VOL. 03 NO. 7,
FEBRUARY, 2024
E-ISSN 3026-9679
P-ISSN 3026-9423

African Scholar Publications & Research International
www.africanscholarpub.com

Journal of Business Dev. and Management Res. (JBDMR)

THE CAUSES AND EFFECTS OF POOR REVENUE GENERATION ON THE DEVELOPMENT OF LOCAL GOVERNMENT AREA (A CASE STUDY OF ETSAKO WEST LOCAL GOVERNMENT AREA, EDO STATE)

Julius Jimoh Precious & Anthony Emhenya Iyoha, Ph.D
Department of Political Science and Public Administration, Faculty of Management and Social Sciences, Edo State University, Uzairue.
emhenya.anthony@edouniversity.edu.ng

Abstract

Revenue generation is the Nucleus and the Path to modern development, thus, the study was to assess the causes and effect of poor revenue generation on the development of local government area. This is because local government as the third tiers of government and closest to the people especially in the rural area needed revenue to provide basic social amenities to the people. But it is unfortunate to note that the local government have not lived up to expectation especially to provide basic social Amenities to the rural people. Thus, the objective of the research was analyzing the extents to which poor revenue generation had affected the development of those areas. The researcher used primary and secondary method of data collection to generate the needed data. The data obtained through questionnaire was presented in tables and expressed in simple percentages; the following were some of the finding which included poor development of the areas lack of basic social amenities to the rural people and lack of revenue to maintain the existing infrastructures. The researcher therefore recommended that the local government should provide basic amenities of high quality. By doing so, the people's interest would be geared towards giving their

maximum support to the local government which would lead to the development of the rural areas.

Introduction

At this stage of our national commitment to democracy, it is important to examine what happens at the grassroots by looking at the trajectory of local government which of course is an essential constitutional expression. Regardless of the epoch of our national evolution, the form of government, and the nature of the political and ruling classes, local government had always been considered an inescapable and indispensible bulwark of the political system and accepted by all as an important means of extending and encouraging political participation to millions of people, and possibly also bringing development at the very door-steps of citizens. All are agreed that the local government is the government that is the closest to the grassroots and makes the highest impact on them. Bello **(2017)** Local government is a third tier government in Nigeria as well as the closet tier of government to the people. The guidelines for 1976 Local Government Reform in Nigeria elaborately describes it as government at the local level exercised through representative councils established by law to exercise specific powers over local areas. The Primary Goal of local government is to bring government nearer to the people for the purpose of maximum participation of rural inhabitants, utilization of local resources (men and materials) for rapid and even development of local communities.

Alao (2009), viewed Local Government as a government of grassroots which is designed to serve as "instrument of rural transformation". In his own contributions, Golding (2018), viewed it as a political authority set up by a nation or state as subordinate authority for the purpose of dispersing or decentralizing political power. This idea of local government by Axon, . and Jefferson (2018), has been reinforced by the Federal Republic of Nigerian Guidelines for local government in Nigeria which elaborately defined local government as "government at local level exercised through representative councils established by law to exercise specific powers within defined areas. These powers should give the council substantial control over local affairs, (including staffing) and institutional and financial powers to initiate and direct the provision of services and to determine and implement

projects so as to complement the activities of the state and federal governments in their areas and to ensure, through devolution of functions to these councils and through the active participation of the People and their traditional institutions, that local initiative and response to local needs and conditions are maximized" Federal Republic of Nigeria. Local government therefore plays crucial role in rural as well as urban development the world over. The importance of local government in rural development process made AbubakarRimi to remark as far back as 1978 thus, "Local government is the most important government of our land. The local government is the nearest and most immediate government for the man. The man in my village does not care about who the president is. He does not even care about who the governor of his state is. He cares only about those who are counselors and chairman of his local government" (constituent Assembly: 1978:994). Local government is therefore, a powerful instrument of rural and urban development. Consequently, if appropriately structured, based on adequacy of units; adequately funded, sufficiently staffed with well qualified and continuously trained, motivated and dedicated personnel, enjoy a measure of freedom from the state government, it will give effect to mass participation of the people in the process of government as well as serve as a spring signboard for local participation and rural development. Local government is therefore designed to achieve multi-dimensional goals of economic, social, cultural and political development. It is form of government most desired all over the world today due to its therapeutic cleansing effect on rural development problems. Anyanwu A. (2000)

Statement of the Problem

The local government councils take direct care of the grassroots people, that is the people in the rural areas, thus group of people sometime lack essentials facilities and condition of modern civilization, they lack pipe bore water to drink do not have electricity, accessible road, poor educational infrastructure and facilities to mention but a few.

This is one of the major reasons of rural urban migration of movement. This has made our cities to be congested and increase in many criminal activities. Based on the above and foregoing assertions. It is obvious that the impact of poor revenue generation on the development of the rural area is a serious problem. If Nigeria is to achieve her

desired goals and possibly meet the millennium development goals (MDGS) target, the issue of revenue generation must be addressed squarely. Chiedozie A.O. (2004) Hence the researcher want to find out the impact of poor revenue generation on the lives of people at the rural area and how it has affected development Area.

Objectives of the Study

The broad objective of the research is to evaluate the impact created by poor revenue generation on the development of Etsako West Local Government Area in Edo State. The other objective of this study includes

i. To determine the level of modern socials amenities available in Etsako West
ii. To find out the level of poverty associated with the rural people as a result of poor development
iii. To find out the degree of rural urban migration
iv. To make useful suggestions to solve the problem of poor generation as development depends on revenue generated

Research Questions

i. What are the impacts of poor revenue generation on the development of Etsako West?
ii. Is the poverty level of the rural people high as a result of the poor development?
iii. Has poor revenue generation in Etsako West contribute to rural urban migration?
iv. How can revenue generation in Etsako West be improved?

Operational Definition of terms

Some concept requires proper explanation to enhance our understanding of this theme where necessary opinion of scholars will be cited to explain to term the researcher will also give some fundamental definition of terms.

Local Government

According to Nwachukwu, G.E. (2016) local government as a political sub – division of a national in federal system which is constituted by law and has substantial control of local affair which include the power to impose taxes or exact labor for prescribed purpose.

Expenditure

Public expenditure refers to the expenses which the government incurs for its own maintenance, in the interest of the society and the economy in order to help other countries.

Tax

Tax can be defined as a compulsory level by government on goods, service, income and wealth. It provides definite source of revenue for government expenditure (Udeh O.S. 2008).

It is the way by which government obtain extra money. It spent from income of individual and company's tax could be direct or indirect tax. A tax is a payment made by the taxpayers and used by the government for the benefit of all the citizens' tax Evasion

Tax Avoidance

Tax avoidance is the act of streamlining one's financial affairs within the law so as to minimize the tax liabilities.

Revenue Generation: Is the overreaching process whereby a person or institution find ways to drive income and increase profitability

LITERATURE REVIEW

Development of Local Government in Nigeria

The evolution of local government in Nigeria has under gone a lot of change. These are all geared towards making the local government a system that could serve the purpose for which they are created, before the emergency of the British Colonial/administration, various community in Nigeria were government through the instrumentality of their traditional political instructions, these institute were adequate to meet the new condition for general development of their areas.

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 service to the community, for instance the local government was vested with the responsibility of health care service delivery with the transfer of primary health care delivery system. Okeke M.T. (2002) In the 1950's

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 administrator an personnel which gave rise to tide of progress, growth and development experienced in the local government prior to this period, the British introduction nature counts chaired by chief nature 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 administration until the military took over power. In 1966 from the power of the traditional rulers, especially in the northern region reduced gradually. The newly created state in the Northern region increased popularly participation in local government administration.

Large – local authority were broken to smaller one and native authority were charged to local government.

The local government reform of 1976 provided the guideline for local government in Nigeria. The reform created large –sized local government area throughout the federation based on a certain minimum population requirement, these result in uniform local government areas. The federal government for the first time was involved in funding of local government the local government gets statutory percentages share of federation accounts and state revenue. The local government was made a third time of government which means the local government has its own power. These were about 301 local government councils as at 1976. In 1986, the Babangida administration made local government an effective third tier of federal system, introduce reforms aimed at enhancing their autonomy and strengthening their administrative arm of local government which the executive arm of government consist of the chairman and vice chairman and supervisory councils. Lawal,(2016)

The local government administration, especially in regards to the reform sot the local government service 589 local government area were in existence as of 1991 local government reforms and there was establishment of the executive chairmanship of local government with function firmly entrenched in schedule four of the constitution. The federal government established the local governments service commission aimed at preserving the independent of the local government staff. The federal government increased the local government share of the federation account to twenty percent this increase in revenue base gave local government high degree of confidence and power to equip them to the challenging role, facing them. Okoli . et al (2004)

According to 1999 constitution of Nigeria, not only recognize but also guarantees the existence of a more powerful and independent local government areas section 162 of the 1999 constitution guarantees the existence of a more powerful and independent local government areas section 162 of the 1999 constitution guarantees the right of the local government to receive statutory allocation o the revenue from both the federation account and state resources the fourth, schedule of the same constitution spell out the function of the local government.

The federal government increased the local government share of the federation account to twenty – five percent. In the present local government administration, there are about 774 local government areas in Nigeria with the right and power of providing certain social service to the community, such social services like provisions of health care centres, electrification, and provision of pipe bore water and accessible road etc.

Sources of revenue generation in local government

In an attempt to mention out the functions of the local government, the fourth schedule of the constitution of the federal Republic of Nigeria 1999 implicitly specified some of these sources of revenue generation to the local government. However Ogunma (2016) posited that generally the local government has eight main sources of revenue which includes rates, grants, statutory, allocation, fees and charges, fine, earnings and profit loans and miscellaneous

1. Rate

As one of the independent sources of revenue people residing willing a local government area pay some money to it in form of rates, rate is, thus a local tax of the local government which is of three type namely property rate, special rate and capitation rate otherwise known as poll tax, property levied on the owner of such a properly. Capitation rate which is also a fixed amount of money levied on all ratable adults living in the local government, it is not only fixed but equal for every payer and like the property rate, it is paid annually. As a flat rate, it is generally low so that the low income people can conveniently pay.

According to Ugwu (2000) Special rate is a fixed amount meant to be paid by all ratable adult residing in the local government area. Special rate is usually levied for specific and priority projects like Education, water supply and rural electrification which the local government has inadequate fund for its provision.

Statutory Allocation

As the third tier of government, the local government receives statutory allocation from the federation account just like the state and federal government. This share of revenue is as fixed day law. It is not voluntary bur mandatory and does not depend on the whims and caprices through a legitimate process of change of the law that provide it. Statutory allocation is definite and certain.

Fines

These are penalties imposed by the customary courts on individual for the contravention of the buyer laws of the local government to regulate and control service allocated to them within their way of jurisdiction. Note that revenue accruing to the local government through this source is relatively very insignificant.

Earning and Profit

These are profit, interest and premiums accruable to the local government from its investment from its investment of fund in private or public economic ventures. In other words, they are money realized by the local government from commercial ventures and industrial establishment such ventures includes mass transit service, soap industry, bakery, Agricultural farm, share owned in companies, it such business is effectively managed with minimum local government interference and political influence, the higher revenue could be realized.

Fees and Charges

Revenue is generated through payment for the services which the local government provides such fees are in some cases designed to regulate and in other cases to maintain service Fees and charges are imposed and revenue realized from the issuance of various type of licenses like bicycle, wheel barrow, canoe and coda license, others are charges on bakeries, sale of liquor in restaurant and public place, erection of sign-board registration of birth and marriage, motor parks and markets personnel identification public urinary and toilet etc.

The imposition of fees and charges on these service by the local government always requires enabling laws for them to be lawful.

Grants

The federal and state government gives grant often called grants-in-aid to the local government to enable discharge its function effectively particularly in the area of the provision and maintenance of certain basic amenities for the people such basic amenities like water and electricity supply, building of educational and health facilities. The maintenance of road attract grants form main type of grants which includes general or block grant, specific grant, equalization grant and matching grant. Local government are expected and are indeed meant to embark on certain development consequently any local government of that embarks on such priority project is given a matching grants which is designed to stimulate and encourage development.

Loan

Local governments are empowered to obtain loan from the federal, state and other local government. They are also allowed to raise loan from financial institutions like bank and from individuals they raise loan for incurring capital development project that are within their statutory functions.

Educational Agricultural and industrial development project, drainage scheme, health and market development are good example of development project for which loan can rose.

The fact is that no local government can make any reasonable giant stride in rapid community development without borrowing. It is however important to note loan are necessity provided that they are prudently applied on capital project for which they are obtained, on capital projects which are expected to be immense benefits to the people including the coming generation which incidentally are reasonable expected to pay for such loans in future. Over of the rate and other forms of taxes they will pay.

Miscellaneous

Revenue can be generated from the payment of levies like developmental and educational levied, money can also be realized from rents paid for using any land or building belonging to a local government, gift and donation from individual. Philanthropists and corporate bodies also from sources of the local government.

In conclusion, local governments are empowered to generate revenue to enable them carryout their statutory and permissive function. It is therefore necessary to enhance revenue generation of the local government to enable them carryout their duties.

The Need for Revenue Generation in the Development of local government Areas.

According to Ugoo (2008) the need for revenue generated in the local government constitution this crucial and central component in the Administration process of the local government, this is largely 80 because finance determines the service rendered by the local government.

The following gave rise to the need for revenue generation in the local government.

1. To solve diverse caution Allocation to 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 educational, health, water supply and rural electrification, the revenue sources to be provided should correspondingly be large I scope, viable and rich in content to match the diverse functions.

2. To be able to pay their highly skilled personnel related to the above is a wide variety and meningitides of functions requires a large body of high skilled, professionally trained and technically competent staff would necessitate the purchase of a lot of costly equipment and materials for use in the discharge of their duties.

3. To tackle large territorial landmass and population of the local government area.

Most local government in Nigeria are very large both I 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.

Adedeji (2017) capped it all when he declared that the success or the failure of local government depend on the financial resources available to the individual local government and the way those resources are utilized. This face is further recognized and emphasized in the guideline for local government of 1979 which stated that it must be recognized that it meaningful local government is to be expected in Nigeria, much larger financial resources are needed in the development of the local government area.

The Problems of Revenue Generation

Local government in Nigeria enjoyed improved revenue from 1976 till date due to reforms introduced by different regions all aimed at making local government effective and efficient in discharging statutory responsibilities to the people. This was achieved through increased sources of revenue generation. The problem is multifarious ranging from over – dependency of local government on statutory allocation of federal and state government low borrowing capacity. Corruption mismanagement and misappropriation of local government funds, ineffective strategies for enhancing internally generally generated revenue, lack of skilled and technical personnel.

1. Mismanagement and misappropriation of local government funds

Abba, (2008) asserted that 'This is one of the major problems of revenue generation in local government. In most cases like the local government funds have been mismanaged tax collection that are charged with the responsibility to collect all the revenue source does not adequately use their freedom to collect them and exploit other sources of revenue available to the local government. Many local government officials embezzle local government fund through all sorts of manner like inflating contract or embarking on white elephant project or outright siphoning of funds which has affected the developmental process of local government areas.'

2. Corruption

The internally generated revenue which helped that will accelerate the finance of the local government is bedeviled by corrupt practice on the part of revenue collectors. It has been observed that these revenue collectors have in the possession unofficial receipt. This enables them to divert local government fund into private use.

Corruption is the locust that has eaten local government revenue; this manifested in the distorting of revenue returns receipts embezzlement and misappropriation of funds.

3. Over Dependency of local government on federal and state government statutory allocation, the local government area over dependent on the federal and state government statutory allocation for their expenditure. Both recurrent and capital expenditure, this over dependency of local government on statutory allocation of federal and state government have contributed to the financial crisis or delay in the disbursement of allocation, local government run into crisis in this payment of salary

other recurrent expenditure. The greatest impact of this over dependency in the past of the local government is that it has killed the limitative and the ingenuity to establish independent sources of revenue.

4. Low Borrowing capacity of local government

Every local government borrow money from commercial financial institution to finance project, the local government funds it difficult to pay their debt and so equally difficult to borrow at cheap rate or attract sufficient private investment.

5. Poor Financial management

Arising from poor attitude to work as well as lack integrity of revenue collections contribute to this state.

The Implication of Revenue generation on the Development of local government Areas

Local government as the grassroots level deserves serious attention from the federal government so as to be able to deliver essential service to the rural communities. It is in recognition of this fact that the 1976 reforms gave local government the constitutional recognition of a third tier of government. The local government was vested with the power and the responsibilities of providing essential service to the rural communities which would help to make life more meaningful thereby curbing rural – urban migration. Within the Nigeria political system, local government constitutes the most variable instrument for effecting a viable and sustainable rural transformation.

However, they cannot do this unless they are provided with adequate financial and human resources to effectively discharge their statutorily assigned function with improved revenue base in Etsako West the local government would be equipped to provide rural transformation in terms of developmental efforts on road construction and maintenance, provision of portable pipe – bore water, building of health centres and maternity homes, as well as secondary schools and vocation training centres.

Tax as a major source of Revenue

Tax can be defined as a compulsory level by government on good, services, incomes and wealth primarily to obtain revenue. In other word, it is levy or due on the income

of person for government expenditure. It is the way by which government obtain extra money it depends from the income of individual or companies.

According to Olaoye (2008) tax is a compulsory levy imposed by government to individual and companies for the various legitimate function of the state.

There are basically two types of taxes, direct and indirect tax (Udeh, 2008) Direct tax is that which is levied on and reality paid by the person/establishment (firms) on whom, it is legally imposed. It can also be that tax which demanded from the very person or company that is intended should pay it. The burden of a direct tax is wholly borne by the payer indirect tax is a tax imposed on an item or product usually at the point of production which often not is shifted from the originator of the item or product to another who ultimately consume the product.

Indirect tax is levied on the production (sale) or purchase of a product (goods and service) other than personal service. It therefore follows that an indirect tax can party or wholly paid by another. Other than the person on who was originally levied.

The purpose of Tax

The primary purpose of taxation is to raise revenue for government especially the local government, which is needed for the provision of essential services and execution of other activities of the local government. Agagu, A.A. (1997)

a. To regulate the production of certain commodities or service; the government impose taxes in order to control the product of certain commodities which are considered harmful to human health.
b. To control Monopoly Power; Certain take are levied in order to curb monopoly power, such taxes include excess profit tax
c. To protect infant and domestic industries, very high import duties can be used to disc overage the importation and consumption of foreign goods which usually out – compete the locally produced one.
d. To regulate Business activities: The form and direction on business activities can be regulated though taxation. A tax may discourage or courage a given line of business a high rate of taxation will discourage a business activities while subsidy (negative tax encourage the same)
e. To curb Inflation: Certain forms of taxes may be used to rescue the level of inflation. A high rate of taxation without a corresponding increase in

government expenditure will reduce disposable income of consumer, this will help to reduce price.

Problem associated with tax collection in Etsako West Local Government Area

The council's source of revenue is grossly inadequate to meet the numerous constitutionally provided functions. The grants by both state and federal government cannot meet the day to day responsibilities of the councils due to increase in the problem of tax collection machinery which is ineffective.. Oyediran, O. (1988)

1. Inadequate Staff

There are lack of adequate staff and manpower to carry out the assignment efficiently, the headquarter of board of internal revenue in Etsako West has division of unit with staffs in each of them but their staffs are mostly junior officials, who are not educated to the extent that they finds it difficult to apply tax laws. The skeletal numbers of experienced officials are mostly found in the urban areas. These few are loaded tax officials in Abia state have created opportunities for tax evaders. Tax evader can reduce then accounts and even direct the ill equipped, half – backed junior tax officials on what he or she ought to pay. This result in loss of appropriate revenue that ought to be realized when properly assessed.

2. Inadequate Facilities

The facilities like motor vehicle and motorcycle to carry out their assignment effectively are inadequate. A visit to the tax office headquarters in Etsako West shows that the office lack basis facilities, the officers is not well equipped either to the extent that files are scattered everywhere, document are not given adequate security as a result of the nature of the office.

3. Lack of voluntary compliance from the tax payer

This attitude of tax payer causes tax avoidance and evasion. Tax avoidance is that the act of reaming one's financial affairs within the law so as to minimize the tax liabilities that is exploiting the legal loopholes in the tax law to one's unpatriotic advantage reducing the tax burden on him or an organization, tax evasion means illegal reduction in one's tax liabilities, thereby paying less than the appropriate amount of the tax base like profit or income. This lack of voluntary compliance from tax payer in Etsako West could be considered as a serious problem associated with tax collection.

4. Lack of Enlightenment Programmes

The generality of the people in the rural area are not well informed as to why it is necessary to pay tax or other fees; many illiterate people see tax payment as a form of victimization, low income and economic depression which have coupled many finance of the local government.

5. Bribery and Corruption

In this day, tax collector's personnel interest has override their official interest in the performance of their duty, consequently affects tax collection. The internally generated revenue in Etsako West which was hoped to increase the revenue generation base is bedeviled by corrupt practice on the part of revenue collectors. I observed that these tax collectors have in their possession unofficial receipts; this enables them to divert local government money into private use.

6. Mismanagement of tax collected

This is another major problem associated with tax collection in Etsako West where tax collected were not been utilized for the purpose for which it was collected. Many local government funds are embezzled by tax officials through all sorts of manner like inflated contracts. Embarking on white elephant project or outright siphoning of funds which have affected the progress of development in Etsako West.

RESAERCH METHODOLOGY

The research design used in this project is descriptive design which seek to describe the existing status of what is being investigated and it will also help the researcher to know where the variable are gotten and how the objectives could be achieved the descriptive approach involve the normal gathering analysis and interpretation or a set of data so as to explain the underline factors that surrounding the problem that triggered of the research.

The population under study consists of 200 staffs of Etsako West Local Government. However, the sample must be representative of the population from which it is draw. In other to determine the sample size, the researcher use 5% level of significance, the sample size was derived using Yaro Yamnane formular.

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

Where

N = sample size

N = population of the study

e = level of significance/Error estimate at 5%

i = Constant

$$n = \frac{200}{1=20)\ (0.05)^2}$$

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

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

$$= 133.33$$

$$N = \frac{200}{1.5} = 133$$

The sample size of the study as determined from the population is 133, therefore the sample size = 133. The researcher used simple random sampling technique to select the sample from the population.

The instrument used is questionnaire and direct interview the questionnaire was generated in the line with the research question in a simple and clear grammar to enable the respondent understand and respond to the research question. The researcher also employed other instruments for data collection like personnel observation and interview

The researcher used two basic sources of data collection in the process of conducting the research the researcher used both primary and secondary source of data collection. The data collected was presented in a tabulated form which focus on the major research question in other to enable the researcher determines results. Data collected were analyzed by use of simple percentage analysis. The following was applied

$$\frac{F}{n} \times \frac{100}{1}$$

Where f = frequency of response

n = number of respondents

Decision Rule

All positive respondents to any item are recognized as a factor.

Data Analysis

The distribution

No of questionnaire distributed	**133**
No of questionnaire returned	12
No of questionnaire not returned	13

Source: Research Data 2023

For t analysis, the researcher will make use of the number of questionnaire which is 120.

Research question one

Are there sources of revenue available in Etsako west local government? The question was designed to find out if there are existences of revenue generation in Etsako West The responses are presented in table 4.1 below table 4.1

Distribution of question one

Options	Frequency	Percentages (%)
Yes	80	66.6
No	40	33.3
Total	**120**	**100**

Source Research Data 2023

From table 4.1 above, it can be seen that out of 120 respondents, 80 (66.6%) of them said yes, that they are sources of revenue available in no that there are no sources of revenue available in Etsako West Local Government

Research Question Two

What is the major revenue source of Etsako West local government area?

The question was designed to find out the major revenue sources of Etsako West Local Government

Table 4.2

Distribution of question two

Options	Strongly agree	Agree %	Neither agree	Disagree %	Strongly disagree	Total	Total
Federal government allocation	60(50)	40(33.3)	10(8.3)	5(4.1)	5(4.1)	120	100

State government allocation	50(41.6)	50(44.6)	20(16.6)	0	0	120	100
Special grant from state and federal government	28(23.3)	60(50)	20(16.6)	9(2.5)	3(2.5)	120	100
Loan from financial house(banks)	40(33.3)	30(25)	30(25)	10(8.3)	10(8.3)	120	100
Times, rate license fees tax	59(49.1)	61(50.8)	0	0	0	120	100
Donation	60(50)	40(33.3)	15(12.5)	3(2.5)	2(1.6)	120	100

Source Research Data, 2023

Table 4.2 above shows that out of 120 respondents in the option of federal government allocation 60 or 50% respondents strongly agree that federal government allocation is the major revenue source of Etsako west local government 40(33.3%) of the respondents disagree and 5 or 4.1% of the respondents strongly disagree in the option of state government allocation, 50 or 41.5% of the respondents strongly disagree in the option of state government allocation, 50 or 41.6% agree, 20 or 16.6 respondent neither agree nor disagree, none disagree or strongly disagree. In t option of special grants from state and federal 28 or 23.3% out of 120 respondents strongly agree, 60 or 50% agree 20 or 16% of the respondent neither agree nor disagree, 9 or 7.5 of the respondents disagree, 3 or 25.% of the respondents strongly disagree. In the option of loan from financial house 40 or 33.3% of out of 120 respondents strongly agree, 30 or 25% of the respondent agree, 30 or 25% neitehr4 agree nor disagree. 10 or 8.3% of them disagree, 10 or 8.3% strongly disagree, in the option of times, rate license taxes, out of the 120 respondent, 59 or 49.1% strongly agree 61 or 8% of the respondents agree, non neither agree nor disagree non disagree and strongly disagree in t option of the donation 60 or 50% respondents strongly agree, 40 or 33.3% agree, 15 or 12.5% neither agree nor disagree 3 or 2.5% disagree, 2 or 1.6 respondent strongly disagree Research question three

What are the methods adopted for prompt collection of revenue generation?

The responses of the respondents are present in the table below

Options	Strongly agree	Agree %	Neither agree	Disagree %	Strongly disagree	Total	Total
Federal government allocation	60(50)	40(33.3)	10(8.3)	5(4.1)	5(4.1)	120	100
State government allocation	50(41.6)	50(44.6)	20(16.6)	0	0	120	100
Special grant from state and federal government	28(23.3)	60(50)	20(16.6)	9(2.5)	3(2.5)	120	100
Loan from financial house(banks)	40(33.3)	30(25)	30(25)	10(8.3)	10(8.3)	120	100
Times, rate license fees tax	59(49.1)	61(50.8)	0	0	0	120	100
Donation	60(50)	40(33.3)	15(12.5)	3(2.5)	2(1.6)	120	100

Source Research Data, 2015

Table 4.3 above show that out of 120 respondents in the option of creation of awareness and campaign within the local government for prompt payment of taxes 50 or 41.5% respondent strongly agree that creation that of awareness and campaign within the local government of prompt collection of revenue, 50 or 41.6% respondents agree 15 or 12.5 out of the 120 respondent neither agree non disagree, 5 or 4.1 out of the 120 respondents disagree while none strongly disagree. In the option of reduction in tariff policy to encourage local industries 50 or 41.6% respondents out other 120 strongly free, 30 or 25% of the respondents agree, 20 or 16.6% of them neither agree nor disagree, 10 or 8.3% of the respondent of the 120 respondents disagree, 10 or 8.3% of them agree, 10 or 8.5% neither agree nor disagree, non disagree and none strongly disagree, in the option of general laxity by the part of revenue collection out of 120 respondents, 60 or 50% strongly agree, 40 or 33.3% agree, 15 or 12.5% neither agree nor disagree, 3 or 2.5% disagree, 2 or 1.6% strongly disagree. In the option of revenue staff not properly educated, out of 120 respondents, 59 or 49.k1% strongly agree 61 or 50.8% agree, none neither agree nor disagree, none disagree or none strongly disagree. In the option of delay in remitting federal state allocation, out of 120 respondents 70 or 58.3 respondents strongly agree, 40 or 33.3% agree 10 or 8.3% neither agree nor disagree, none disagree and none strongly disagree. In the option of poor banking facilitates, out of the 120 respondents , 80 or 66.6%

strongly agree, 20 16.6% agree, 20 or 16.6% neither agree nor agree, 20 16.6% agree, 20 or 16.6% neither agree nor disagree, none disagree or strongly disagree.

Summary of Findings

The researcher discovered that the impact of revenue generation in the development of the local government area could be rated below average which has resulted to poor development of the rural areas.

The researcher also found out that the revenue, generation within Etsako west local government areas was grossly inadequate for the provision of modern social amenities. Due to poor revenue generated to provide basic social amenities, such as accessible roads, schools, portable pipe-bore water, electricity among other it was impossible for rural people to sell the agriculture crops, drink, portable water, pay school fees, thus the poverty is very high.

The researcher also discovered that due to poor revenue generation to provide basic social amenities especially in the rural area, there was exodus of rural dwellers to the urban centres.

Included in the researcher findings was the major method to be adopted by the local government in order to improve revenue generation base should be the enlightenment of the citizen of the need and impact of regular payment of taxes.

Conclusion

In the research, it is clear that poor revenue generation by local government in Nigeria have affected the spread of development to all the nooks and crannies of the country, thus local government council and their management should strategically plan on proper measure to generate revenue as to meet with their function as provided by the constitution of the country.

This will enhance their financial ability to implement their constitutional function or responsibilities to the rural peoples.

Recommendation

Based on the findings, the following recommendation have been made

The efforts of local government should not only be directed towards the revenue yielding alone but also to the provision of social amenities such as basic health

facilities, accessible roads, town halls electricity and water supply which will help to improve the socio – economic of the rural people.

These facilities provided by Etsako west local government should be of high quality by doing this the people's interest will be geared towards giving them maximum support to the government which will lead to the development of the area.

There should be constant campaign and awareness programme within Etsako west local government to Enlighten the rural people's on the benefit of prompt payment of taxes to the government as when due, it will go a long way in improving the revenue generation,

The local government should embark on the establishment of small scale industries which will provide employment opportunities, for the youths in the rural area to tackle the problem of rural – urban migration.

These should be improvement and development with agriculture sector, such improvement will encourage participation of the rural people within Etsako west local government which will improve their standard of living of the people.

References

Agagu, A.A. (1997)

Abba, E. U. (2008) Local government administration in Nigeria. Onitsah Abbot Book Ltd.

Aboyega A. (1987) Political Values and Local Government in Nigeria Lagos: West African Book Publishers.

Anyanwu A. (2000) Research Methodology on Busines s and Social Science. Owerri. Camum Publishers.

Axon, O. and Jefferson M. (2012) Local Government in Nigeria, Benin: Denmark Publishers

Bello, A.C. (2012) Challenges Befor Local Government Administrators, Enugu: Fourth Dimension Publishers

Chukwuemeka, E.E.O. (2003) Public and Local Government Administration in Nigeria: Issues, Theory and Practice, Enugu: HRV Publishers

Chiedozie A.O. (2004) Local government administration and Rural Development in Nigeria. Aba; Kelu Press.

Golding, L. (1975) Local Government, London, Hodder and Stoughton

Nwachukwu, G.E. (2016). Theory and Practice of local Govenrment Nigeira, Kano; Publisher Of K.C. Classical Printer Ltd.

Ogunna, A.E.C. (1976) A handbook on Local Government in Nigeria Owerri, Versatile Publishers

Oloaye, B.(2008) Local government administration and Rural Development in Nigeria. Aba; Kelu Press

Oyediran, O. (1988) Bssays on Local Government and Administration in Nigeria, Lagos, Project Publications Ltd.

Okeke M.T. (2002) Studies in Public and local government Administration in Nigeria Enugu; John Jacob's Classics Publishers.

Okoli D.O. et al (2004) Local government Administration in Nigeria Enugu; John Jacob's classic publisher Ltd.

Udeh O.S. (2008) Public financial Management ./ Enugu: Malik Enterprises Nigeria.

Ugwu S.C. (2000) Issues in Local Government and urban Administration in Nigeria: Enugu: Academic Publishing Company.