

THE EFFECTS OF REVENUE GENERATION ON SOCIAL SERVICE DELIVERY

IN DOKOLO DISTRICT LOCAL GOVERNMENT:

A CASE OF DOKOLO TOWN COUNCIL.

BY

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DECLARATION

I ARIEKOT HILDA here by declare that this research report is my own work and that it has never been presented for any academic award in any University or institution of higher learning.

Sign: .....

Date; 27th-SEP'12-2012.....

ARIEKOT HILDA

APPROVAL

This research report was carried out under my supervision and is worth submitting for the award of a degree

Sign: -----

Date: -----

MR. ODONGO MIKE

SUPERVISOR.

DEDICATION

To my children: Eyangu Bill Arnold and Imee Winnie Wendy and Mother Mrs. Winnie Eswilu and to all those who live to strive to make the world a better place to leave in through Education.

ACKNOWLEDGEMENT

My special thanks go to KIU staff especially academic staff of the faculty of Business and Administration Management, the lecturers who labored to see us through the three years of my course of finish.

I would like to acknowledge the support of all my relatives and friends; my relatives include ; It. Patric Eyangu Eswilu & Ongom Lucy and my friends particularly: Okello George, Olobo Lawrence, Komakech Charles Gatete, Abwot Grace, , Okullu Andrew and Atimango Sylvia plus others who supported me materially and morally.

Finally I want to thank my family who tolerated my absence at home while I was out over the weekends to pursue my degree course at Kampala International University.

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ABSTACT

This study will focus on the revenue generation and social service delivery in Dokolo District. The case of Dokolo Town Council. The study will cover a group of people who will include political and local leaders, local government staff, plus the community. The specific objectives to examine how local revenue generation affects social service delivery in Dokolo, to find out whether revenue generation had improved social service delivery in Dokolo town council, to assess the effects of graduated tax compensator, and grant on social service delivery in Dokolo District.

The methods to be used include quantitative and qualitative data collection that is the use of interviews, questionnaires and group discussion.

CHAPTER ONE

INTRODUCTION

1.0 Introduction.

The study is about revenue generation on social service delivery in Dokolo District. The case of Dokolo Town Council. This chapter examines the background of the study, problem statement, purpose of the study, objectives of the study, research questions, scope, significance, limitations and conceptual frame work.

1.1 Background to the study

In Uganda local governments, World Bank Institute has formulated a project in participatory budgeting (PB) and revenue generation whereby, it is believed that adequate participation by citizens in planning, budgeting and monitoring processes encourages them to comply by paying local taxes to fund development projects in their localities. Participatory budgeting processes leads to comprehensive engagement of all stakeholders including councilors, executives and beneficiaries in the communities in the process of project formulation conception, design execution, therefore it is expected that accountability for resource utilization and responsibility is enhanced.

It has been found in many countries that when the level of contribution of local revenue to local government is low, then local governments tend to ignore sources and depend on grants grant transfers and some times direct donor funding. The link between contribution and social service delivery will be established, as well as the link between accountability and revenue generation.

Local government are generally part of decentralization that involves transfer of powers, responsibility for planning, management, decision making and resource allocation from the central government to local government ministers and agencies. Decentralization is believed to be a comprehensive policy which facilitates equitable distribution of resources within lower levels so as to reduce poverty levels and improve on social service delivery (Crook and Manor, 1998). In this case therefore, social service delivery depends on revenue generation and has been strongly encouraged by international donor agencies (Hansen 1999).

However, considering the fact that local government units in Uganda are more than one hundred, it has made it practically difficult to finance all their development work plans by the centre because of the limited resources. Therefore, the government abolished graduated tax and replaced it with local government – unconditional grant/ G. Tax compensation and hotel tax among others.

The graduated tax compensation was introduced in financial year 2005/2006 after graduated tax was used as political manifesto and a campaign tool, in 2001 presidential elections. While one of the candidates promised to abolish it all together, the incumbent (Yuweri Kaguta) reduced it to shs.5,000 for beginners with a promise to abolish it in the long run. Indeed it achieved its objectives in terms of popular support, although it was inconsistent with raising enough government revenue. Through payment of Graduated tax, every adult citizen could contribute to the development growth of the country because the revenue enable government to deliver social services and public goods to the community which if was left to the private sector, the system would suffer from inefficiency.

The ministry of local government has since been fighting hard to ensure that this Local Government – unconditional grant/ (Graduated tax compensation) be released and remitted to the districts and lower local government to help facilitate social service delivery to the people. This struggle is being handled by the Uganda Local Government Association (ULGA). The central government wanted to abolish this compensation, but the ULGA is battling to ensure it continues to exist . It's on the basis of this background, that this research will be conducted.

1.2 Statement of the problem.

The adaptation of revenue generation by the local government is vital in the development of societies and hence improve standard of living.

Looking at locally generated revenue in particular, it has enabled them achieve certain intended objectives of effective social service delivery and grants are only a supplement.

Local government sources of revenue are the local revenue collected from taxes, Graduated tax compensation plus grants. However, these funds are not sufficient enough to cater for the social service delivery simply because funds of late have dwindle financial year after year hence leading to poor service delivery.

1.3 Purpose of the study

The major objective is to find out whether revenue generation has improved social service delivery in Dokolo Town Council.

1.4 Objective of the study.

The specific objectives of the study include:-

1.4.1 - To examine how local revenue generation affects social service delivery in Dokolo Town Council.

1.4.2 - To asses the effects of graduated tax compensation on social service delivery in Dokolo Town Council

1.4.3 - To establish the effects of grants to social service delivery

1.5 Research questions.

This study was guided by the following research questions:

1.5.1 How does local revenue generation affect social service delivery in Dokolo Town Council?

1.5.2 What are the effects of Graduated Tax compensation grant on social service delivery in Dokolo Town Council?

1.5.3 To what extent does conditional grant contribute to social service deliver in Dokolo Town Council?

1.5.4 What are the effects of grants on social service delivery in Dokolo Town Council?

1.6 Scope of the study

The study dwells on the assessment of local government revenue generation performance and social service delivery in Dokolo Town Council in conjunction with the grants

released from the central government, in order to facilitate development plans of government hand hence ensure that social service are delivered to the communities. The study covers a total of 3 parishes in Dokolo Town Council.

Geographical scope:

This study was carried out in Dokolo District Local Government, the case study in Dokolo Town Council. Dokolo is one of the new districts curved from lira district located in northern Uganda.

Time scope:

This study covered a period between 2007 to 2011. this is the time when Dokolo gained its status of a district.

1.7 Significance of the study

The study intends to benefit the following stakeholders;

1.7.1 The researcher

The researcher will benefit from the research through gaining confidence from other people's work

1.7.2 Future Researchers

The study will be relevant to future researchers in the area of improving mathematics subject and also form part of pertinent literature to be used on by those researchers.. they will also use the research gap to take further research in the areas identified.

1.7.4 Policy Makers

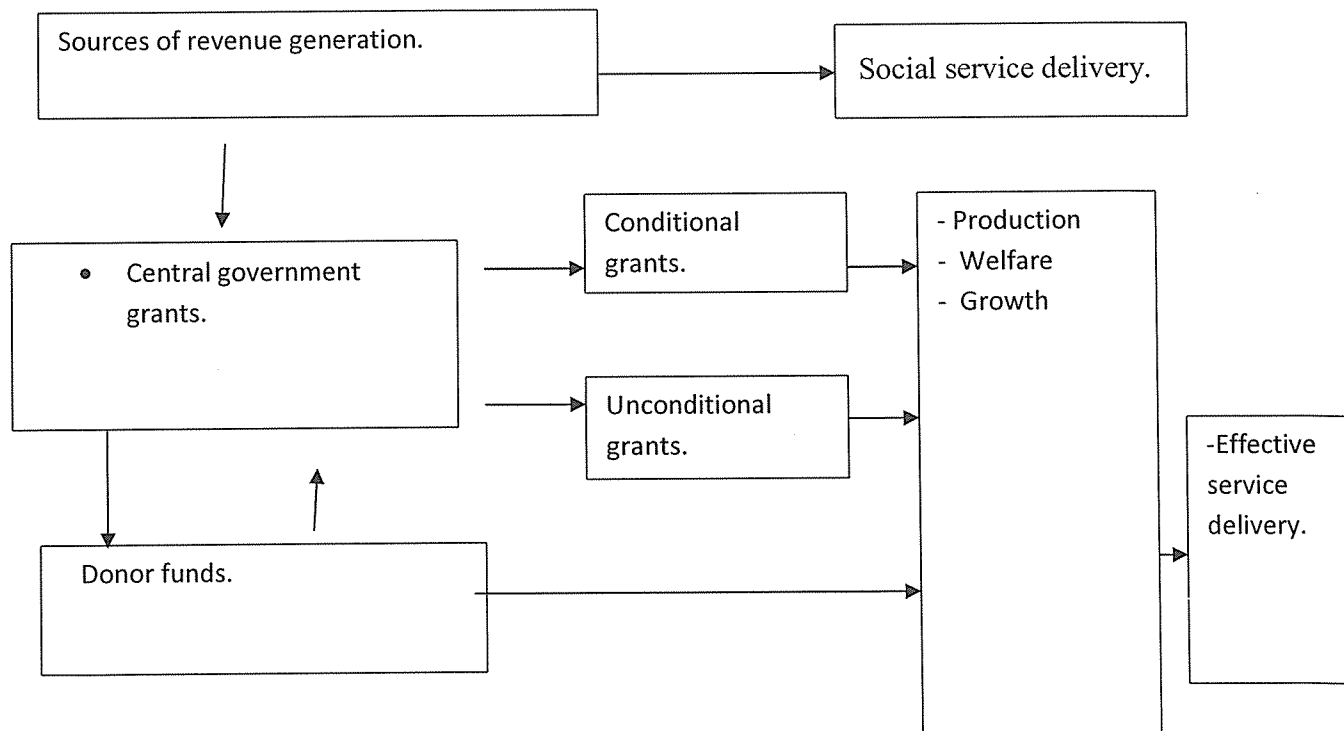
The findings of the study will be of great value to the policy makers as they will be in. alerted where they should direct their funds

1.8 Limitation of the study.

The researcher experienced the following:

- (i) Some respondents were not willing to release information pertaining to their performance. However, tried to convince them that the research was purely academics and she was not spying on them.
- (ii) Resources such as finance and time were not enough to enable a comprehensive study. However, the researcher had a tight budget and time frame that compromised the research process.
- (iii) Some of the respondents were reluctant to answer the questions asked. But the researcher tried to convince them that the study was purely academics.

1.9 CONCEPTUAL FRAME WORK.



CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This chapter is based on the analysis of the effects and delivery in Dokolo District Local Government. It is aimed at looking at the literature about how revenue generation reaches the people at grass root levels so as to facilitate economic growth and development.

2.1 Local revenue generation and social service delivery.

According to the local government finance commission Act of 2004, local revenue is vital to local government for a number of reasons such as maintaining and sustaining investment and savings, fulfilling the co-funding obligations, council operation costs (survey, 1974) states that, the basic collection administrative procedures include identifying and locating tax payers, checking on tax payers' compliance and collector of taxes. (silivan C, Albert H, 1992) concluded that revenue collection would result specifically from tax payer's registration training data processing, tax payer's relations and simplification forms.

In Uganda, local revenue generation has been facing a tremendous decline in the revenue trend for a number of years now and there is urgent need to focus on the causes and possible solutions to the decline. Due to this revenue decline, local governments now depend heavily on revenue sources from the central government which accounts for 95-98% of their budgets. Transfer to local government for the percentage of public expenditure from about 45% in financial year 2001/2002 to 23% in financial year 2008/2009. Thus more resources have been retained in the centre (Kadiresan, 2009). The authorities inspection department (Ministry of Local Government 2004) are; over reliance on graduated tax compensation ignorance and existence of tax laws like property tax (rating decree) 1967, Public Health Act 1969 liquor licensing Act 1967, Market Act 1942, just mention a few.

The local government revenue is regulated by section 80 of the Local Government Act and the 5th schedule to the Local Government Act. Each local government council is supposed to collect revenue in accordance with the provision of the schedule. In local government, revenue collection/ generation, can be improved through sensitization of tax payers (Lugega, 2000), as a mean of changing their attitudes and ensure compliance with tax paying.

The local government finance and accounting regulation 2007, highlight duties the authorized revenue collectors in accordance with part IV of the financial and accounting regulations contain general principles of raising revenue and how these principles should be fair, convenient and certain to a tax payer. The collection and administration of revenue must be economical to the tax collectors and demonstrators so as to avoid high cost involved (Katarikawe, 1996). More so, (Miksell, 1986) observes that the resources used in revenue collection provide limited or net stressed that the achievement of optimum tax revenue levels, minimum administration, costs involved home to be incurred in the tax revenue collection process and procedures.

Mukasa, 2000) explains instances where tax administration is lacking, for examples where taxes are less sensitized about the benefits of paying taxes. During their pilot study carried out in Tororo District. (Bitarabehe, 2003) noted that factors hindering revenue generation included, law and outdated reserve prices for tendered utilities, absence or lack of monitoring and supervision of privatized utilities by local governments, some revenue collectors permit their own receipts and tickets, gazetted areas, high rent rates, distortion in local revenue collector, due to political interference and demobilization of revenue. This is the case with Dokolo District and Town Council as well.

(Cheasty, A 1996) also gave factors for the decline of revenue collection s politics, declining tax base that are a grave decline in taxed activities. Retailers are failing to pay taxes because of minority policies, unemployment and deficiencies in governance and this has made it difficult to manage service delivery in (Dokolo Town Council and lower

local governments (Yamkelovick, 1984) stated that sizeable share of the studies on tax compliance are handicapped by data scarcity.

Further more, the local authorities inspection department (Ministry of Local Government 2004, noted that technical staff look form money for personal needs. Much as some revenues are spent on social service delivery to the community, the technocrats may use revenue for administrative expenses in accordance to the approved lined budget by council. Therefore, tax payers have to know the linkage between local revenue generation and social service delivery so that they can be willing to pay taxes.

Local revenue collection determines the level as social service delivery as was noted by (Kabwegyere, 2004). He noted that low local revenue generation is a challenge to decentralization model of governance if they are to be able to achieve social service delivery objectives.

According to (Kiyega, 1996), in Masaka district, benefits from local revenue generation, collection included, smooth payment of salaries and wages through the year, timely planning and implementation of activities efficient revenue collector through propitiation, meant that the revenue collected from the market is even through out the year. Efficient revenue generated had various benefits ranging from reduction of collection cost to improvement on social service delivery such as construction of public toilets through co-funding project.

During a regional workshop on local revenue enhancement (2004), the local government finance commission gave a weak relationship between local revenue collector and social service delivery in the local governments and they recommended that the Local Governments should adopt massive sensitization and mobilization of taxes and what taxes do. The training was to reach there in need to improve and strengthened accountability to enable tax payers related tax paid to service delivery coupled with strengthening of laws governing the administration collection of taxes.

2.2 Graduated tax compensation and social service delivery.

When idea of suspension and abolition of cropped up in 2001 presidential campaigns, graduated tax was then abolished in financial year 2005/2006. This created a big gap in revenue source and paralyzed the activities of local government as a whole. In financial year 2006/2007, graduated tax compensation was eventually introduced and is termed as balance of unconditional grants.

Recently, one of the newspapers reported that parliament' in 2005. MPs argued that abolishing graduated tax had created finding gaps and constrained operations of local government due to revenue shout fall. Before graduated tax was abolished, local government used to collect over shs. 80 billion and graduated tax alone contribute about 80 percent of revenue to most local governments. Government then replaced it with local service and graduated tax compensation to districts.

2.3 Grants and social service delivery.

Decentralization policy provided for the transfer of powers and functions, from the central government ministries and departments to local government. This is mandate is embedded in the 1995 constitution of the republic of Uganda. Grants are funds from the central government that consists of conditional, unconditional and equalization grants, to the districts and town councils, cities and municipalities. Conditional grants consist of moneys agreed upon by the local government, central government and donors for specific programmes, unconditional grants consists of moneys paid to council to finance council's decentralized services. While equalization grants from central is handled in accordance with the procedures agreed upon with the central government. In order to confirm receipt of funds usually an acknowledgment receipt is raised (local government finance and accounting manual, 2007).

The provision of basic social services are based on these grants and the services delivered include water and sanitation, health care services, primary and secondary education, feeder roads maintenance, series and agriculture extension services is under local

governments. Here the local governments are required to deliver services and ensure value for money in public expenditure.

However, the creation of more districts has also increased expenditure pressure on local governments, reducing resources that could have been used in increasing and improving social service delivery. For equalization funds are supposed to be used for construction of new and structures.

According to the National service delivery survey NSDS (2000) it was noted that, effectiveness of service delivery in local government can be gauged by the expenditure amounts allocated to various service items in regard to the National Programme Priority Areas.

CHAPTER THREE

METHODOLOGY

3.0 Introduction.

This chapter describes the research design, study, study population sample size, source of data collection and instrument, data analysis and time frame.

3.1 Research design.

The study is to be descriptive and analytical in nature, with data collected mainly from primary source with the use of questionnaires and interviews to supplement the available secondary data. The use of quantitative and qualitative methods of data collection will enable the researcher to acquire enough information from stakeholders for proper analysis.

3.2 Population and sample techniques:

3.2.1 The study population.

The study was conducted in Dokolo district local government. The population will comprise of technical staff, councilors, opinion leaders and local leaders. This is summed up in table 1 below

Table 1 showing sample selection

Respondents	Total	Sample
Key informants	10	10
Technical staff	30	28
Councilors	30	28
Local community	40	34
Local leaders	8	8
Total		108

3.2. Sample size.

The researcher will use a sample size of 108 people out of the study population of 65 people including technical staff, local and opinion leaders.

3.3 Sampling method.

Simple random sampling will method will be employed as a method of choosing any member out of the population sample.

Table 1 showing sample selection

Respondents	Total	Sample
Key informants	10	Purposive sampling
Technical staff	28	Systematic
Councilors	28	Simple random
Local community	34	Simple random
Local leaders	8	Simple random
Total	108	

3.4 Methods for data collection

i) Questionnaires

These were used to collect information from some technical staff and local community

ii) Interviews

Interviews were held with community members since they cannot be administered with a questionnaire on the topic for the study because many of them are illiterate.

iii) Documentation

Document analysis was done in form of reports, training manual, newspapers and internet search.

3.5 Research instruments

Questionnaires

The questionnaires were preferred for this study because it enabled the researcher reach a larger number of respondents within a short time, thus made it easier to collect relevant information. The questionnaires were developed basing on the objectives of the study and the personal profile of the respondents.

.Observation

The researcher also employed the formal observation technique to collect data on domestic violence. In fact Sechrest (1966) as cited by Musazi (2006) suggest that “social behaviors and attitudes for examination are best studied in the environments in which they are likely to occur rather than relying on individuals to give self reports about their own behaviors and attitudes.”

3.6 Data processing

Qualitative data involved three sets of activities, which include editing, coding and frequency tabulations. Editing was done by looking through each of the field responses from interview guides and focus group discussions ascertaining that every applicable question has an answer and all errors eliminated for the completeness, accuracy and uniformity.

3.7 Data analysis

During data analysis, quantitative and qualitative methods of research were used to analyze the data. The data was mainly analyzed using descriptive statistics such as

frequency tables, percentages, bar charts and histograms. This enabled the researcher to meaningfully describe distribution of scores or measures on the effects of rewards on pupils' academic performance. Data was presented in word as well as frequency tables.

Also data from each questionnaire was categorized and edited for accuracy and completeness of information. The information obtained was further triangulated with information from secondary sources for meaningful interpretation and discussion.

3.8 Ethical Consideration of the Study

After pre-testing of the questionnaire the researcher sought permission from the relevant authorities to conduct the study. The researcher justified itself when approaching the school head teachers in order for them to believe that the study was being carried out purely for academic purposes. The university had offered the researcher an introductory letter requesting the schools to assist by supplying the required information for the study.

Also the researcher promised the respondents that their identity could not be disclosed as there were no writing of names on the questionnaires and that everything was to be confidential. The researcher gave the respondents the true facts about the research in order to make informed decisions about participating or not.

3.8 Validity and reliability of the instruments

According to Moser and Kalton (1971), validity is the success of a scale in measuring what it was set out to measure so that differences in individual scores can be taken as representing true differences in characteristics under study.

The researcher consulted statistical specialists and his supervisor who ensured the relevance and suitability of the content in the questionnaire would provide coverage of the objectives of the study. The validity of the questions were checked by the responses acquired and the content validity index.

Reliability is a measure of the degree to which a research instrument yields consistent results after repeated trials. According to Christensen (1988), reliability refers to consistency and stability in measurements. To establish the reliability of the questionnaire, the researcher used the methods of expert judgment and pre-test in order to test and improve the reliability of the questionnaire.

CHAPTER FOUR

PRESENTATION, ANALYSIS AND DISCUSSION OF THE FINDINGS

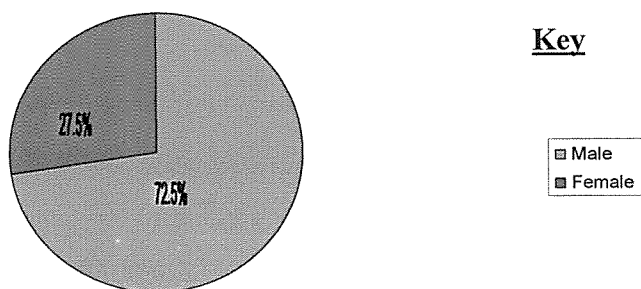
4.0 Introduction

This chapter presents the analysis of data collected from the field. The data was based on the questionnaires which were derived from the study objectives. The findings were presented and analyzed using frequency tables, pie-charts, graphs and percentages.

4.1 General Information about Respondents

The demographic characteristics of respondents are characterized by age, sex, gender, positions held.

Chart: 2 showing the gender of respondents



Source: Primary Data

From table 2, the male respondents account for 72.5% where as the female respondents account for 27.5%. This means that male respondents were more willing to give information as compared to their counter parts the females.

Graph 3: Showing positions held by respondents

Category	Frequency	Percentage (%)
LC I Chairperson	01	2.5
Secretary Finance	01	2.5
LCIII Chairperson	01	2.5
General purpose committee	07	17.5
Senior Assistant Secretary	10	25
Taxpayers	11	27.5
Parish chiefs	09	22.5
Total	40	100

Source: primary data

From table 3 above, the LC I chairperson accounts for only 2.5%, the same applies to the secretary finance who account for 2.5%, the LC III chairperson accounts for 2.5%, the General purpose committee accounts for 17.5%, Senior Assistant Secretary accounts for 25%, tax payers account for 27.5% and finally the Parish chiefs account for 22.5% and this means that the percentage of tax payers was more as compared to other respondents. The respondents were generally positive in giving the relevant information.

4.2 Age of the respondents

Table 4: Showing age of the respondents

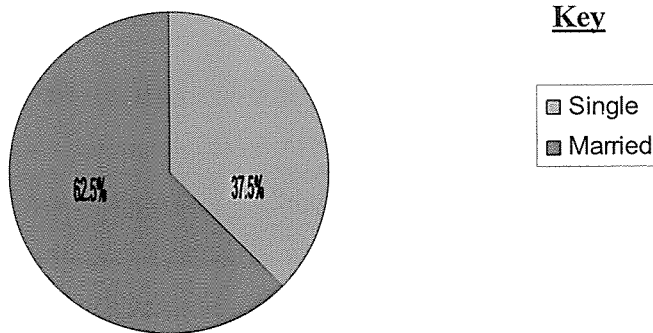
Age	Frequency	Percentage (%)
18-35	09	22.5

36-50	18	45
51-60	09	22.5
61 and above	04	10
Total	40	100

Source: Primary data

From table 4 , those with age ranging 18-35 account for 22.5%, those with 36-50 account for 45%, 51-60 years account for 22.5% while those with 601years and above account for 10%. This means that those between 36-50 years were more participative in giving required information.

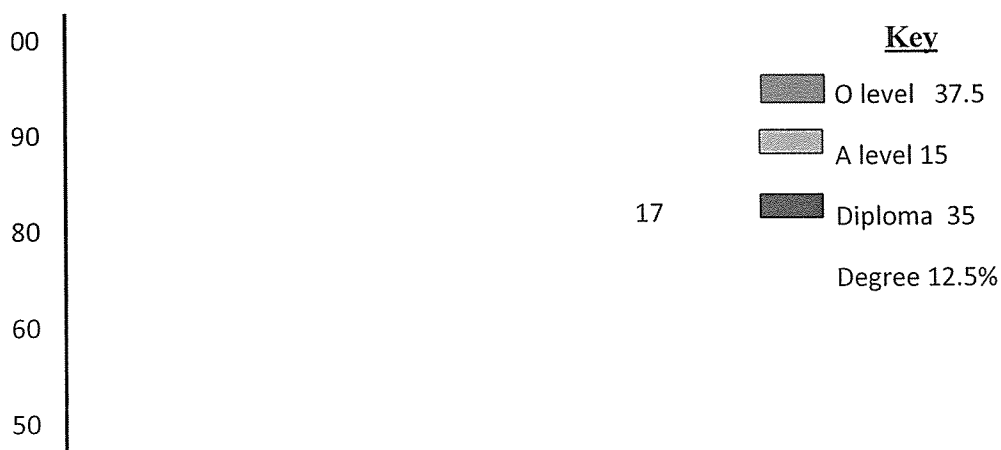
Chart 5: Showing marital status of respondents

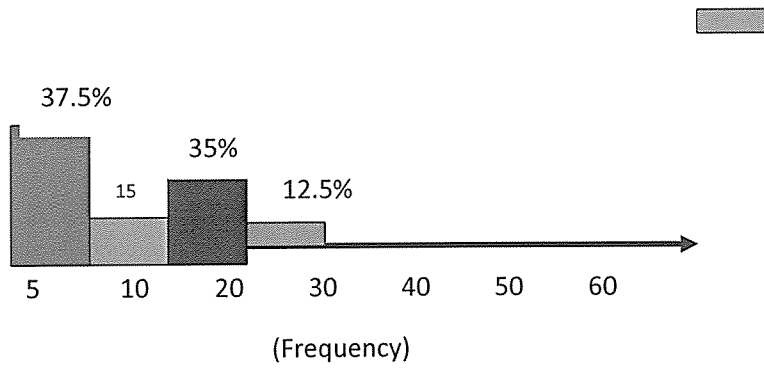


Source: Primary data

From table 5 above, 37.5% of the respondents were single where as the married respondents account for 62.5% and this means that the married people have more time for giving information as compared to the single respondents.

Graph 6: Showing Education level of respondents



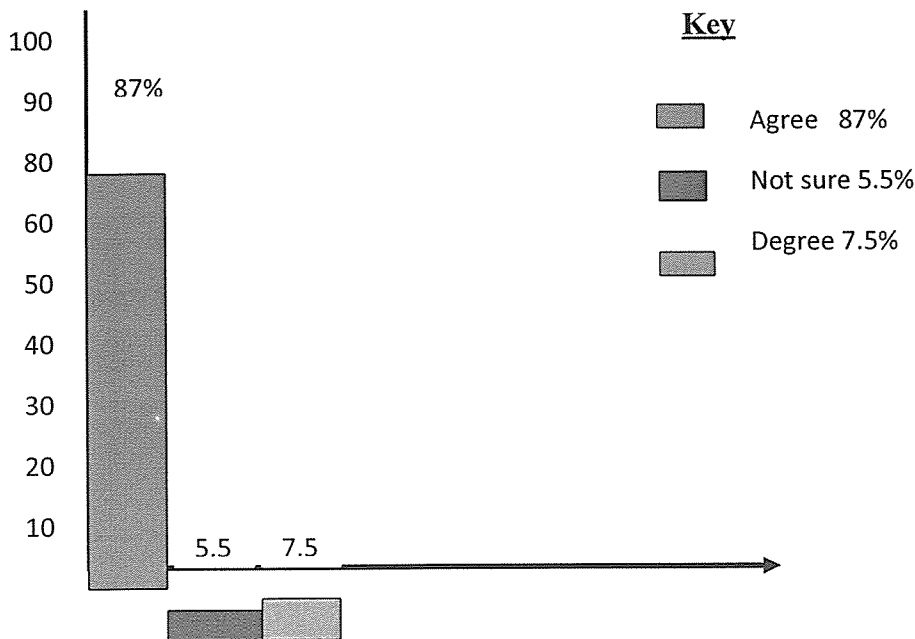


S_i

From table 6 above, 12.5% of the respondents were Degree holders, 15% of them were A level holders, 35% were diploma holders and 12.5% were O'level certificate holders. This means that diploma and O'level certificate holders had enough information to give due to the experience they have as compared to their Degree holders and A'level counterpart

4.3. Sources of Revenue generation and social service delivery in Dokolo district

Graph 7: Showing whether rent and rates are sources of local revenue generation in Dokolo Town Council



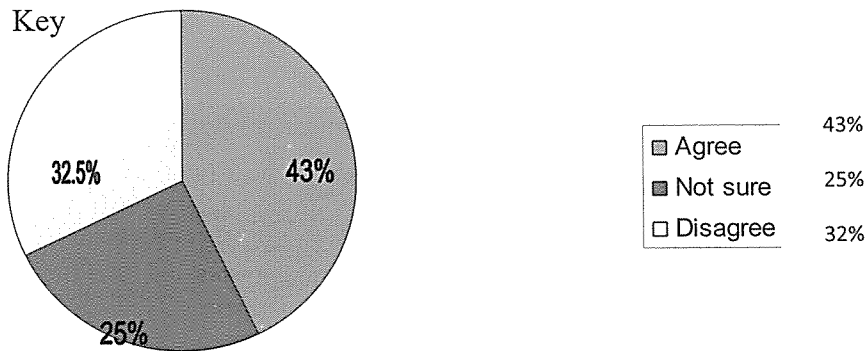
5 10 20 30 40 50 60

(Frequency)

Source: Primary data

From graph 7 above, 87% of the respondents agreed that rent and rates are a source of local revenue generation, those who are not sure account for 5.5% and those who disagreed account for 7.5% and this implies that rent and rates are a source of local revenue generation in Dokolo Town Council.

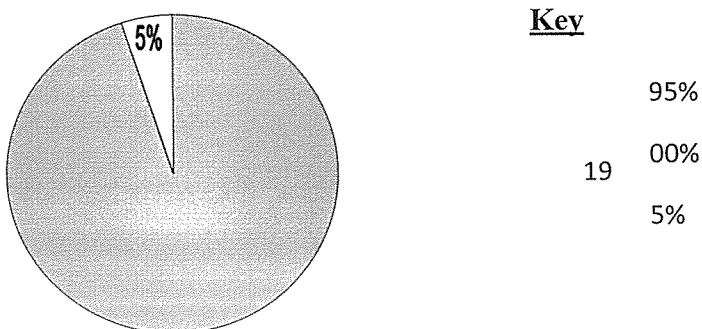
Pie chart 8: Showing whether parking fees are a source of revenue collection in Dokolo Town Council

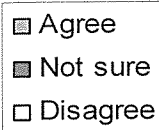


Source: Primary

From chart 8 above, 40% of the respondents agree that parking fees is a source of local revenue collection, 32% of the respondents disagreed that parking fees is a source of local revenue collection, those who are not sure account for 25% of the total respondents.

Pie chart 9: Showing whether market dues and tenders are a source of local revenue generation in Dokolo Town Council

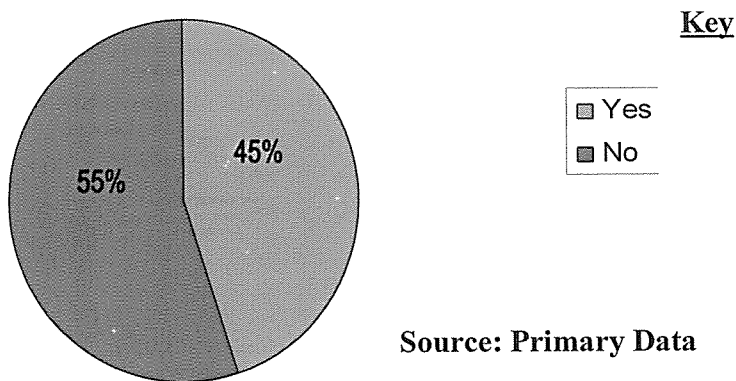




Source: Primary data

From table 9 above 95% of the respondents agree that market dues and tenders are a source of revenue generation in Dokolo Town council, those who are not sure account for 00%, those who disagree take the percentage of 5% and this means that market dues and tenders are a source of local revenue generation in Dokolo Town Council.

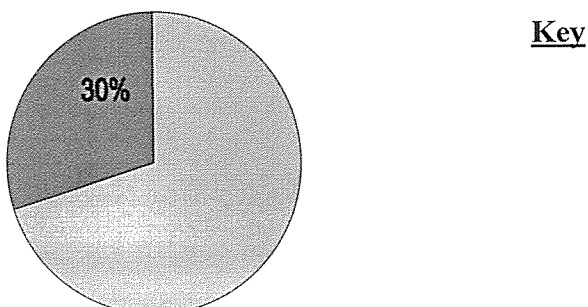
Pie chart 10: Showing whether Graduated Tax compensation acts as a source of revenue generation in Dokolo Town Council



Source: Primary Data

From chart 10 above, 45% of these respondents said that G.Tax compensation from the central government act as a source of revenue generation in the town council and 55% of these respondents said no to the statement. This means that the majority believe that G.tax compensation is not part of local revenue generation.

Chart 11: Showing how often Grants are received in Dokolo Town Council.



70%

Key

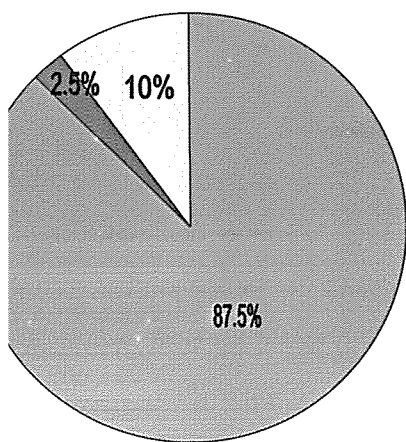
- ▣ Quarterly release
- ▣ Annual release

Source: Primary data.

In chart 11: Study findings show that 70% of the respondents indicate that the grants were received on a quarterly basis while 30% indicated that they are always received on annual basis.

4.4. Impacts of revenue generation and social service delivery in Dokolo T/Council

Chart: 12. Showing whether G.tax compensation leads to provision of water and sanitation services.



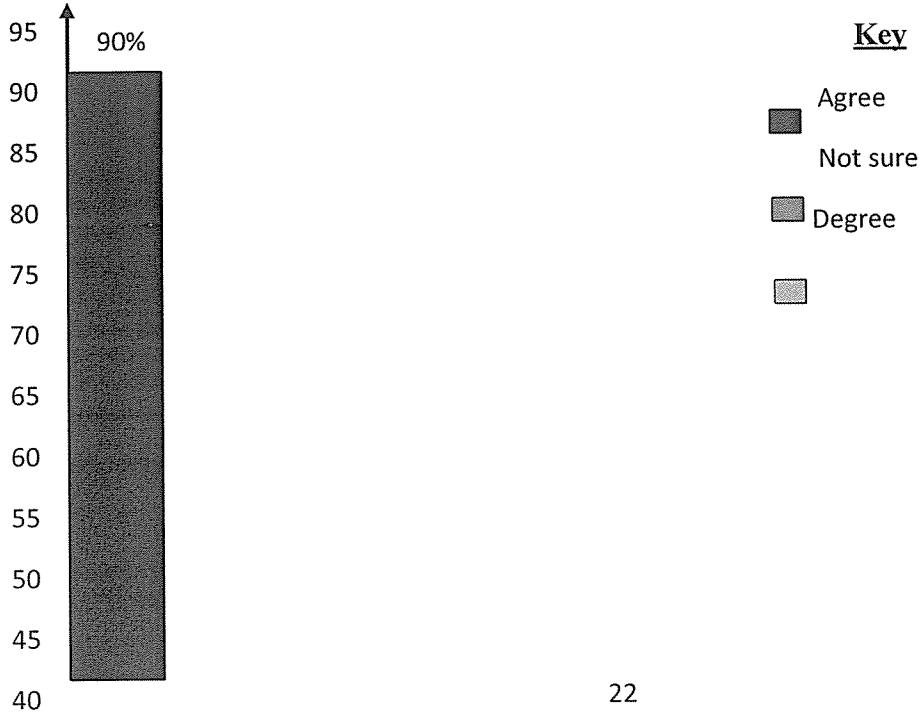
Key

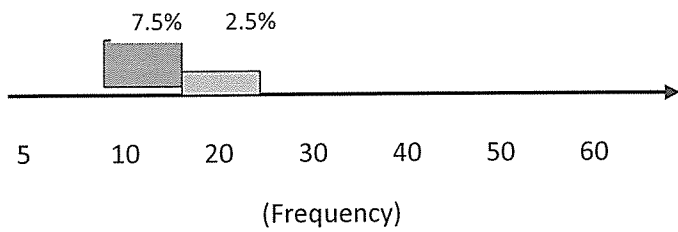
- ▣ Agree
- ▣ Not sure
- ▣ Disagree

Source: Primary data.

From chart 12 above, 87.5% of them agree with the view that G. Tax compensation leads to provision of water and sanitation services, those who are not sure account for 2.5% and lastly those who disagree account for only 10% thus G.Tax compensation leads to provision of water and sanitation services since the bigger percentage of 87.5% agree with it.

Chart 13: Showing whether revenue generation leads to construction of feeder roads in Dokolo T/Council.

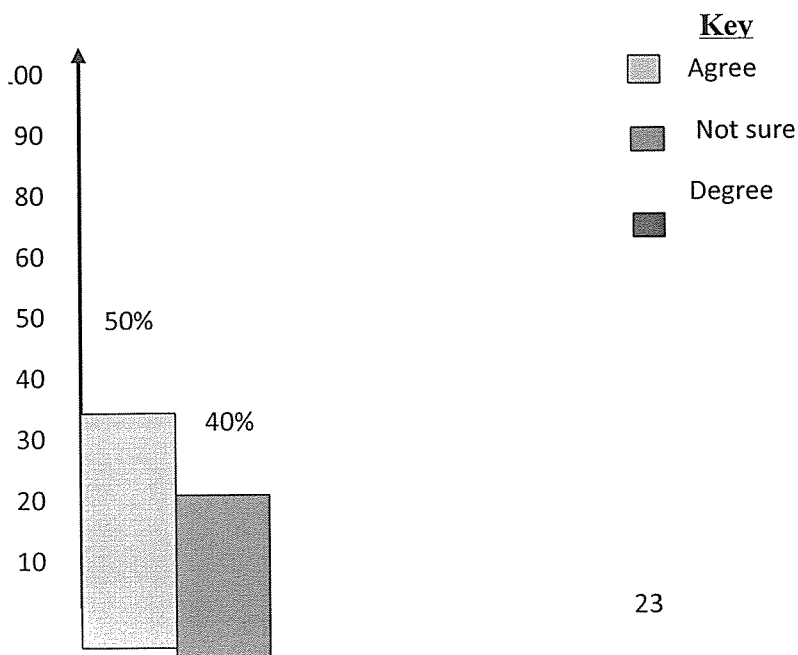


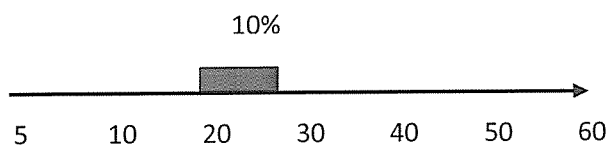


Source: Primary data

From graph 13, 87.5% of the respondents agreed that the revenue generated is used to construct feeder road's those who are not sure account for 7.5% of the respondents and 2.5% of the respondents disagreed with the statement, thus according to the percentage of response, it is clear that revenue generated leads to construction of feeder roads since a bigger percentage agree.

Graph 14: Showing whether Grants received helps in boosting primary education in Dokolo Town Council

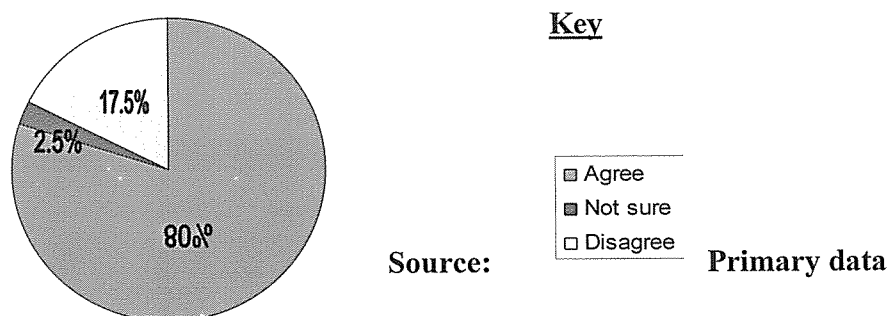




Source: Primary data (Frequency)

From graph 14 above, 50% of the respondents agree that Grants collected helps in boosting primary education, 40% of the respondents aren't sure and 10% of the respondents disagreed with it, So this also means that Grants received helps in boosting primary education since the percentage of response is high compared to other options.

Chart 15: Showing whether Grants received helps in extension of agricultural services in Dokolo Town Council.



From chart 15 above, 80% of the respondents agree with the view that Grants help in extending Agricultural services in Dokolo T/Council, 2.5% of the respondent are not sure and 17.5% of the respondents disagreed with the view that Grants helps in extending agricultural services, thus in conclusion Grants helps in extension of Agricultural services in Dokolo Town Council.

Table 16: Showing Responses on the percentage of revenue generation from rent and rates that contributes to construction of feeder roads.

Response (%)	Frequency	Percentage (%)
5-19	16	40

20-34	17	42.5
35-59	07	17.5
60 and above	00	00
Total	40	100

Source: Primary data

From table 16 above 40% Of the respondents say that 5-19% of the revenue generated from rent and rates is spent on construction of feeder roads, 42.5% of the respondents say that 20-34% of revenue is spent on feeder roads, 17.5% of the respondents say that 35-59% is spent on construction feeder roads and none of the respondents is in for 60% and above. Thus 20-30% of revenue from rent and rates is spent on construction of feeder roads since it has the bigger percentage of the respondents.

Table 17: Showing Responses on the percentage of revenue generated from parking fees that contributes to boosting primary education.

Response (%)	Frequency	Percentage (%)
5-14	18	45
15-29	16	40
30-49	06	15
50 and above	00	00

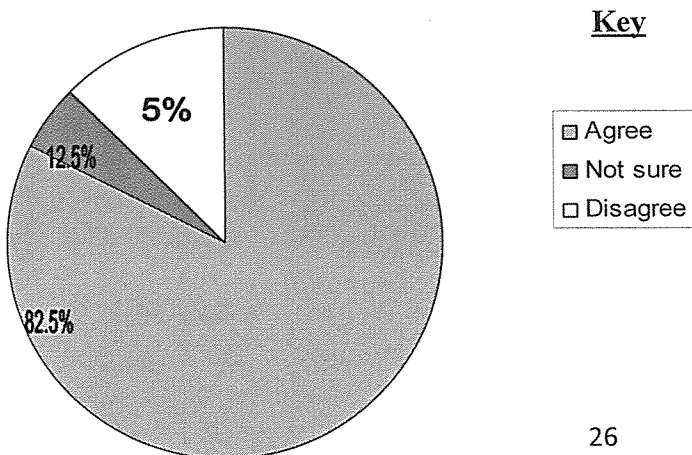
Total	40	100
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Source: Primary data

From table 17 above, 45% of the respondents say that 5-14% of local revenue from parking fees is spent on boosting primary education, 40% of the respondents say that 15-29% of local revenue helps in boosting primary education and 15% of the respondents say that the percentage is 30-49% which.00% of the respondents say that the percentage of revenue generated from parking fees that contributes to boosting primary education is 50% and above. This means that 5-14% is the percentage spent on boosting primary education since it takes majority percentage respondents.

4.5: Responses on the limitations of local revenue generation and social service delivery in Dokolo Town Council.

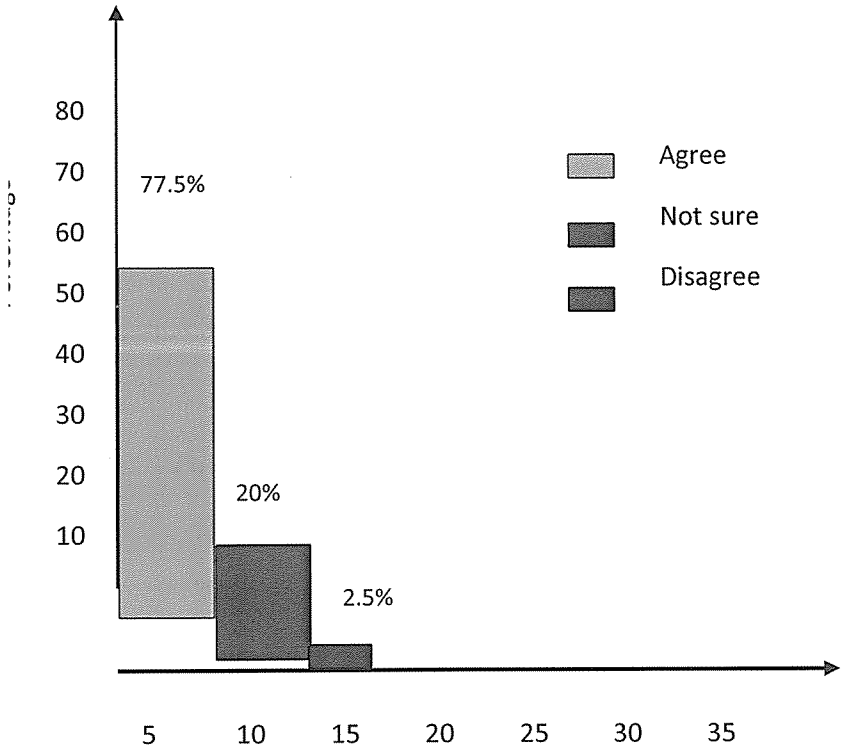
Chart 18: Showing whether failure to educate and sensitize taxpayers about benefits of paying taxes leads to low revenue generation.



Source: Primary data

From chart 18 above, 82.5% of the respondents agreed that failure to educate and sensitize tax payers about the benefits of paying taxes leads to low revenue collected, 5% of the respondents are not sure and 12.5% of the respondents disagreed with the statement that failure to educate and sensitize tax payers about benefits of paying taxes is a limiting factor to revenue generation in Dokolo Town Council.

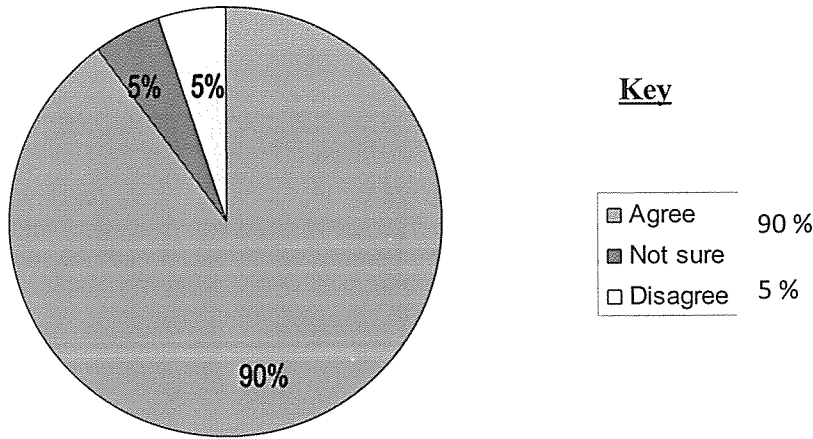
Graph 19: Showing whether lack of sufficient supervision during revenue collection leads to low local revenue generation.



Source. Primary data

From graph 19, 77.5% of the respondents agree that lack of sufficient supervision leads to low local revenue collected, 20% of the respondents are not sure about the statement, 2.5% of the respondent disagrees that lack of sufficient supervision leads to low local revenue generated, but all in all, the majority of the respondents agree with it. So this means that lack of sufficient supervision leads to low local revenue generated.

Chart 20: Showing whether fraud and embezzlement of revenues generated leads to low local revenues collected.



Source: Primary data.

From chart 20 above, 90% of the respondents agreed that fraud and embezzlement leads to low revenues collected, 5% of the respondents are not sure about the statement which and also 5% of the respondents disagreed with this factor. This means that fraud and embezzlement of revenue collected leads to low revenue generated since taxpayers perceive that their money is going to be embezzled.

Table 21: Showing the percentage of tax defaulters due failure of being sensitized and educated about the importance of paying taxes.

Response (%)	Frequency	Percentage
Less than 25	18	45
26-40	16	40
41-59	06	15
60 and above	00	00
Total	40	100

Source: Primary data

From table 21 above, 45% of the respondents say that less than 25% of the tax payers default on their taxes due to failure of being sensitized and educated about the importance

of paying taxes, 40% of the respondents say that the percentage is between 26-40%, then 15% of the respondents say that the percentage is between 40-59% and 00% of the of the respondents believe that the percentage of tax defaulters is 60% and above.

Relationship between revenue generation and service delivery in Dokolo Town Council district.

Table 22. Correlation analysis between Revenue generation and Service delivery in the Local Government.

Correlations

		REVENUE GENERATION.	SERVICE DELIVERY IN LGs
REVENUE GENERATION.	Pearson Correlation	1	.994
	Sig. (2-tailed)	.	.000
	N	40	40
SERVICE DELIVERY IN LGs	Pearson Correlation	.994	1
	Sig. (2-tailed)	.000	.
	N	40	40

. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS out put page

From the table above, it's shown that the relationship between revenue generation and service delivery is very strong and positive, that is 0.994 significant at the 0.01 level. This implies that local revenue collection greatly affects the delivery of social services in the local government. This means that when the level of revenues generated is high, there will be increased service delivery unlike when the levels of revenues generated are low.

CHAPTER FIVE.

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.0 Introduction.

This chapter presents the summary of findings, conclusion and recommendations of the findings arising out of the objectives of the study.

5.1. Summary of the findings.

Findings on the sources of local revenue generation

Findings from the research study show that Dokolo Town Council collects local revenue from different sources and they include licenses and permits, parking fees, fines and penalties, rent and rates, market dues in order to deliver social services to the people.

Findings on the impacts of local revenue collection on social service delivery.

In Dokolo Town Council, generated has led to improved social service delivery and the services that have been delivered include extension of agricultural services, boosting primary education, construction of health canter, construction of feeder roads, maintenance and sustainability of development projects like early and child nutrition, provision of safe drinking water and sanitation services, financing sporting activities, financing the registration of tax payers and training their employees to ensure maximum production in Dokolo Town Council.

Findings on the limitations of local revenue generation, Dokolo Town Council.

There has been low revenue generation in Dokolo Town Council and this has been due to the, high administrative expenses corruption practiced by revenue officers, inadequate sources of revenue, political intervention for example tender defaulters who supported politicians during campaigns are being protected by tax authorities, poor enforcement of rules and procedures of generating revenues, low incomes and wealth which reduces the tax base thus leading to low revenue generation and thus low social service delivery in Dokolo Town Council.

5.2. Conclusion.

The findings of the study showed that although part of the local revenue generated is channeled towards delivery of services, some percentage of it is misused by some of the administrators involved in planning for the revenues generated and thus strong measures have to be put in place to reduce the misuse as will be seen in the recommendations.

5.3. Recommendations.

In light of the findings and the need for revenue generation to provide services in Dokolo district since transfers from the central government are only to support the budget of the Town Council local government to enable them fulfill their obligations.

Therefore a lot of effort should be put in to ensure that revenue generated and administration is improved in Dokolo Town Council to fully provide quality service to the people. Dokolo Town Council needs to simplify the licensing process in order to reduce non compliance of businessmen to pay taxes.

License registers should be computerized to reduce tax evasion and tax avoidance.

Markets and other rental places should be fenced off for the case of locating operations. So in this case those found operating outside the fenced off places should be punished accordingly.

Dokolo Town Council should regularly conduct field surveys for taxis, buses and other vehicles operating in gazetted areas so as to set realistic reserve prices.

Revenue generation in Dokolo Town Council should be privatized by giving out tenders to reduce the increasing rate of tax defaulters.

Enforcement teams should check businesses that have failed to pay taxes and penalize them accordingly.

Sensitization, mobilization and publicity to the community about the importance of paying taxes. This can be done through rallies, village meetings, newspapers, radio

programmes, commissioning of projects and use of local revenues generated for activities that have immediate and visible impact.

Dokolo Town Council should try to implore other sources of revenue generation for example fines and fees imposed by local council courts, annual bicycle license user charges, fees and property rates (after enactment of the Property Act,2004).

5.4. Areas for further study. This study covered sources of revenue generation, social, impacts of revenue generation on social service delivery, and limitations of revenue generation, but there is need to study, **Local Government expenditure and efficiency levels of administrators.**

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Questionnaire.

Dear respondent, am Ariekot Hilda a student of Kampala International University carrying out a research on: revenue generation and social service delivery in Dokolo District Local Government. A case of Dokolo Town Council. The purpose of this form is to request you to spare some time and respond to my questionnaires. All the responses given to me will be treated with utmost confidentiality and only and only used for academic purposes.

Background information.

1. M F

2. Position held.....

3. Marital status: Married Single Divorced

Education level (a) A' level, (b) O'leve, (c) Diploma (d) Degree.

Key: A= Agree

DA = Disagree

NS= Not sure

Questionnaires for key informants, local leaders, and local community.

S/NO	Questionnaires	A	DA	NS
1	Graduated tax compensation contribution and social service delivery :			
	❖ Graduated tax compensation contributes to the development of Dokolo Town Council			
	❖ Graduated tax compensation is a source of local revenue generation in Dokolo T/Council			
	❖ Graduated tax compensation has had an effect on the social service delivery.			
	❖ Revenue generation from rent and rates contribute to construction of feeder roads.			
	❖ Low revenue generation is due to lack of sufficient supervision during revenue collection.			
	❖ Low revenue generation is due to failure to educate and sensitize taxpayers.			
	❖ Revenue generation from parking fees contribute to boosting primary education.			
	❖ Local revenue generation leads to construction of feeder roads			
	❖ Local revenue generation accountability was genuine			
	❖ Market dues and tenders are a source of local revenue generation			
2	Grants released and social service in Dokolo Town Council			

	❖ Grants are released quarterly or yearly			
	❖ Grants released are used for construction of roads, water & sanitation.			
	❖ Grants received help in extension of agricultural services in Dokolo Town council			
	❖ Grants received have helped in boosting primary education.			

Thank you.