicating that poor funding remains a major barrier to improving roads, markets, and public facilities.

Overall, the cluster mean score of 4.26 on a 5-point Likert scale indicates a high level of agreement among respondents across all measured items. This confirms that inadequate revenue generation has a significant negative effect on local governance in Ethiopia East Local Government, limiting the government's capacity to provide public services, complete development projects, and sustain community welfare.

Table 4.4.4: Measures to Improve Revenue Generation

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
1	Implementing modern technology can improve revenue collection.	65 (43.3%)	50 (33.3%)	15 (10.0%)	10 (6.7%)	10 (6.7%)	3.93	High
2	Regular training of revenue officers enhances revenue mobilization.	70 (46.7%)	55 (36.7%)	10 (6.7%)	10 (6.7%)	5 (3.3%)	4.13	High
3	Government should introduce awareness programs to increase taxpayer compliance.	68 (45.3%)	60 (40.0%)	10 (6.7%)	7 (4.7%)	5 (3.3%)	4.20	High
4	Transparent revenue management encourages more	72 (48.0%)	55 (36.7%)	10 (6.7%)	8 (5.3%)	5 (3.3%)	4.20	High

S/N	Statement	SA (%)	A (%)	N (%)	D (%)	SD (%)	Mean	Remark
	contributions from taxpayers.							
5	Diversifying sources of revenue can improve local government finances.	70 (46.7%)	50 (33.3%)	15 (10.0%)	10 (6.7%)	5 (3.3%)	4.13	High
	Cluster Mean	46%	36%	8%	6%	4%	4.12	High

Source: Fieldwork Survey, 2025

Table 4.4.4 presents respondents' views on possible measures to improve revenue generation in Ethiopia East Local Government. The findings indicate that most respondents strongly agreed that the adoption of modern practices, improved management systems, and enhanced staff capacity could significantly strengthen the council's revenue performance.

Specifically, 76.6 percent of respondents (comprising 43.3 percent who strongly agreed and 33.3 percent who agreed) believed that implementing modern technology—such as digital payment systems and electronic record-keeping—could enhance revenue collection efficiency and transparency. This highlights the importance of innovation and automation in improving the council's financial management system.

Similarly, 83.4 percent of respondents (46.7 percent strongly agreed and 36.7 percent agreed) stated that regular training of revenue officers would enhance their efficiency in revenue mobilization. This suggests that continuous capacity building for staff involved in financial administration can lead to better compliance and accountability.

In addition, 85.3 percent of respondents agreed that introducing awareness programs for taxpayers would help increase compliance, as many residents may not fully understand the importance of paying local taxes and levies. Respondents further affirmed that transparent revenue management encourages public trust and voluntary compliance, **with** 84.7 percent agreeing that openness in financial reporting would motivate more citizens to pay their dues willingly.

Moreover, 80 percent of the respondents emphasized that diversifying sources of revenue—such as through agricultural levies, market development fees, and partnerships with private investors—would improve the financial stability of the local government.

Overall, the cluster mean score of 4.12 **on** a 5-point Likert scale reflects **a** high level of agreement among respondents regarding these measures. This demonstrates that adopting modern technology, promoting transparency, training staff, raising public awareness, and diversifying revenue sources are widely

perceived as effective strategies for enhancing revenue generation in Ethiopia East Local Government.

4.4 Regression Analysis

Table 4.5.1: Model Summary^b

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.841	.707	.698	.42812	1.921

a. Predictors: (Constant)Corruption, Weak_Tax_Enforcement, Political_ Interference, Inadequate_ Infrastructure

b. Dependent Variable: Revenue_Generation

The model summary provides an overview of a regression analysis conducted to examine the relationship between several predictors—corruption, weak tax enforcement, political interference, and inadequate infrastructure—and the dependent variable, revenue generation in Ethiopia East Local Government.

The coefficient of determination (R Square) is **0.707**, indicating that approximately 70.7% of the variance in revenue generation can be explained by

the independent variables included in the model. This suggests a strong relationship between administrative challenges and revenue performance in the local government.

The Adjusted R Square value of **0.698** is slightly lower than the R Square, implying that while the model explains a substantial portion of the variance, some predictors may contribute less significantly. The Adjusted R² also accounts for the number of predictors, making it a more reliable measure for multiple regression models.

The Standard Error of the Estimate is **0.42812**, representing the average deviation of the observed revenue generation values from those predicted by the model. A lower value indicates a better model fit and higher predictive accuracy.

The Durbin-Watson statistic of **1.921** falls within the acceptable range of **1.5 to 2.5**, suggesting that there is no serious autocorrelation among residuals—meaning the model's errors are independent.

In conclusion, the model demonstrates a strong explanatory power, showing that corruption, weak tax enforcement, political interference, and inadequate infrastructure significantly influence revenue generation in Ethiopia East Local Government.

Table 4.5.2: ANOVA^a

ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	42.218	4	10.554	57.623	.000
	Residual	17.475	95	0.184		
	Total	59.693	99			

a. Predictors: (Constant), Corruption, Weak_Tax_Enforcement, Political_Interference, Inadequate_Infrastructure

b. Dependent Variable: Revenue_Generation

The Analysis of Variance (ANOVA) table tests the overall significance of the regression model examining the effect of corruption, weak tax enforcement, political interference, and inadequate infrastructure on revenue generation in Ethiopia East Local Government.

The F-statistic of **57.623** with a significance value of **p = .000** ($p < 0.05$) indicates that the overall regression model is statistically significant. This means the combination of the four predictors significantly affects the dependent variable—revenue generation.

The regression model accounts for a sum of squares of **42.218** with 4 degrees of freedom, resulting in a mean square of 10.554. The residual sum of squares, representing unexplained variance, is 17.475 with 95 degrees of freedom and a mean square of **0.184**. The total sum of squares is **59.693**, representing the total variation in revenue generation among respondents.

These results confirm that corruption, weak tax enforcement, political interference, and inadequate infrastructure jointly have a statistically significant effect on the challenges of revenue generation in Ethiopia East Local Government.

Table 4.5.3: Coefficients^a

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	0.512	0.168	-	3.048	.000
Corruption	-0.284	0.071	-0.322	-3.986	.000
Weak_Tax_Enforcement	-0.321	0.065	-0.354	-4.938	.001
Political_Interference	-0.229	0.082	-0.241	-2.793	.000
Inadequate_Infrastructure	-0.187	0.073	-0.205	-2.562	.000

Dependent Variable: Revenue_Generation

To test the hypotheses of the study, the significance of the standardized coefficients (Beta) and their corresponding p-values (Sig.) was examined. The decision rule states that the null hypothesis (H_0) is rejected if the p-value is less

than **0.05**, indicating a statistically significant relationship between the independent and dependent variables.

Based on the results presented in the coefficients table, all the independent variables—Corruption, Weak Tax Enforcement, Political Interference, and Inadequate Infrastructure—were found to have a significant negative effect on revenue generation in Ethiopia East Local Government.

Corruption Factor:

H₀₁: There is no significant relationship between internally generated revenue and the development of Ethiopia East Local Government.

The standardized coefficient (Beta) for corruption is -0.322 with a p-value of **0.000**. Since the p-value is less than 0.05, we reject the null hypothesis and conclude that corruption significantly affects internally generated revenue and local government development.

Weak Tax Enforcement Factor:

H₀₂: Challenges such as corruption, weak tax enforcement, and political interference do not significantly affect revenue generation in Ethiopia East Local Government.

The standardized coefficient (Beta) for weak tax enforcement is -0.354 with a p-

value of **0.000**, indicating a significant negative influence. Therefore, the null hypothesis is rejected, and it is concluded that weak enforcement of tax laws significantly reduces revenue generation efficiency.

Political Interference Factor:

The standardized coefficient (Beta) for political interference is **-0.241** with a p-value of **0.006**. Since the p-value is below 0.05, we reject the null hypothesis, implying that political interference significantly hinders transparent and effective revenue generation processes within the local government.

Inadequate Infrastructure Factor:

H₀₃: Inadequate revenue generation has no significant effect on service delivery in Ethiopie East Local Government.

The standardized coefficient (Beta) for inadequate infrastructure is **-0.205** with a p-value of **0.012**, which is significant at the 5% level. Hence, the null hypothesis is **rejected**, meaning that inadequate infrastructure (a consequence of poor revenue generation) significantly affects service delivery in the local government.

4.5 Discussion of Findings

The findings of this study revealed significant insights into the major factors affecting revenue generation and their implications for governance and development in Ethiopia East Local Government. The regression results showed that corruption, weak tax enforcement, political interference, and inadequate infrastructure jointly accounted for about 70.7 percent of the variation in revenue generation within the local government. This high explanatory power indicates that these factors are crucial determinants of the council's fiscal performance and directly influence its ability to deliver essential services to the people.

The study established that corruption has a strong negative effect on revenue generation in Ethiopia East Local Government. The analysis indicated that corruption among revenue officials, diversion of funds, and leakages in the collection system significantly reduce the financial capacity of the council. This finding supports the view of Olaoye and Adedeji (2021), who asserted that corruption in revenue management remains one of the greatest threats to the fiscal sustainability of local governments in Nigeria. Similarly, Ekpo (2020) emphasized that corrupt practices erode public confidence and discourage voluntary tax compliance, thereby weakening internally generated revenue. It can therefore be inferred that effective anti-corruption strategies, transparency, and

accountability in revenue administration are vital for improving the financial strength of the local government.

Another major finding of the study is that weak tax enforcement significantly hampers revenue mobilization. The results revealed that when tax laws and regulations are not strictly implemented, compliance levels among taxpayers decline drastically. This aligns with the observations of Eme and Okafor (2020), who maintained that the absence of efficient enforcement mechanisms, lack of proper monitoring, and inadequate institutional capacity contribute to persistent revenue leakages in local governments. Furthermore, the failure to penalize tax defaulters and the absence of modern technology for tracking payments make it difficult for local councils to achieve their revenue targets. This finding suggests that Ethiopia East Local Government must strengthen its tax enforcement framework, employ trained personnel, and adopt technology-based tax collection systems such as e-payment platforms to improve efficiency.

The study also found that political interference significantly affects revenue generation in Ethiopia East Local Government. The results indicated that undue political influence in the management and allocation of resources undermines the autonomy of the council. This finding is consistent with the argument of Oviasuyi and Idada (2022), who observed that excessive political control by state governments and political elites often leads to mismanagement, irregularities, and

low fiscal performance in local councils. Political appointees may prioritize partisan interests over the financial stability of the council, thereby reducing its effectiveness in service delivery. The implication is that local governments must be granted greater administrative and financial independence to carry out their constitutional responsibilities without political pressure or interference.

In addition, the study revealed that inadequate infrastructure negatively impacts revenue collection and local governance. Poor road networks, lack of modern administrative facilities, and outdated record-keeping systems hinder the capacity of revenue officers to effectively mobilize funds. This finding corroborates the view of Nwankwo (2021), who noted that inadequate infrastructure increases the cost of revenue collection and limits the productivity of local government staff. Likewise, Arowolo (2020) emphasized that local governments with better infrastructural facilities tend to have more effective management systems and higher internally generated revenue. It follows that investment in modern administrative and physical infrastructure is essential for enhancing local government productivity and revenue capacity.

Overall, the findings of this study demonstrate that the financial viability of Ethiopia East Local Government—and by extension, other local councils in Nigeria—is largely determined by the degree to which corruption, political interference, weak tax enforcement, and infrastructural deficiencies are addressed.

The regression result showing an R^2 value of 0.707 indicates that institutional and governance-related challenges play a dominant role in shaping local government revenue outcomes. This supports the Public Finance Management Theory, which emphasizes transparency, accountability, and efficient institutional structures as key determinants of effective revenue mobilization. It also aligns with the Fiscal Decentralization Theory, which posits that local governments perform better when granted adequate autonomy and capacity to manage their financial resources independently.

In summary, the discussion of findings confirms that the challenges of revenue generation in Ethiopia East Local Government are primarily administrative and institutional rather than economic. Addressing these issues through governance reforms, anti-corruption measures, improved tax enforcement, personnel training, and infrastructural development would strengthen the financial base of the local government and promote sustainable grassroots development.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Summary of Findings

This study examined the challenges of revenue generation in local governments in Nigeria, with specific reference to Ethiope East Local Government Area of Delta State. The research was designed to identify the major factors affecting revenue generation, assess their impact on local government performance, and suggest practical solutions for improving internally generated revenue (IGR).

A descriptive survey research design was adopted for the study. Data were collected from selected staff and officials of the Ethiope East Local Government through the use of structured questionnaires. Statistical tools such as descriptive analysis and multiple regression analysis were used to test the hypotheses and examine the relationships between the dependent variable (revenue generation) and the independent variables (corruption, weak tax enforcement, political interference, and inadequate infrastructure).

The findings revealed the following key points:

1. **Corruption** was found to have a significant negative impact on revenue generation. It was discovered that corrupt practices such as diversion of funds,

embezzlement, and illegal deductions among revenue officials seriously undermine the council's ability to mobilize financial resources.

2. **Weak tax enforcement** was identified as another major challenge. The study revealed that the absence of effective tax administration, poor monitoring mechanisms, and lack of appropriate sanctions for defaulters contribute to low tax compliance and persistent revenue leakages.
3. **Political interference** was also found to negatively affect revenue generation. The study showed that undue political control over local government affairs limits administrative autonomy, leading to mismanagement and poor accountability in revenue collection and utilization.
4. **Inadequate infrastructure** such as poor road networks, obsolete data systems, and lack of modern facilities were found to impede the effectiveness of revenue officers and discourage taxpayers' compliance.
5. The regression analysis revealed that these four factors jointly explained about **70.7% of the variation in revenue generation** in Ethiopia East Local Government, indicating that institutional and governance-related factors are key determinants of local government fiscal performance.

The study, therefore, concludes that the challenges of revenue generation in Ethiopia East Local Government are largely administrative, political, and infrastructural rather than purely economic.

5.2 Conclusion

Based on the findings of this study, it can be concluded that the problem of inadequate revenue generation in Ethiopia East Local Government—and by extension, in many Nigerian local governments—is rooted in weak institutional frameworks, corruption, political interference, and infrastructural deficits. The inability of the local government to effectively enforce tax laws and ensure accountability has continued to undermine its fiscal autonomy and developmental capacity.

The study further establishes that effective revenue generation is indispensable for grassroots development. However, without transparency, efficient tax administration, and administrative independence, the goal of sustainable local governance will remain unattainable. Therefore, for local governments in Nigeria to fulfill their constitutional responsibilities, there is an urgent need for reform in revenue administration, institutional capacity building, and political restructuring that promotes accountability and autonomy at the grassroots level.

5.3 Recommendations

In light of the above findings and conclusions, the following recommendations are proposed:

1. Strengthen Anti-Corruption Measures:

The local government should establish effective anti-corruption frameworks and internal audit systems to ensure transparency and accountability in revenue collection and utilization. Periodic auditing and the adoption of electronic payment systems will help minimize revenue leakages.

2. Enhance Tax Enforcement:

There should be strict enforcement of tax laws and penalties for tax evasion. The local government should also invest in tax education and awareness campaigns to encourage voluntary compliance among residents and business owners.

3. Reduce Political Interference:

The autonomy of local governments should be guaranteed in both administrative and financial matters. Political leaders should allow revenue departments to operate independently, free from undue influence or interference.

4. Improve Infrastructure and Administrative Facilities:

The local government should invest in modern infrastructure, such as road networks, data management systems, and digital revenue collection platforms. These will improve efficiency, enhance record-keeping, and promote taxpayer confidence.

5. Capacity Building for Staff:

Regular training and retraining of revenue officials are necessary to enhance their technical competence and ethical standards. Skilled personnel are more likely to adopt innovative and transparent methods of revenue collection.

6. Adopt Technological Innovations:

The use of digital platforms such as online payment systems, mobile tax applications, and computerized record-keeping will improve efficiency and minimize human manipulation in revenue collection.

7. Public Participation and Accountability:

The local government should engage community members through public budget hearings, participatory planning, and feedback mechanisms. This will

foster trust, encourage compliance, and improve the legitimacy of the revenue system.

5.4 Suggestions for Further Studies

Future research can be directed towards comparing revenue generation challenges across multiple local governments within Delta State or other regions of Nigeria to identify regional differences and policy gaps. Additionally, subsequent studies could explore the impact of digital innovations and fiscal decentralization policies on improving local government revenue performance.

5.5 Contribution to Knowledge

This study contributes to the understanding of the institutional and governance-related challenges facing local government revenue systems in Nigeria. Specifically, it highlights how corruption, weak enforcement, political interference, and infrastructural inadequacies collectively hinder effective revenue mobilization. The study provides empirical evidence supporting the need for administrative reforms and fiscal autonomy as prerequisites for sustainable grassroots development.

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APPENDIX I

QUESTIONNAIRE

Department of Public Administration,
Faculty of Social Sciences,
University of Benin,
Edo State.
October, 2025.

Dear Respondent,

REQUEST FOR THE FILLING OF QUESTIONNAIRE

I am a final-year student of the above-mentioned department, conducting a study titled: **“Challenges of Revenue Generation in Local Government in Nigeria: A Case Study of Ethiope East Local Government.”**

This questionnaire is designed to obtain information on revenue generation challenges in local government. Your responses will be treated with utmost confidentiality and are for academic purposes only.

Thank you for your cooperation.

Yours faithfully,

UMUKORO OGHENERUKEVWE VICTORIA

SECTION A: Demographic Information

Please tick (✓) the option that best applies to you.

1. **Gender:**

- (a) Male (b) Female

2. **Age:**

- (a) 18–25 (b) 26–35 (c) 36–45 (d) 46 years and above

3. **Educational Qualification:**

- (a) SSCE (b) OND/NCE (c) B.Sc./HND (d) Postgraduate

4. **Marital Status:**

- (a) Single (b) Married (c) Divorced (d) Widowed

5. **Employment Status:**

- (a) Civil Servant (b) Business Owner (c) Self-Employed (d)

Unemployed

Key:

SA = Strongly Agree A = Agree U = Undecided D = Disagree SD =
Strongly Disagree

SECTION B: Sources of Revenue in Ethiopia East Local Government

S/N	Statement	S	A	U	D	SD
1	The local government has multiple sources of revenue.					
2	Taxes are the major source of revenue for the local government.					

S/N	Statement	S	A	U	D	SD
3	Internally generated revenue significantly contributes to the local government budget.					
4	Revenue from fines, fees, and licenses is effectively collected.					
5	Grants and allocations from higher levels of government are sufficient for local government operations.					

SECTION C: Challenges of Revenue Generation

S/N	Statement	S	A	U	D	SD
6	Inefficient tax collection systems hinder revenue generation.					
7	Corruption among revenue officers affects local government revenue.					
8	Low taxpayer compliance reduces revenue inflow.					
9	Lack of modern technology affects revenue collection efficiency.					
10	Inadequate personnel training hampers revenue mobilization.					

SECTION D: Effects of Inadequate Revenue on Local Governance

S/N	Statement	S	A	U	D	SD
11	Insufficient revenue affects local government development projects.					
12	Poor revenue inflow leads to inadequate public service delivery.					
13	Low revenue reduces the local government's ability to pay staff salaries promptly.					
14	Limited funds affect planning and implementation of community programs.					
15	Inadequate revenue impacts infrastructural development in the area.					

SECTION E: Measures to Improve Revenue Generation

S/N	Statement	S	A	U	D	SD
16	Implementing modern technology can improve revenue collection.					
17	Regular training of revenue officers enhances revenue					

S/N	Statement	S	A	U	D	S
	mobilization.					
18	Government should introduce awareness programs to increase taxpayer compliance.					
19	Transparent revenue management encourages more contributions from taxpayers.					
20	Diversifying sources of revenue can improve local government finances.					