JOURNAL OF POLITICAL DISCOURSE
ISSN Print: 2992-2763 – ISSN Online: 2992-4618 | Vol. 2, Issue 1, No. 2 / March 2024
https://www.jopd.com.ng

AN ANALYSIS OF REVENUE GENERATION STRATEGIES AND SERVICE DELIVERY IN CHANCHAGA LOCAL GOVERNMENT OF NIGER STATE

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Abstract
The study examines revenue generation strategies and service delivery in Chanchaga local government of Niger State from 2017 to 2022. Chanchaga, like many local governments in Nigeria, faces challenges despite constitutional obligations to provide essential services, financial constraints, including inadequate allocations and deductions, hinder revenue efforts. Corruption, poor work attitudes, and political interference exacerbate the situation, leading to weakened financial bases, non-performance, and politicized policies. Moreover, the lack of accountability undermines public trust and the ability to fulfill mandates effectively, ultimately impeding grassroots development and national progress. The study adopts a qualitative method research design because it allows for an in-depth exploration of complex phenomena, facilitating a nuanced understanding of subjective experiences, perspectives, and context. The nature of available data consists of survey and interview. The findings of this research will provide valuable insights for policymakers and local government officials in formulating effective revenue generation strategies that can enhance service delivery and address the needs of the community effectively. The study highlights challenges in revenue generation and service delivery in Chanchaga local government, despite efforts to diversify revenue streams. While some improvements are noted, essential services like healthcare and education still face persistent gaps. Recommendations include adopting a transparent revenue collection system, leveraging technology for efficiency, and investing in human capital and infrastructure. Collaboration with stakeholders is also emphasized for fostering innovative solutions and sustainable development in Chanchaga.

Keywords: revenue generation strategies, revenue types, service delivery, local government

Introduction

Local government administrations globally vary in size and structure and operate under different arrangements based on the system of government in place. However, local governments globally strive to meet peoples' demands for goods and services in a cost effective manner, particularly, at the lowest level of government or government at the grassroots. Among the characteristics generally manifested by local government include that it is a subordinate system of government or sub-unit of a federal/central or state government and charged with powers to perform legislative, administrative and quasi-judicial functions as the case may be. It also has the power to formulate policies, prepare budgets and a measure of control over its own staff, with a view that it is rightly positioned to ensure unhindered and efficient service delivery (Chukwuemeka et al., 2014). The local government plays a crucial role in providing essential services to its community members. However, ensuring effective service delivery requires effective revenue generation strategies. Therefore, the problem at hand is the impact of revenue generation strategies on service delivery in local government. The local government relies on revenue sources such as taxes, fees, grants, and other sources to fund its operations and deliver services effectively. Insufficient revenue generation can result in a lack of funds, leading to compromised service delivery. This can result in delayed infrastructure development, limited access to quality healthcare, education, and other essential services.

The expediency for the creation of local government anywhere in the world stems from the need to facilitate development at the grassroots. As important as local government administration has been, there seem to be some constraints that have been infringing on its operations over the years. These challenges range from political such as undue interference of the federal and state governments,

coupled with high rate of bribery and corruption to embezzlement and gross inadequacy of well trained and qualified human resources among others (Abdullahi & Muhammad, 2017).

Chanchaga Local Government is one of the 25 local government areas in Niger State, Nigeria. It is located in the central part of the state and has a population of about 346,700 people (Population Projection, 2022-03-21). The local government is responsible for providing a wide range of services to its residents, including education, healthcare, infrastructure, and security. The local government was created in 1976 by the Niger State government. The name Chanchaga is derived from the Hausa word "chancha", which means "to spread out". This is in reference to the fact that the area is made up of a number of small villages that are spread out over a large area. The local government area is home to a number of ethnic groups, including Hausa, Fulani, and Nupe. The main languages spoken in the area are Gbagi and Hausa (Musa, Udeme, Ijah, Abioye, & Omoniyi, 2021).The local government area is primarily agricultural; growing crops like millet, sorghum, and groundnuts. It has important markets like Chanchaga, Kure, and Gwada, as well as small-scale businesses providing employment. The area is served by roads, a railway line, and a democratically elected council (Musa et al., 2021).

The concept of revenue has been around since ancient times, as people have always sought ways to generate income to support themselves and their communities. The history of revenue is a long and complex one. It has evolved over time to include a variety of sources, methods, and technologies. From its origins in ancient societies to its current use in global economies, revenue has been an essential part of economic success. As the global economy continues to evolve, revenue will remain an important source of income for governments, businesses, and individuals.

In ancient times, revenue was typically generated through agriculture, trade, and tribute payments from conquered territories. The earliest known tax system was developed by the ancient Egyptians, who imposed a tax on the production of crops. The Greeks and Romans also developed tax systems, which were primarily used to fund their armies and support their empires. While in the modern era, revenue is generated through a variety of sources, including taxes, trade, investments, and corporate profits. Governments continue to rely heavily on revenue to fund public services and infrastructure, with the rise of digital currencies, new methods of generating revenue are emerging. It is likely that the history of revenue will continue to evolve as new technologies, regulations, and economic trends shape the global economy (Alisa & Ridho, 2020).

Revenue generation and service delivery are two critical aspects of local governments that are closely intertwined. According to Section (7) of Constitution of FRN, (1999), local governments are responsible for providing various essential services to their constituents, including infrastructural development, public safety, waste management, healthcare, education, and social services. However, the provision of these services requires adequate financial resources, which local governments primarily generate through revenue collection (Tobi & Oikhala, 2021). To generate revenue, local governments can rely on various sources, including property revenue, charges and levies on businesses and licenses, user fees, fines and penalties, and grants from higher levels of government. Effective revenue generation requires a sound understanding of the local economy, revenue base, and the financial needs of the local government. In addition to revenue generation, local governments must also focus on effective service delivery to meet the needs of their constituents. Service delivery entails ensuring that public services are accessible, efficient, and effective. This requires the adoption of appropriate service delivery models, including decentralization, public-private partnerships, and community participation (Adamu & Awaisu, 2019).

Furthermore, the effectiveness of revenue generation strategies directly impacts on the level and quality of services provided by the local government. Inefficient strategies or a heavy reliance on a single revenue source can lead to budget shortfalls and an inability to meet community needs adequately. Therefore, understanding the impact of revenue generation strategies on service delivery is crucial for local government officials and policymakers. By identifying and implementing effective revenue generation strategies, the local government can ensure sustainable funding for service delivery, leading to enhanced community well-being and satisfaction.

Objectives of the Study

The main objective of this study is to analyze revenue generation strategies and their impact on service delivery in Chanchaga Local Government of Niger State, while the specific objectives are to:

(i) Identify and analyze the different revenue generation strategies implemented in the local government.
(ii) Analyze the allocation and utilization of revenue in the local government.
(iii) Examine the impact of revenue generation strategies on the delivery of services in the local government.
(iv) Identify the challenges faced in implementing revenue generation strategies and service delivery in the local government.

Study examines revenue generation strategies in Chanchaga Local Government, identifying shortcomings, improving impact on service delivery, and guiding resource allocation and priority. This study aims to improve Chanchaga Local Government's revenue generation strategies by analyzing taxes, fees, grants, and other income streams. It will assess effectiveness and potential improvement areas, involving key stakeholders like officials, employees, residents, business owners, and community organizations. The study contributes to the field and helps local governments adapt to similar challenges. The findings may be specific to specific local governments and may not be universally applicable. The scope may be constrained by data availability and reliability, and the study may need to be adjusted to accommodate these limitations.

Conceptual Clarification

Local government

Local governments play a crucial role in ensuring the effective delivery of services and improving the quality of life for residents within their jurisdictions. As such, they heavily rely on revenue generation strategies to fund these services and maintain their operations. Local government administrations worldwide vary in size and structure, operating under different arrangements based on national government systems. They aim to meet people's demands for goods and services cost-effectively, particularly at grassroots levels. These subordinate systems perform legislative, administrative, and quasi-judicial functions, formulate policies, prepare budgets, and control staff to ensure efficient service delivery (Tobi & Oikhala, 2021).

The idea of local government is a fundamental aspect of the nature and identity of a state. It reflects a deep-seated belief in the importance of democratic participation in governance at the community level. Local government involves the delegation of authority and personnel by a higher level of government to a community that has its own distinct interests and desires. This system of decentralized governance allows for the provision of specific services and functions that are tailored to the unique needs of people at the grassroots level. Through local government, citizens can play an active role in shaping the policies and decisions that affect their daily lives, fostering a sense of ownership and investment in the democratic process (Ugbojoide & Godwin, 2023)

(Ugbojoide & Godwin, 2023) that Local government is characterized as a system wherein local councils autonomously make, assume responsibility for, and execute their decisions, subject solely to oversight by the populace through their regional government. Olugboyega and Ahmed (2022) posited that local government service delivery in Nigeria is the process through which local government authorities provide services and resources to their constituents. These services and resources are intended to meet the needs of the local population and help them improve their quality of life.

Local governments in Nigeria are responsible for providing basic services such as education, health, water, sanitation, and roads. They are also responsible for the enforcement of laws and the provision of security (Achimugu & Stephen, 2013). Local governments are also mandated to promote economic development and provide employment opportunities to their constituents. Local government service delivery in Nigeria is often hampered by inadequate funding, lack of capacity, and weak political will. The funding of local government services is largely dependent on the Federal Government of Nigeria

which often fails to provide adequate resources. As a result, local governments often rely on communities to provide resources and services. This has led to the emergence of a wide range of informal service delivery systems such as community-based organizations, cooperatives, and market and barter systems (Chukwudi & Agunyai, 2015).

Tobi and Oikhala (2021) defines local government as a political subdivision of a national or state, constituted by law and having substantial control of local affairs, including the powers to impose taxes or exact labour for prescribed purposes. The governing body for such an entity is elected or otherwise locally selected. In a unitary state, Tarabinah (2019) defines local government as a non-sovereign community with legal authority that acts as the central government's administrative agents. Victor and Anastatsia (2023) assert that Local government, positioned as the third tier of government closest to the people, serves as an institution designed to cater to the needs and aspirations of rural dwellers. Its primary function is to extend administrative and political control to rural areas, fostering democratic participation in governance at the grassroots level. This decentralized form of political authority, established by the state, aims to delegate power and authority from higher levels of government to local communities. Through the provision of local services, local governments play a crucial role in addressing the specific needs of citizens, thereby relieving the burden on central and state governments, which may lack the capacity to address localized concerns effectively. According to Anayochukwu and Ani (2022), local government is a political sub-division of a state with a legal existence under the law, run by elected representatives of the local people, and possessing substantial autonomy in administrative and financial affairs. Also sees local government as a unit of administration with defined territory, powers, and administrative authority.

Amin et al. (2020) that local government system is very central to the development process all over the world as the system is designed to develop the rural area and its people. Thus, the local administration discharges its political and economic mandates to the people by providing them basic social amenities such as feeder roads, pipe borne water, construction of market stores and provision of primary healthcare centers, among others (Raji et al, 2018). Local government all over the world also represents a political division in a federal system, constituted by law to develop the local areas as an important lowest unit of administration in a state. The centrality of the local government to the development aspirations of the citizens cannot be over emphasized.

In Nigeria, the Constitution of the Federal Republic of Nigeria Section 7 (1) (FRN, 1999) defines local government as government at the local level exercised through a representative council established by law to exercise specific powers within defined areas. This provision in the constitution confers significant authority to local councils in the management of local affairs, including the ability to hire staff, establish institutions, and allocate funds for social services and developmental projects. Through the devolution of functions from higher levels of government to local councils and active participation of citizens in addressing local needs, local councils are empowered to take a leading role in implementing programs that complement the activities of state and federal governments. Overall, the establishment of local government is viewed as a way to promote community participation in governance, generate local resources for development, and alleviate the burden on higher levels of government.

Revenue

In the case of Chanchaga Local Government, revenue generation strategies are of paramount importance due to the diverse needs of its residents and the growing demand for improved services. This literature review aims to analyze the different revenue generation strategies implemented by Chanchaga Local Government and assess their impact on service delivery. The efficient and effective provision of services is heavily dependent on the financial capacity of local governments. Insufficient revenue generation can lead to inadequate funding and subsequently hinder service delivery, resulting in discontent among residents. Therefore, understanding the revenue generation strategies utilized in Chanchaga Local Government and their impact on service delivery is crucial for informed decision-making and policy formulation (Dang, Bako, & Lalu, 2017). The analysis of revenue generation strategies will encompass a comprehensive examination of the various sources of income utilized by Chanchaga Local Government. These sources may include taxes, fees, fines, grants, and other revenue

streams. By assessing the efficiency and effectiveness of these strategies, this review aims to identify areas of improvement and propose recommendations for optimizing revenue generation (Lewis, 2017).

Victor and Anastatsia (2023) describe revenue as the total income generated from federal, state and local government. He stated further that what make local government as constitutional matters are the revenue sharing perspectives. However, (Olatunji & Tijani, 2018) describes revenue as an income or funds raised to meet the expenditure. He added further that revenue is a rising resources needed to provide government services. He also stated that there are two inspects of finance, which is income/revenue and expenditure, in other words, the sources of fund and utilization of fund.

Eteng and Agbor (2018) defines revenue as all tools of income to government such as taxes, rates, fees, fines, duties, penalties, rents, dues, proceeds and other receipt of government to which the legislature has the power of appropriation. He further classified government revenue into two kinds, i.e. recurrent revenue and capital revenue. The process of sourcing for revenue by governments is called revenue generation. Revenue generation in Nigeria is principally derived from taxes and non-tax sources or oil and non-oil sources. Tax is a compulsory levy imposed by government on goods, services and income of individuals and companies for the various legitimate function of the government. When the compulsory levy is on the income of individuals and corporations, it is called direct taxation, whereas where the compulsory levy is on goods and services, it is referred to as indirect taxation. In the same vein, (Victor & Anastatsia, 2023) states that there are two forms of taxes; direct taxes, which include taxes levied directly on individuals and business firms and indirect taxes, which include taxes levied on goods and services.

Revenue generation strategies implemented in the local government

Local governments implement various revenue generation strategies to fund their operations and provide services to their communities. Some of these strategies include:

Property taxes are a tax levied on the value of real property, such as land and buildings. They are one of the most common sources of revenue for local governments, accounting for about 30% of their total revenue in the United States. Property taxes are typically assessed annually and are based on the assessed value of the property. The assessed value is typically set by the local government's assessor's office (Oladipo & Iyoha, 2019).

Sales taxes are a tax levied on the sale of goods and services. They are another common source of revenue for local governments, accounting for about 20% of their total revenue in the United States. Sales taxes are typically levied at a state level, but local governments can also impose their own sales taxes. Sales taxes are typically assessed at the point of sale, when the goods or services are purchased (Oladipo & Iyoha, 2019).

User fees are charges levied on individuals or businesses for the use of government services, such as water, sewer, and garbage collection. They are a relatively small source of revenue for most local governments, but they can be a significant source of revenue for some, such as those that provides public transportation. User fees are typically assessed based on the amount of service used. For example, a water user fee might be assessed based on the amount of water consumed (Cabral & Marika, 2012).

***Grants and subsidies*:** Local governments can apply for grants and subsidies from higher levels of government or external organizations to fund specific projects or programs. These grants can be used to support infrastructure development, community initiatives, or social services.

Public-private revenue sharing: Local governments can negotiate revenue-sharing agreements with private entities for the provision of specific services or the use of public resources. This can include revenue-sharing from parking meters, advertising on public properties, or revenue generated from public transportation.

Special assessments: Local governments can impose special assessments on properties within specific areas to fund infrastructure projects or improvements that directly benefit those properties, such as road repairs or street lighting.

Service Delivery

Service delivery refers to the provision of social or public goods that will promote socio-economic wellbeing of the citizens. Public services offered by government are numerous and may include the provision of public utilities, security, economic development projects, and the enforcement of the law and so on. The delivery of public goods and services at the local government level or the grass root is aimed at moving the standard of living of the populace to the next level. Service delivery is the process of providing a service to a customer. It encompasses all aspects of the service, from the initial interaction to the final outcome. Good service delivery is essential for any business that wants to provide a positive customer experience (Atanda & Luqman, 2018).

To (Usman, 2020), Local government officials often lack the political will to prioritize service delivery and allocate resources in a transparent and accountable manner. Overall, local government service delivery in Nigeria is hampered by inadequate funding, lack of capacity, and weak political will. To improve service delivery, the Federal Government of Nigeria must provide adequate resources to local governments and ensure that they are accountable and transparent in their use of resources. Also, local governments must increase their capacity to effectively deliver services. Lastly, elected officials must prioritize service delivery and ensure that their constituents' needs are met.

Furthermore, local governments often lack the capacity to effectively deliver services to their constituents. This is due to a lack of technical expertise, resources, and inadequate training among local government personnel. Lastly, weak political will has hindered local government service delivery in Nigeria (Dollery, 2006).

Impact of revenue generation strategies on the delivery of services in the local government

Revenue generation strategies play a crucial role in the delivery of services in local governments. These strategies are designed to generate the necessary funds to support and enhance the quality and quantity of services provided to the community. The impact of effective revenue generation strategies can be seen in various aspects of service delivery:

Enhanced Service Provision: Adequate revenue generation plays a crucial role in enabling local governments to enhance and expand the array of services offered to their communities. These services encompass essential areas such as infrastructure development, public transportation, environmental services, healthcare, education, and social welfare programmes. By having increased financial resources, local governments can allocate more funding to these sectors, resulting in improved service provision and an overall heightened quality of life for residents. This positive impact on community well-being is well-documented, as highlighted by (Achimugu & Stephen, 2013).

Infrastructure Development and Investment in Human Resources: Revenue generated through taxation, fees, and charges can be strategically directed towards infrastructure projects like road construction, maintenance, and the development of public facilities. Furthermore, these funds can be utilized to invest in human resources, allowing local governments to attract and retain skilled professionals in various fields such as public administration, health, education, and engineering. The presence of well-trained personnel contributes to efficient service delivery and the effective implementation of policies and programmes, as discussed in the study by (Setiawan, Tjiptoherijanto, Benedictus, & Khoirunurrofik, 2022).

Service Accessibility, Affordability, and Economic Development: Effective revenue generation strategies can ensure that essential services are accessible and affordable to all residents, promoting inclusivity and reducing disparities based on socio-economic status. Progressive taxation policies, waivers, and subsidies can be implemented to achieve this goal. Moreover, the link between revenue generation and economic development is emphasized, as it attracts investments, fosters business growth, and creates job opportunities. The resulting increased economic activity not only generates

higher tax revenues but also provides additional resources for sustained and improved service provision over the long term, as articulated by (Setiawan et al., 2022).

Revenue generation strategies are pivotal in supporting the delivery of services in local governments. Effective strategies not only provide the necessary funds but also ensure the accessibility, affordability, and quality of services. By investing in infrastructure, human resources, and economic development, local governments can enhance service provision and meet the evolving needs of their communities.

Challenges faced in implementing revenue generation strategies and service delivery in the local government

Implementing and managing revenue generation strategies in local government can be a challenging task. Local governments rely on revenue to fund essential services and infrastructure development. However, several challenges can arise in this process. As significant as local government has been, there seems to be some impediments that have been infringing on its performance and functions in recent times. These impediments range from political but undue interference of the higher levels of government to inadequacy of well-trained and qualified personnel. It is quite disturbing over the years; that these purposes have not been fully realized. There has been a sustained argument that the 774 Local Government Areas, which form the third tier of government in Nigeria, are contributing little to national development to justify their existence. Local government has not really facilitated rapid development at the grassroots, which is the essence of their creation (Ikeanyibe & Marcellus, 2018).

According to Section 4 of the second schedule of the Constitution of the Federal Republic of Nigeria, 1999 and the 2011 amended constitution, local governments are given constitutional authority to rule in rural regions where more than 70% of the country's population resides to provide most social and public services. This entails that governance at the local level plays a crucial role in determining the effectiveness of public goods provision to the vast rural population. Understandably, the way of governance does affect the efficiency of public goods provision, meaning that over the years certain factors have been identified as hampering effective and efficient service delivery by local governance in Nigeria. These problems are:

Finance is the bedrock of any organization. In local government this is teething. Aside from the fact that statutory allocations and grants from the federal and state governments to councils are inadequate, the problem is exacerbated by the low revenue generation capacity of the council (Atanda & Luqman, 2018). Associated with this problem is also exacerbated by frequent sundry deductions by the federal and state governments from their monthly allocations. Worst still is failure of most state governments to fulfill their monthly statutory obligations to local government by outright refusal to remit 10% internally generated revenue accrued to the state monthly. In some situations, it has become so bad that many local councils cannot pay staff salaries not to talk about basic need provisions.

The local council in Nigeria is facing challenges in revenue collection due to poor work attitude by revenue agents and insincerity by some council functionaries. Revenue agents are hindered by laziness at their revenue points, leading to improper collection of revenue. Some agents collect revenue without remitting it to the council's coffers, while others submit fake claims they never incurred. These issues further weaken the council's already fragile financial base. Corruption has become prevalent in Nigeria's local councils, with cases of embezzlement and misappropriation of funds by council officials. Additionally, federal allocations meant for the development of the area are shared among council lords and stalwarts, exacerbating the situation (Amah, 2018). These unethical conduct has rendered local council financially impotence, hence incapable of providing basic needs to it citizens.

This has detrimental effects on local governance as most often, public policies of the councils are politicized to serve selfish interests at the expense of general interest of the people. Appointments in the councils are sometimes based on political patronage and partly affiliation thereby creating room for mediocre and nonperformance (Atanda & Luqman, 2018). Unstable political leadership in the

local council has witnessed arbitrary removal of local government executives. Most pathetic is removal at will the elected officials and replaced them with appointed care-taker committees and sole administrators. This appointee serves the interest of those that appointed them instead of the interest of the local people. Accountability is a powerful instrument for effective and efficient administration. It prevents abuse of power on the part of the chief executive and his team (Obisanya & Abiodun, 2022). Accountability ensures that the public is satisfied that the government is being run efficiently and effectively. It conjures the image that the governed are not being exploited by those in power. Although there are enough constitutional provisions and administrative guidelines to checkmate government at local level, but such provisions have been jettisoned in all ramifications as the local people no longer have confidents on their leaders because of lack of accountability – especially the common practice of sharing federal allocation meant for the provision of basic need to the people among council executives and their patrons (Tobi & Oikhala, 2021).

Implementation of policies and regulations for sustainable local government revenue generation

The studies emphasize the potential for increasing local government revenue in Nigeria by fully exploiting existing legal sources. It is suggested that if local governments effectively tap into the present legal sources of revenue, there may be no need to seek additional sources. The involvement of traditional rulers in the collection of community rates is proposed, leveraging their familiarity and respect within their communities. The modification of existing laws on internal revenue generation is recommended to enhance the capacity to generate revenue (Dada & Adebayo, 2017).

Additionally, the studies suggest the importance of promulgating laws to combat corruption within local governments, as persistent misappropriation and embezzlement of public funds can hinder progress. To further boost revenue, it is proposed that surplus funds be invested in ventures such as poultry/fish farming, building hostels in tertiary institutions, and transportation, aiming for regular returns. The studies caution against relying solely on stock and share investments due to their potential volatility. The local government revenue in Nigeria can be increased if the existing legal sources of revenue are fully exploited and tapped, most local governments will need not to rely on or bother itself seeking additional sources since the present sources provided by the existing laws will be well adequate to meets the obligations (Dada & Adebayo, 2017).

(Dada & Adebayo, 2017) suggested that those responsible for collecting revenue should be incentivized, both financially and otherwise, to deter any misconduct involving the mishandling of council funds or collaboration with the public to defraud the council of its revenues. This can be achieved through continuous training and retraining programs to enhance their knowledge, coupled with fair remuneration and bonuses based on the revenue collected. To bolster the internally generated revenues, it is imperative to adequately staff local government secretariats with qualified individuals possessing unquestionable integrity. Implementing preventive and detective measures, such as stringent penalties, can mitigate the forging of receipts and the non-remittance of collected revenue. These measures also address issues arising from collusion between revenue collectors and the public, leading to the unlawful exemption of certain revenue payers and the under-assessment of their obligations.

Theoretical Framework

This paper adopts both the public finance theory and the Marxist theory. The public finance theory has over the years been dominated by efforts to understand the effects of fiscal policy on macroeconomic variables. In recent years, public finance has included criteria for evaluating public revenue and expenditure policy. On the expenditure side of the financial equation, the father of economics, Adam Smith, contributes to the theory of finance through his notion that the type of services that should be provided for or budgeted for must be evaluated before examining taxation or revenue issues. On the revenue side, he proposes a two-pronged approach, the first of which is that public services that cannot be financed by fees or direct charges should be paid for by taxes on an ability-to-pay basis that is proportional to revenue. In this sense he agrees or cuts across both the ability-to-pay theory and the benefit-received theory. Provincial and local governments rely heavily on external sources of revenue, such as intra-governmental transfers, rather than IGR. Theories on

government revenue revolve mainly around taxation and, to a lesser extent, around internally generated and raised revenue by provinces or regions.

These theories can be used by any government at any level, as they all need to raise revenue from a variety of sources to finance the necessary expenditure. The dominant theories in terms of government revenue (specifically to answer 'who should pay' and 'who should benefit' questions) are the benefit theory and the ability-to-pay theory. The benefit theory stipulates that tax levels should be automatically determined, and taxpayers should pay proportionally for the government benefits they enjoy or for the goods or services they use. As a result, those who make the most use or benefit the most will pay more. This means that people should have the ability to enable revenue to be generated, and issues of employment and household income, for example, then become significant. When people are employed, ceteris paribus, they will have the ability to pay. Holding other things constant, therefore, an increase in some macroeconomic variables (for example, employment) will likely increase revenue generation.

Public Finance Theory provides tools and concepts to evaluate different revenue sources available to local governments, such as taxes, fees, grants, and borrowing. It helps in assessing the potential impact of each revenue source on the local economy, equity considerations, administrative costs, and the overall fiscal sustainability of the government. Public Finance Theory has a significant impact on the analysis of revenue generation strategies and their impact on service delivery in local government. Public Finance Theory provides a framework for understanding how governments should collect, allocate, and manage public resources to achieve optimal economic and social outcomes. When applied to local government, it helps in analyzing the effectiveness and efficiency of revenue generation strategies and their implications for service delivery

The Marxist theory on the other hand describes LG as an instrument of the federal and state government, which works either as a direct means of securing legitimacy for the ruling class or securing praetorian compliance through suppression. The theory argues that LG is a key part of the capitalist society. Being part of the whole capitalist state, which is a relatively autonomous instrument of class domination, helps the state in performing its primary role. As Engels (1942) succinctly put it, the state is a product of society at a certain stage of development, it is the admission that this society has become entangled in an insoluble contradiction with itself, that it has split into irreconcilable antagonism which it is powerless to dispel. Cockburn (1977), using Marxist theory attempts to demonstrate in his book that even an initially left-inclined local authority is obliged by the nature of capital to suppress agitation for more egalitarian policies. Although these books were published many years ago, they still remain an interesting reference point. The analysis of the autonomy of LG in Nigeria in terms of the interest of capital and advancing this argument, draw greatly on the studies of Marxist orientation. The LG autonomy and governance in this classist society is, therefore, more apparent than reality since the LG remains the instrument of the dominant classes for exploitation and suppressing the subordinate classes (Omoyibo, 2012). It is within the context of the specific character or nature of the neocolonial state of Nigeria that one can understand and explain the unfortunate circumstances whereby the state uses LG as one of its agents of suppression. It is based on this context that the realization of the objectives for the guidelines for LG reforms in Nigeria has been constrained by several factors, such as personnel problems, the problem of corruption, the loss of autonomy, financial problems, etc. (Chukwuemeka et al, 2014).

The Marxist theory has a distinct perspective on revenue generation strategies and their impact on service delivery in local government. It offers a critical analysis of capitalism, class relations, and the role of the state in managing public resources. While Marxist theory may not be widely applied in contemporary public finance analysis, understanding its perspective can contribute to a comprehensive examination of revenue generation strategies.

Discussion of Findings

It was realized that Chanchaga Local Government as one of the most effective Local Government in Niger State generated its revenue through: Community poll tax (flat rate), Development levy, Taxes on Special Services such as (Electricity, Water, Night guards among others as provided from time to

time, Penalty, Government (Federal and States) grants in lieu of tenement rates, Local License Fees and Fines, Rent on Local Government Property etc. Chanchaga Local Government also generated its revenue through the following means: intergovernmental revenue, property taxes, utility revenues sales taxes and other sources of income. This was supported by Edogbanya and Ja'afaru, (2013), when they examined local government's tax mobilization and utilization in Nigeria. Local government in Nigeria receives statutory allocation from both the federal government and the state governments. They also generate revenue internally through taxes, fees, rates etc. Also this situation was well expressed by (Goodsell 2013) where he viewed service delivery as need in development incorporate material framework like street, power grids, healthcare, education, water supply and system and social assurance. Also conceptualizes service delivery as the connection between policy creator, service suppliers and needy individuals.

Chanchaga local government also faced some related challenges while generating their revenue and during the course of providing service to the people. These challenges include: insufficient fund, corruption, nepotism, favoritism, lack of technical knowhow, tax evasion, poor management, ignorance and illiteracy of the people and lack of support from the federal and state government. These challenges hinder both their revenue generations and services they delivered to their locality. Lawal (2010) concurred that revenue collections in Nigerian local government are done with lots of secrecy. Obi (2001) also agreed that the essence of granting autonomy to the local government is to ensure self-governance and reduce federal and state interference in their administration. This research work unlike others explored into the sources of revenue of Chanchaga governments in consideration and also assesses the citizens of these local governments for information as regards the services provided by the local governments and the lapses of the local governments.

Conclusion

Effective revenue generation strategies are crucial for ensuring sufficient funds for service delivery in local government. Without adequate revenue, local governments may struggle to meet the needs and expectations of their communities. Different revenue generation strategies have varying impacts on service delivery. For example, relying heavily on property taxes may place a burden on homeowners and limit the funds available for other services. On the other hand, diversifying revenue sources, such as through business taxes or grants, can provide more stability and flexibility for service provision.

Furthermore, the efficiency and effectiveness of revenue collection systems play a significant role. Local governments need to ensure that their revenue collection processes are streamlined, transparent, and enforceable to maximize revenue generation. Additionally, there is a need for proper allocation and prioritization of revenue towards service delivery. Local governments should develop comprehensive plans and strategies to allocate funds in a way that addresses the most pressing needs of their communities. Finally, the analysis highlights the importance of regular monitoring and evaluation of revenue generation strategies and their impact on service delivery. By assessing the effectiveness of different strategies and making necessary adjustments, local governments can continuously improve their revenue generation capacity and enhance service delivery outcomes. The analysis underscores the significance of well-designed and diversified revenue generation strategies in local government. By implementing effective strategies, optimizing revenue collection systems, and prioritizing resource allocation, local governments can enhance their ability to deliver quality services to their communities.

Way Forward

1) Local governments should explore multiple sources of revenue to reduce reliance on a single funding stream. This could include property taxes, user fees, grants, local sales taxes, partnerships with private entities, and other innovative funding mechanisms.
2) Conduct a thorough cost-benefit analysis of revenue generation strategies to understand their potential impact on service delivery. Evaluate the costs associated with implementing a strategy against the potential benefits it may bring in terms of improved services, infrastructure development, or community outcomes.

3) Involve key stakeholders, including residents, community organizations, businesses, and other government agencies, in the decision-making process. Seek their input on revenue generation strategies to ensure they align with community needs and priorities.
4) Implement strategies that not only generate revenue but also enhance the efficiency and effectiveness of service delivery. For example, explore opportunities for process optimization, technology adoption, and public-private partnerships that can improve service quality while generating revenue.
5) Establish robust monitoring and evaluation mechanisms to track the impact of revenue generation strategies on service delivery. Regularly assess whether the strategies are achieving their intended outcomes and make adjustments as necessary.
6) Provide training and resources to local government staff involved in revenue generation and service delivery. Equip them with the skills and knowledge needed to implement and manage revenue strategies effectively.

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