

FACTORS AFFECTING REVENUE COLLECTION AT LUSAKA CITY COUNCIL

BY

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DECLARATION

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APPROVAL

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ABSTRACT

Lusaka City Council (LCC) is critical in funding and delivering essential public services across Zambia's capital—however, LCC grapples with persistent underperformance in revenue collection. From 2018-2021, gaps between budgeted and actual revenues averaged over 20%, totalling K264 million in losses; this significantly constrains LCC's capacity to maintain infrastructure and services. This mixed-methods study investigated the factors underlying LCC's revenue challenges. Quantitative data was gathered by surveying 100 randomly sampled taxpayers and 30 purposively sampled council officers. Key metrics showed that 60% of taxpayers lacked awareness of tax rates and obligations, while 78% felt LCC does not engage stakeholders when adjusting policies. Meanwhile, 91% of officers confirmed political interference in revenue collection, rating its impact 3.1/5. Taxpayers assessed the impact even higher, at 4.4/5. Qualitative data from interviews and focus groups highlighted issues like partisan appointments, opaque processes, and corruption. Thematically analysed responses emphasised outdated manual systems, corruption among collectors, weak enforcement and skill deficits as primary barriers. For instance, an officer noted that "lack of transport hampers bill delivery and follow-ups." Taxpayers cited inaccurate billing, unresolved discrepancies and poor customer service. This study makes a unique contribution by providing a comprehensive, contextualized analysis of the multi-faceted institutional, administrative and political factors constraining LCC's revenue performance. It offers new evidence from Zambia to inform local revenue mobilization policies tailored to the developing world. Key recommendations include taxpayer education initiatives, integrated billing and payment systems, strengthened audits and oversight, and performance incentives balanced with sanctions to improve compliance. Sustained reforms to governance, administrative capacity, and engagement are indispensable to translating LCC's vast revenue potential into outcomes. The solutions offer subnational governments globally a model to enhance revenue mobilisation for local service delivery.

Keywords: municipal finance, revenue mobilisation, local governance, tax compliance, fiscal decentralisation.

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DEDICATION

my family

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LIST OF ACRONYMS

GDP:	Gross Domestic Product
GSB:	Graduate School of Business
IT:	Information Communication
JCTA:	Jesuit Centre for Theological Reflection
LAIFOMS:	Local Authority Information Financial and Operations Management Systems
LGA:	Local Government Authorities
LCC:	Lusaka City Council
MDC:	Mpwapwa district council
MOF:	Ministry of Finance
TRA:	Theory of Reasoned Action
SPSS:	Statistical Package for Social Sciences
UN:	United Nations
UNDP:	United Nations Development Programme
UNHSP:	United Nations Human Settlements Programme
UNZA:	University of Zambia
VAT:	Value Added Tax
WB:	World Bank
ZIPAR:	Zambia Institute for Policy Analysis and Research
ZRA:	Zambia Revenue Authority

CHAPTER 1

INTRODUCTION

1.0 Introduction

This study sought to identify factors that affected revenue collection at Lusaka City Council (LCC). This chapter presents the study's background, the problem statement, the research objectives and questions, the study's significance, and the study scope.

1.1 Background to the Study

Local government is the collective term used to refer to administrative authorities over smaller areas than a state. The term is used to contrast with offices at the national-state level, referred to as the central government or government, or (where appropriate) federal government (Mdagachule, 2014). Local authorities worldwide play an increasingly important role in delivering essential public services (United et al., 2015; World Bank, 2018).

The current Local Authority Act in Zambia was established in 1991 by an act of parliament, cap 281 of the laws of Zambia. The 1991 Local Government Act was later consolidated in 2006 and amended in 2010 and 2014, which appeared to have made the local authority more inclusive in its functioning and operations (The Local Government System in Zambia Country Profile 2017-18). The amended local act stipulated that each council must be composed of members of the parliament in the district, two representatives of traditional chiefs and all elected councillors of the district; this amended act also gave the local government authorities an administrative division (The Local Government System in Zambia Country Profile 2017-18).

The local government minister ensured that local authorities had the institutional and policy framework, systems, and capacity to effectively provide the required local services responsibly, efficiently, accountable, and transparently (Mdagachule, 2014). In Zambia, there were about 103 Local authority offices in urban areas characterised by a dense population and substantial economic activity. The Lusaka City Council (LCC), in the capital city of Zambia, was the largest. Municipal councils were in suburban areas, and district councils were in rural districts (The Local Government System in Zambia Country Profile 2017-18; Government of the Republic of Zambia and World Bank, PEFA, 2017; Lusaka Times, 2013). LCC played a

fundamental role in delivering essential public services in all parts of the communities in Lusaka (Government of the Republic of Zambia and World Bank, PEFA, 2017). Section 161 of the Constitution gave LCC the power to levy, collect and retain local taxes, including property taxes, which comprised their revenue (Local Government System in Zambia Country Profile 2017-18). Most reports indicated that LCC had been experiencing difficulties in collecting taxes and consolidating its financial base, they had not been able to manage their local revenues as budgeted and that there was no comprehensive data available on the level of revenues collected by the local authority (Lusaka Times, 2013; Chitembo et al., 2014).

Similar findings were reported in developing countries that the main issue facing most local authorities, especially in managing large cities, was the widening gap between the availability of financial resources and their spending needs. Most cities in developing countries depended primarily on central government transfers due to insufficient revenues from property taxation and service charges; this resulted in the local authority failing to perform its functions fully. For a viable economy, the city's local authorities in developing countries had to use significant sources of tax revenues and non-tax revenues collected through user charges. The sufficiency of its revenues was the key to a city's improved ability to deliver necessary goods and services and to better accountability for local officials to their constituents (United et al., 2015).

Some European countries like Spain have adopted the idea of tax sharing by allowing local governments to collect certain central-government-assigned taxes, mainly done on a derivation or origin basis (United et al., 2015; Chitembo et al., 2014); this was done because some taxes, such as the personal income tax, were easy to share; in contrast, others, such as the corporate income tax and the VAT, were much more problematic due to the difficulty of determining the tax base in any particular region. The share retained by the subnational government was a percentage of the tax revenues collected in the jurisdiction (United et al., 2015). Tax sharing was commonly used to close the first stage of the vertical gaps left by the insufficiency of revenue assignments (Ibid).

Other countries, some within sub-Saharan Africa, had opted to diversify and adopt new sources of revenue instead of depending on the existing sources to strengthen revenue collection (Ministry of Local Government and Housing, 1996; United et al., 2015). South African local authorities, for instance, had built building infrastructure for rent. Zambia had a similar agenda, but most houses and buildings were later sold to private individuals and companies, citing failures and difficulties in collecting rentals. In Tanzania, the government introduced close

monitoring and supervision, preventing local politicians from interfering negatively in tax and revenue matters (Nuluva, 2015).

The literature provided evidence of numerous factors that could influence revenue collection, including economic factors. Economic factors primarily encompassed the risk of detection and punishment, and non-economic factors related to social and psychological variables, such as tax morale, social norms of tax compliance and personal attitudes (Mdagachule, 2014; United et al., 2015; Lusaka Times, 2013). Research showed that taxpayers' compliance behaviour was related to their perception of the probability of being caught and sanctioned by authorities (Witte & Woodbury, 1985).

Local government revenue productivity in Zambia was relatively low compared to its neighbours in the surrounding region in sub-Saharan Africa from 2008 to 2014 (ZIPAR, 2018; MOF et al., 2019). Even compared to Malawi and Zimbabwe, who shared a common history and benchmarks, Zambia needed to improve in tax revenue collections. Zambia's tax revenue to GDP averaged 19%, while that of Malawi and Zimbabwe was slightly above 20% (ZIPAR, 2018; The Local Government System in Zambia: Country Profile 2017-18). The ratio of tax revenue by LCC to Gross Domestic Product (GDP), often used as a primary measure of revenue and tax system performance, had declined from 19.2 per cent in 2000 to 15 per cent in 2009 (JCTR, 2015); this is underlying that there was a severe challenge in revenue collection in the local authority despite having sufficient tax bases to finance the current level of services, but collection levels were often near to the ground (Chitembo et al., 2014; Government of the Republic of Zambia and World Bank, PEFA, 2017).

Improvement of revenue collection by LCC could be the key to meeting their financial obligations and realising their mandate to offer quality and timely services to the people, the demand for which may exceed the available resources (Ibid). Against this background, the researcher intended to investigate factors affecting revenue collection at Lusaka City Council.

1.2 Statement of the Problem

The Lusaka City Council (LCC) is pivotal in delivering essential public services to Zambia's rapidly growing capital city. However, persistent underperformance in revenue collection constrains LCC's capacity to carry out its mandate. Table 1 shows substantial gaps between LCC's budgeted and actual revenue, with variances averaging over 20% from 2018 to 2021 across significant income streams like property rates, user fees and permits.

Table 1: LCC Locally Generated Revenue Variance (Auditor General, 2021)

<i>Year</i>	<i>Budget Revenue</i>	<i>Actual Revenue</i>	<i>Variance</i>
2018	K321,534,793	K268,322,274	-16%
2019	K133,288,662	K90,962,291	-32%
2020	K261,431,735	K214,824,425	-18%
2021	K312,411,257	K251,173,821	-20%

These revenue shortfalls directly limit LCC's capacity to maintain infrastructure, deliver services, and drive development in Lusaka (Chitembo et al., 2014; Mushimbwa, 2020). For instance, only 40% of Lusaka's 1.5 million residents have access to clean water, reflecting underinvestment due to funding gaps (Auditor General, 2021).

From an economic standpoint, infrastructure deficiencies due to limited funds hamper business activities and growth prospects across Lusaka (Chitembo et al., 2014). Shortages in classrooms, materials, and teachers also undermine human capital development essential for productivity gains (JCTR, 2015). Overall, LCC's revenue underperformance severely hinders social development and economic advancement in Zambia's capital.

Research identifies administrative deficiencies, corruption, political interference, and taxpayer non-compliance as factors constraining LCC revenue collection (Kanyamuna, 2016; Malambo & Muzyamba, 2016). However, few studies examine this problem comprehensively. Given LCC's critical mandate, it is an urgent priority to understand and address factors undermining its fiscal position. This study investigated the key determinants influencing LCC's local revenue performance. The findings guide interventions to enhance collections, curb leakages, and strengthen LCC's financial sustainability.

1.3 Objectives of the Study

1.3.1 Main Objective

To investigate factors affecting revenue collection at Lusaka City Council.

1.3.2 Specific Objectives

1. To evaluate the impact of political interference on revenue collection at LCC
2. To determine the effect of accountability on revenue collection
3. To establish specific punishment methods imposed on tax absconders.

1.4 Research Questions

1. How does political interference affect revenue collection at LCC?
2. What is the impact of accountability on revenue collection at LCC?
3. How do different punishment methods for tax absconders influence revenue collection at LCC?

1.5 Scope of the Study

This study examined the factors influencing revenue collection at Zambia's Lusaka City Council (LCC). Specifically, it investigated how political interference, economic activities, accountability, and punishment of offenders impact LCC's capacity to mobilise revenues from local taxes, fees, levies, licenses, permits, and commercial ventures. The study was delimited to LCC's departments directly involved in revenue collection operations and taxpayers from the general public. Data was gathered from 180 respondents. The findings inform policies and practices to improve LCC's fiscal capacity to deliver essential public services.

1.6 Significance of the Study

This study provided important insights for the Lusaka City Council (LCC) and other local government authorities in Zambia in identifying factors affecting revenue collection and current issues contributing to revenue gaps. The findings served as a benchmark for LCC to set standards for improving revenue collection going forward. Policymakers could use the findings to develop policies and regulations to enhance revenue mobilisation at the local level. The study guided corrective measures to improve revenue collection at LCC. It enabled LCC to understand its strengths, weaknesses, opportunities and threats regarding revenue collection to redefine its policies and strategies (Mwiya et al., 2019).

Additionally, the research contributed to the academic literature on factors influencing local government revenue collection in Zambia and other developing countries. Previous studies have examined this issue in contexts such as South Africa (Bahl & Smoke, 2003), Tanzania (Fjeldstad & Heggstad, 2012) and Kenya (Prichard & Jibao, 2019). With local governments in Zambia and other developing countries facing declining revenues, this study provided timely insights into improving revenue collection practices and policies (Smoke, 2015). The findings informed policy and practice to strengthen local government fiscal capacity for service delivery, an ongoing challenge across the developing world (Kelly, 2013). As decentralisation

reforms have progressed, this study underscored the importance of enhancing local revenue mobilisation to reduce dependence on central government transfers (Yilmaz et al., 2010). The research provided an analytical framework to diagnose regional revenue performance gaps in Zambia and contexts similar to those of developing countries.

This study enabled LCC and other local authorities in Zambia to consider evidence-based policies to boost revenue collection. It contributed to the literature on local government finance in developing countries undergoing decentralisation. The findings have practical relevance for local authorities seeking to enhance their revenue performance.

1.7 Assumptions

- i. Political interferences impact revenue collection at LCC.
- ii. Accountability affects revenue collection at LCC.
- iii. Punishment of tax offenders or Absconders impacts Revenue collection.

1.8 Study Area

The study area for this research was Lusaka City Council (LCC) in Zambia. The target population comprises employees from various departments at LCC and taxpayers from the general public. These employees were selected as the study area and target population because they are directly involved in LCC's revenue collection operations. Focusing on this population provided insights into the factors affecting LCC's revenue collection based on their knowledge and experiences.

1.9 Delimitation

This study investigated factors affecting revenue collection at LCC in the Lusaka district. The scope was delimited to examining factors influencing revenue collection and their impact on revenue generation. Hence, the data gathered and the literature reviewed focused exclusively on the research theme. Furthermore, the study was confined to a sample of 180 respondents comprised of personnel from LCC and taxpayers from the general public. Respondents were selected based on their knowledge of and experience with local revenue collection and their ability to represent the wider LCC population in Lusaka.

1.10 Limitations of the Study

The study was geographically limited to Lusaka province and Lusaka City Council, restricting the generalisability of findings to other provinces and councils. As LCC has a substantially larger population and business sector than other councils, the comparability of results is limited. The sample of 180 respondents, though suitable for an in-depth case study, also constrains generalisation. Time and budgetary constraints potentially impacted the researcher's capacity to gather data from multiple sites. Information bias was possible as respondents may have inaccurately recalled facts.

1.11 Organisation Of Chapters

This dissertation contains 7 chapters. Chapter 1 introduces the research by presenting the background, problem statement, objectives, questions, scope and limitations. Chapter 2 reviews the literature on factors influencing local government revenue collection, synthesizing global perspectives and evidence from Sub-Saharan Africa and Zambia. Chapter 3 outlines the theoretical framework, including portfolio theory, the theory of reasoned action and the theory of crime, as well as the conceptual framework. Chapter 4 details the research methodology. Chapter 5 presents the questionnaire, focus group and interview findings. Chapter 6 discusses the results, linking them to literature and theories and highlighting implications. Finally, Chapter 7 summarises the study, offers conclusions and recommendations, and suggests future research. The next chapter reviews scholarly literature on determinants of local revenue performance to establish the theoretical grounding for this study's examination of factors affecting collection at Lusaka City Council.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter presents the literature background of the study about the factors affecting revenue collection in local government authorities focusing on the Lusaka City Council. It comprises the global, regional (Sub-Sahara Africa and Local (Zambia) perspectives.

2.1 Overview of Local Authority Revenue Collection

The empirical literature review examines research on factors influencing local government revenue collection published over the past 7 years. It synthesises global perspectives and evidence from Sub-Saharan Africa and Zambia specifically. Key themes emerging relate to economic, administrative, and institutional determinants of revenue performance. The review highlights the need for a multifaceted approach to tackling capability gaps, compliance challenges, and environmental constraints to strengthen municipal revenue mobilisation. Findings inform the analysis of the Lusaka City Council case.

2.1.1 Global Perspectives

Local governments worldwide are pivotal in providing public services and infrastructure for their jurisdictions. To deliver on their mandates, local authorities require sustainable funding sources, primarily from local revenues collected through property taxes, service fees, business licenses, fines and penalties, and transfers from higher levels of government (Bahl & Smoke, 2003; Kelly, 2013; Smoke, 2015).

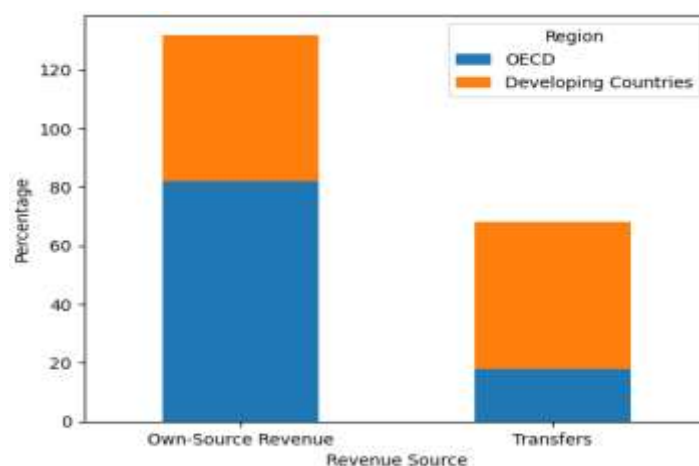


Figure 1: Sources of Local Government Funding by Country Income Level (Smoke, 2015)

Figure 1 shows local government funding sources in the Organisation for Economic Cooperation and Development (OECD) and developing countries. In OECD countries, 82% of funding comes from own-source revenue compared to 18% from transfers. In developing countries, funding is split evenly between own-source revenue and transfers, each accounting for 50% of funds. Own-source revenue is an enormous funding source for local governments in more economically developed OECD countries.

However, many local governments, especially in developing countries, need help to mobilise adequate revenues to meet their expenditure needs (Prichard & Fish, 2017; Yilmaz & Dollery, 2015). Weak local revenue performance constrains service delivery and infrastructure development, hampering regional economic growth and undermining governance (Fjeldstad & Heggstad, 2012; Smoke, 2015).

This literature review examines global perspectives on the factors influencing local government revenue performance, focusing on empirical studies published in the last seven years. The review is structured into six parts. First, it overviews the importance of ‘own source’ revenues for local government fiscal health. Second, it summarises the main determinants of local revenue performance identified in the literature. Third, it reviews research on how taxpayer knowledge, attitudes and compliance affect revenues. Fourth, it examines the influence of the local political and economic context on collections. Fifth, it analyses studies on administrative factors shaping revenue outcomes. Finally, it discusses recommendations from the literature for strengthening local government revenue mobilisation.

2.1.1.1 The Importance of Own-Source Revenue

Local government’s reliance on intergovernmental transfers from higher tiers of government reduces their fiscal autonomy and accountability to local taxpayers (Martinez-Vazquez & Timofeev, 2020; Smoke, 2015). Consequently, the share of transfers in local government revenue is often highlighted as an indicator of centralisation, with higher stakes signalling greater control by national governments (Letelier, 2011; Yilmaz & Dollery, 2015). For instance, in OECD countries, only 18% of local government funding comes from transfers, compared to over 50% in developing countries (Yilmaz & Dollery, 2015).

Greater dependence on ‘own-source’ revenues empowers local authorities to allocate spending based on local needs and preferences (Kelly, 2013; Letelier, 2011; Martinez-Vazquez & Timofeev, 2020). Own-source funding also enhances accountability and responsiveness to

citizens, as local politicians rely on taxpayers for resources rather than higher governments (Fjeldstad & Heggstad, 2012; Smoke, 2015). Furthermore, increased fiscal autonomy incentivises more efficient and productive mobilisation and allocation of revenues to meet local expenditure responsibilities (Bahl & Smoke, 2003).

However, in practice, own-source revenue accounts for less than half of local government income in low- and middle-income countries (Prichard & Fish, 2017; Yilmaz & Dollery, 2015). Weak revenue efforts hamper service delivery and infrastructure provision, stymying local development (Kelly, 2013; Prichard & Fish, 2017). Understanding the determinants of revenue performance is thus critical.

2.1.1.2 Determinants of Local Revenue Performance

The literature points to multiple complex and interrelated factors shaping local revenue outcomes. Key determinants include the state of the local economy, revenue bases and rates, administrative capacity, taxpayer compliance, autonomy, political will, and corruption (Fjeldstad & Heggstad, 2012; Kelly, 2013; Martinez-Vazquez & Timofeev, 2020; Prichard & Fish, 2017).

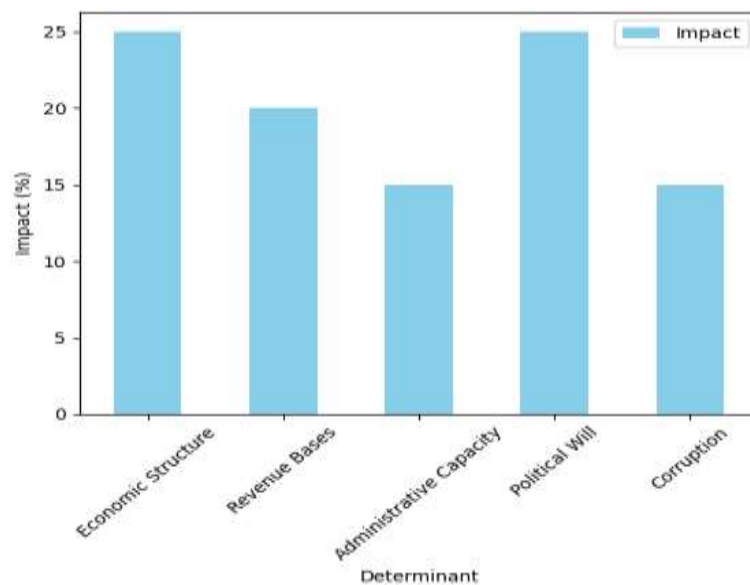


Figure 2: Determinants of Local Revenue Performance and Their Impacts (Prichard & Fish, 2017; Smoke, 2015)

Figure 2 displays the determinants of local revenue performance and their impacts. Economic structure and politics will have the most significant effects at 25%, followed by administrative capacity at 15%. Revenue bases and corruption also influence local revenue but have more

minor consequences of 20% and 15%, respectively. The determinants' hits show areas for reform to strengthen domestic resource mobilisation.

Economic structure and development are critical for revenue capacity (Prichard & Fish, 2017; Smoke, 2015). More prosperous areas with larger formal sectors can impose higher tax rates and charges while facing less resistance from taxpayers (Fjeldstad & Heggstad, 2012). In contrast, poorer jurisdictions with large informal sectors need help to raise revenues.

The size and structure of revenue bases also matter (Kelly, 2013; Prichard & Fish, 2017). For instance, property tax yields are limited in areas without comprehensive registries or regular valuations of holdings (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017). User fees and service charges similarly depend on infrastructure coverage. High mobility of bases such as small businesses further constrains revenue potential (Prichard & Fish, 2017).

Beyond economic fundamentals, policy and administrative factors shape revenue outcomes (Kelly, 2013; Smoke, 2015). Local government reliance on higher tiers for rate setting and base definition undermines revenue effort (Martinez-Vazquez & Timofeev, 2020). Weak administrative capacity, including limited staff skills and technology, impedes tax and fee collection (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017). Additionally, central regulations on revenue use reduce local incentives for collection (Prichard & Fish, 2017).

Local political dynamics additionally influence revenue performance (Fjeldstad & Heggstad, 2012; Prichard & Fish, 2017). Strong local accountability can enable higher taxation and charges. However, local elite capture and resistance frequently obstruct revenue reforms (Smoke, 2015). Central political interference similarly undermines local revenue autonomy and effort (Letelier, 2011; Martinez-Vazquez & Timofeev, 2020).

Lastly, corruption and revenue leakage through practices like tax evasion pose significant barriers (Attila, 2016; Prichard & Fish, 2017; Smoke, 2015). Estimates suggest that revenue losses from corruption account for around 5-10% of local government revenue in developing countries (Fjeldstad & Heggstad, 2012). Tackling this 'tax morale' problem requires understanding taxpayer compliance.

2.1.1.3 Taxpayer Attitudes, Knowledge and Compliance

As the ultimate source of own-source revenue, taxpayer knowledge, attitudes, and compliance critically shape local government collections (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017). Three key issues emerge from the literature.

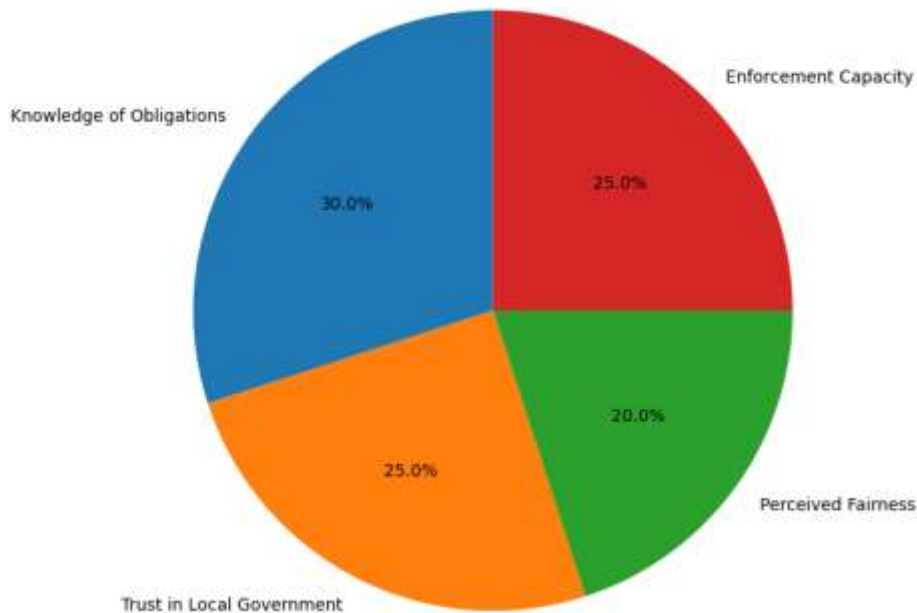


Figure 3: Factors Influencing Taxpayer Compliance Levels (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017)

Figure 3 illustrates the factors influencing taxpayer compliance levels. Knowledge of tax obligations is the most decisive influence on compliance at 30% of the pie. Trust in local government and enforcement capacity accounts for 25% of the pie. Perceived fairness has a more minor but significant impact at 20% of total influence. Improving these factors could increase compliance and local government revenues.

First, taxpayers' willingness to comply depends on their knowledge of tax and fee obligations (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017; Smoke, 2015). Precise information on liabilities and procedures enables compliance, while complex regulations encourage non-payment (Attila, 2016; Lumumba et al., 2010). Tax education campaigns can thus foster compliance (Fjeldstad & Heggstad, 2012).

Second, taxpayers' attitudes towards local government influence compliance (Lumumba et al., 2010; Palil, 2010; Smoke, 2015). Low trust in local authorities reduces willingness to pay. Similarly, perceptions of unfair or regressive taxes lower compliance, especially under self-

assessment systems requiring voluntary disclosure (Attila, 2016; Lumumba et al., 2010). Boosting taxpayer morale is thus critical.

Third, enforcement capacity shapes compliance outcomes (Attila, 2016; Franzsen & McCluskey, 2017; Lumumba et al., 2010). While audits and penalties can improve revenue performance, costs often outweigh returns (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017). Deterrence further depends on taxpayers' perceptions of detection risk (Lumumba et al., 2010). Effective enforcement thus requires solid administrative capacity.

Fostering taxpayer compliance requires improving knowledge, trust in local government, and perceived fairness alongside selective but fair enforcement efforts. However, the context of the political economy also plays a key role.

2.1.1.4 Political and Economic Influences

Local political dynamics and economic structures fundamentally shape revenue outcomes by determining the underlying incentives, constraints and relationships between taxpayers and the state (Fjeldstad & Heggstad, 2012; Martinez-Vazquez & Timofeev, 2020; Prichard & Fish, 2017). Four issues stand out.

First, local elite influence over revenue policymaking reduces tax burdens on wealthy and politically connected taxpayers (Fjeldstad & Heggstad, 2012; Prichard & Fish, 2017); this skews the tax structure towards regressive indirect taxes on consumption and small businesses (Attila, 2016). Addressing elite capture is thus critical for revenue reforms.

Second, central political interference similarly distorts local revenue policy and administration (Martinez-Vazquez & Timofeev, 2020; Yilmaz & Dollery, 2015). For instance, revenue earmarking by higher governments undermines local fiscal autonomy (Letelier, 2011). Centrally imposed rate caps and exemptions also constrain local tax policy (Smoke, 2015). Minimising such distortions requires higher local revenue autonomy.

Third, central-local power dynamics shape taxpayer compliance (Fjeldstad & Heggstad, 2012; Franzsen & McCluskey, 2017). Weak local accountability to taxpayers enables extortion during collection, reducing voluntary compliance (Attila, 2016). Clear local government mandates and transparency can address this 'quasi-voluntary' compliance problem (Fjeldstad & Heggstad, 2012).

Fourth, the large informal sectors in developing countries pose significant revenue challenges (Joshi et al., 2014; Prichard & Fish, 2017). Informality restricts tax bases, while weak state-society relations hamper enforcing unregistered businesses (Prichard & Fish, 2017). However, repressive enforcement risks pushing firms further into informality (Joshi et al., 2014). More constructive approaches entail supporting formalisation, building trust in government, and designing simple presumptive tax regimes adapted to the informal sector (Fjeldstad & Heggstad, 2012; Joshi et al., 2014). Over time, economic development enabling firms to benefit from formality is also needed (Joshi et al., 2014). Thus, while informality poses significant revenue challenges, a nuanced long-term approach combining facilitation and modest enforcement can help broaden tax bases.

2.1.2 Regional Perspective (Sub-Saharan Africa)

Local authorities in Sub-Saharan Africa are critical in providing essential services and infrastructure to their communities. However, their ability to fulfil this mandate largely depends on adequate financial resources, primarily locally generated revenues. Across the region, local authorities have needed help to mobilise sufficient payments to meet their expenditure needs (Smoke, 2015; Fjeldstad & Heggstad, 2012). This literature review synthesises scholarly research on the factors affecting revenue collection in local authorities in Sub-Saharan Africa, excluding Zambia. It provides an overview of the revenue sources, collection challenges, and influencing factors highlighted in studies conducted in select countries across the region over the past seven years.

2.1.2.2 Key Sources of Revenue for Local Authorities

Local authorities in Sub-Saharan Africa rely on local taxes, user fees, intergovernmental transfers, and other revenue sources to finance their budgets (Fjeldstad & Heggstad, 2012). The primary revenue sources include property taxes, business licenses, market fees, parking fees, building permits, land rents, fines and penalties, and revenue from commercial activities or investments (Smoke, 2015; Fjeldstad, 2013). Property taxes often form the largest share of locally generated revenue, followed by business licenses, user fees, and other sources (Fjeldstad & Heggstad, 2012). For example, in Tanzania, property taxes comprise over 50% of local governments' own-source revenue (Fjeldstad & Katera, 2019). The extent of revenue autonomy varies across countries, with local authorities having greater discretion over certain taxes and user fees than others determined centrally (Smoke, 2015). Local taxes and costs must

be more utilised across Sub-Saharan Africa, with substantial gaps between revenue potential and actual collections (Fjeldstad, 2013).

2.1.2.3 Key Factors Influencing Local Revenue Mobilisation

Scholarly research has revealed numerous factors that influence the capacity of local authorities to mobilise revenues from local taxes, fees, and other sources. These factors can be broadly categorised as institutional, administrative, political, economic, and social (Fjeldstad & Heggstad, 2012; Smoke, 2015).

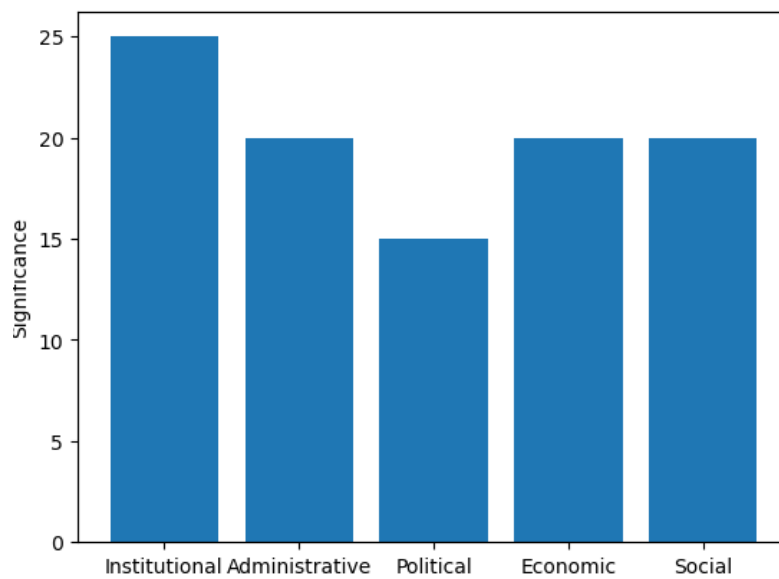


Figure 4: Key Factors Affecting Local Revenue Mobilisation (Fjeldstad & Heggstad, 2012; Smoke, 2015)

Figure 4 illustrates that property taxes comprise the largest share of local government revenue in Sub-Saharan Africa, followed by business licenses, user fees, and other sources. The bar graph in Figure 4 shows that institutional, administrative, political, economic and social factors significantly influence local authorities' capacity to mobilise revenues, with institutional and organisational factors having the most significant impact.

2.1.2.4 Institutional Factors

Several studies point to the institutional frameworks governing local revenue administration as a critical factor. These include the policy, legal, and regulatory systems that determine local authorities' autonomy, responsibilities, instruments, and capacity (Fjeldstad & Heggstad, 2012; Smoke, 2015). Key issues highlighted include unclear divisions of power, complex

bureaucratic procedures, lack of accountability mechanisms, limited enforcement provisions, and inadequate oversight (Jibao & Prichard, 2015; Nyamongo & Schoeman, 2007). For instance, in Sierra Leone, unclear legal mandates and reporting relationships hampered revenue efforts by local councils (Jibao & Prichard, 2015). The central government's control over local tax policy and administration has also emerged as an institutional obstacle in some countries (Kamewe, 2017; Nyamongo & Schoeman, 2007).

2.1.2.5 Administrative Factors

Within local authorities, administrative capacity gaps consistently surface as revenue constraints across studies. These include deficiencies in staffing, skills, infrastructure, information systems, and management practices (Fjeldstad, 2013; Kamewe, 2017). Insufficient staff numbers, lack of trained tax administrators, high turnover, limited taxpayer data, and weak accounting procedures are frequently cited issues (Garaiza, 2014; Giménez & Jolliffe, 2014). For example, a study in Mozambique found that the shortage of qualified financial personnel undermined revenue collection (Weimer, 2012). Corruption among revenue collectors also emerges as an administrative challenge (Kamewe, 2017; Masarirambi, 2013).

2.1.2.6 Political Factors

Research points to various political dimensions affecting local revenue mobilisation. Political interference in revenue administration and resistance to enforcement actions surface in some contexts (Kamewe, 2017; Masarirambi, 2013). Additionally, local political commitment and priorities are highlighted – revenues may not be emphasised if politically unpopular (Jibao & Prichard, 2015; Weimer, 2012). Central-local political dynamics also play a role, as greater local autonomy can enable or hinder revenue efforts depending on the country (Kamewe, 2017; Smoke, 2015).

2.1.2.7 Economic Factors

The structure of local economies influences revenue outcomes through factors like the size of the tax base and formal vs. informal composition (Giménez & Jolliffe, 2014; Masarirambi, 2013). For instance, studies found lower revenue capacity in smaller, poorer districts than in urban areas with more developed formal sectors (Giménez & Jolliffe, 2014; Nyamongo & Schoeman, 2007). The impacts of recessions and economic fluctuations also emerge as factors

affecting collections (Fjeldstad, 2013). High levels of poverty and unemployment likewise constrain revenue mobilisation (Masarirambi, 2013; Weimer, 2012).

2.1.2.8 Social Factors

Citizen knowledge, attitudes, compliance, and accountability relationships shape local revenue performance through social channels (Jibao & Prichard, 2015; Masarirambi, 2013). Lack of taxpayer awareness of obligations, negative perceptions about local governance, and limited civic engagement in budgeting processes are recurring issues (Garaiza, 2014; Kamewe, 2017). Additionally, sociocultural norms related to corruption, the rule of law, and taxation ethics influence compliance (Fjeldstad, 2013; Jibao & Prichard, 2015). For instance, a study in Tanzania found that social attitudes tolerating tax evasion presented challenges (Fjeldstad & Katera, 2019).

This review highlights the multifaceted nature of factors affecting local revenue mobilisation across Sub-Saharan Africa. While specific dynamics vary across countries and regional contexts, common themes emerge around institutional, administrative, political, economic and social dimensions. The following section presents examples from country-specific studies.

2.1.3 Studies in Sub-Sahara African Countries

Giménez and Jolliffe (2014) analysed data from Ghana's local authorities from 1994 to 2011 to assess how local economic conditions influence tax revenue performance. They found that districts with higher poverty rates and larger informal sectors collected significantly less revenue on average. Urbanisation and formalisation of local economies were positively associated with payment, pointing to constraints faced by poorer, rural districts. The results suggested that capacities to tax differed substantially within Ghana depending on underlying economic structures. The authors concluded that centralised revenue policies failed to account for these disparities in local conditions, limiting revenue mobilisation.

Several studies have examined local revenue issues in Tanzania. Kamewe (2017) surveyed local government officials to identify factors affecting property tax collection. Political interference, taxpayer attitudes, poor administration, and inadequate systems emerged as significant obstacles. Officials perceived tax rates as appropriate but cited weak enforcement and corruption as hindering compliance. Fjeldstad and Katera (2019) focused on social norms, finding cultural attitudes accepting tax evasion and bribery challenged revenue collection.

Mascagni et al. (2017) analysed survey data, determining that enhancing taxpayer trust in local authorities increased compliance intentions. They highlighted the need for transparency, accountability and responsiveness.

A set of studies in Kenya pointed to administrative and institutional constraints. Garaiza (2014) found that staff shortages, poor systems, corruption, political interference and weak legal frameworks limited county revenue efforts. Kiraka et al. (2013) emphasised the policy gaps, unclear divisions of authority and limitations of information systems. Iravo et al. (2015) assessed staff capacity issues, recommending training programs to improve skills. Masarirambi (2013) highlighted the impacts of informality, poverty, attitudes, and corruption on local tax compliance.

Research in Nigeria identified similar limitations in local administrative and technical capacity. Onugu (2005) stressed that inadequate staffing and skill gaps undercut revenue performance. Babatunde (2011) found that poor records and accountability systems led to leakages. Adesoji and Chike (2013) noted deficiencies in billing, metering, and operations procedures. A major study by the UK's Department for International Development (2007) determined that local authorities lacked necessary expertise in financial management, accounting and revenue administration.

An analysis of local councils in Sierra Leone by Jibao and Prichard (2015) revealed unclear legal mandates, limited autonomy, low capacity, and weak political commitment, which stymied revenue collection. They noted that sociocultural norms related to corruption and attitudes toward taxation and governance also presented challenges. More infrastructure and taxpayer data need to be improved.

In South Africa, studies focused on administrative and compliance issues. Musgrave and Musgrave (2004) emphasised corruption, poor enforcement and weak accountability systems. Fjeldstad (2006) highlighted non-compliance among small businesses. Smulders et al. (2014) found that billing inaccuracies and metering issues reduced collections. Highlighting social factors, Kirchler et al. (2008) determined that trust in government increased tax compliance intentions.

2.1.3.1 Cross-Country Comparisons

A few studies have conducted cross-country comparisons of local revenue mobilisation in Sub-Saharan Africa. Fjeldstad and Heggstad (2012) analysed local government finances in Tanzania, Ghana and Uganda. They found deficiencies in administrative capacity, taxpayer compliance, political support, and intergovernmental fiscal frameworks constrained revenue collection across all three countries. Smoke (2015) reviewed trends in decentralisation and local finances across multiple African countries. He concluded that institutional weaknesses in policy, accountability, and autonomy limited revenue performance in local regional authorities. While specific dynamics differ, the cross-country analyses reinforce the importance of addressing systemic administrative, institutional, political and social factors to strengthen local revenue mobilisation capacity.

2.1 Lusaka City Council

Local government in Zambia is critical in providing public services and infrastructure to their communities. A key determinant of their capacity to deliver on this mandate is the ability to mobilise adequate revenues from local taxes, fees, levies and other sources. However, many Zambian local authorities need to work on revenue collection, resulting in financial constraints that undermine service delivery and development (Mushota, 2013).

Lusaka City Council (LCC) is no exception. As the capital city, LCC provides services to Zambia's most significant and fastest-growing urban population. Nevertheless, its revenue performance falls far short of potential and need. In 2017, LCC had an estimated revenue collection rate of only 30-40% of possible revenues across different sources (Lusaka Times, 2017). Low collections have persisted amid rapid population growth and increasing demand on the council.

This section examines factors influencing LCC's revenue performance based on scholarly research conducted in the Zambian and sub-Saharan African context over the past seven years. It provides an overview of empirical evidence on critical local revenue collection capacity determinants. The review is structured around three major themes that emerge from studies on LCC and other regional urban councils: 1) the organisation and administration of revenue collection, 2) taxpayer compliance and engagement, and 3) the broader institutional environment.

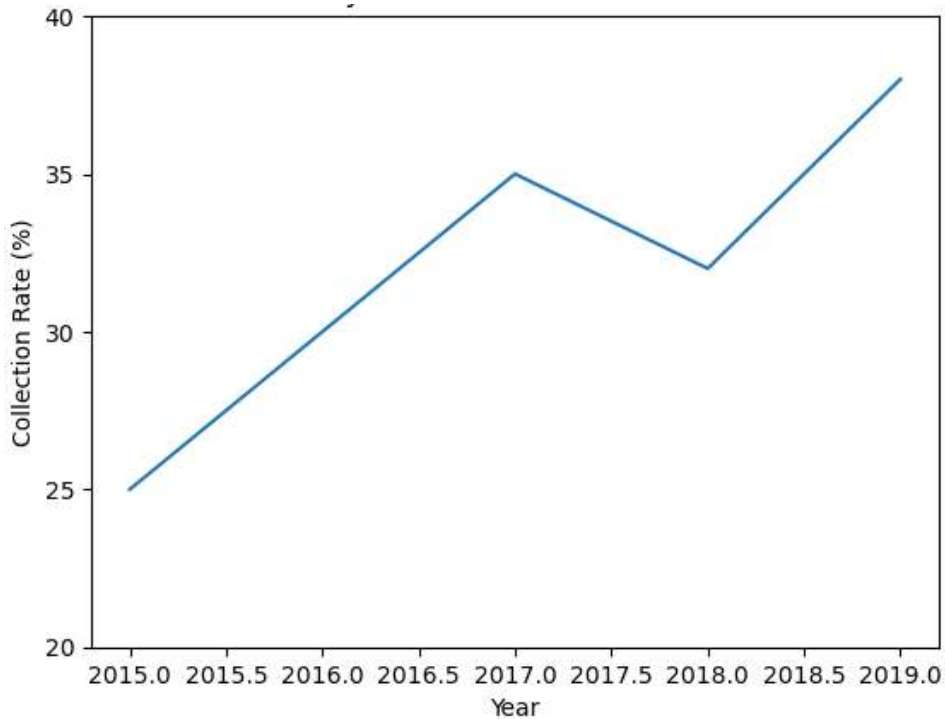


Figure 5: Lusaka City Council Revenue Collection Rate (Lusaka Times, 2017)

Figure 5 This chart shows the revenue collection rate for Lusaka City Council from 2015 to 2019. The rate increased from 25% in 2015 to a peak of 38% in 2019. However, the text annotation points out that despite this increase, the collection rate remains low compared to LCC's revenue potential.

2.1.1 Revenue Sources

Lusaka City Council collects revenue from several key sources, including local taxes/rates, fees, and rentals/leases of council property. Local taxes and rates comprised the largest revenue stream in 2021 at over 4.8 million ZMW. This included residential rates of 4.8 million ZMW, industrial/commercial rates of 1.9 million ZMW, and personal levies of 524,000 ZMW.

Fees were the second major revenue source, generating over 30,000 ZMW. The main contributors were building inspection fees at nearly 1.5 million ZMW, survey fees at 205,000 ZMW, and market fees at 243,000 ZMW. Other fee income came from consent fees, plan scrutiny, container fees, and application forms.

Finally, LCC earned additional revenue from rentals and leases on council properties. In 2021, this included around 1,200 ZMW from rental houses and 9,700 ZMW from search plan fees.

While smaller than taxes and fees, rentals provide a third revenue stream supporting LCC's fiscal position.

These statistics on LCC's sources of income highlight the importance of property taxes, user fees on services, and income from commercial council assets in financing urban operations and services. Strengthening these revenue streams through policy, administration and compliance initiatives is vital for enhancing LCC's financial sustainability. The next section reviews studies on factors impacting revenue collection for such local authorities.

2.2 Review of similar studies

The first set of factors relates to how the local authority handles and administers revenue collection activities. These include revenue personnel's knowledge and skills, technology adoption, enforcement practices, and corruption.

The knowledge, skills and experience of staff directly involved in billing, assessment, collection and enforcement have significantly influenced revenues. Across sub-Saharan Africa, inadequate capacity among revenue collectors is widely acknowledged as a barrier to local revenue mobilisation (Fjeldstad & Heggstad, 2012; Garaiza, 2014; Nkuna, 2021); this has been linked to insufficient recruitment, lack of training, poor remuneration and high turnover among revenue collectors in many urban councils.

In Zambia, several studies highlight revenue personnel's limited knowledge and skills as a critical challenge facing LCC and other local authorities. Kanyamuna (2016) notes that many revenue collectors need help understanding relevant laws, regulations and procedures. Meanwhile, Mushimbwa's (2020) study of Gwembe District Council found that revenue staff had training in record keeping, taxpayer services, auditing and enforcement. Lack of continuing education was seen as hampering the implementation of new legislation and collection approaches.

Beyond frontline staff, researchers also point to gaps in specialised expertise for data analysis, forecasting, auditing, and legal support (Malambo & Muzyamba, 2016; Mulenga & Sampa, 2019). Such skills deficits undermine efforts to maximise revenues through approaches tailored to specific taxpayers and income streams.

Adopting information technologies has also emerged as an essential factor related to capacity constraints. Manual, paper-based billing, recording, monitoring and reporting systems remain prevalent across urban councils in Zambia (Kanyamuna, 2016; Malambo & Muzyamba, 2016); this results in inefficient processes and limited oversight of collections.

Mercy's (2016) Kenyan study found that computerised systems enabled better record-keeping, data sharing and analysis to support enforcement and new revenue streams. While LCC has made some progress in automating operations, systems still need to be fully implemented and integrated (Malambo & Muzyamba, 2016). Upgrading technology capacity is vital to improving revenue outcomes through more accurate billing, robust databases and real-time performance monitoring.

The enforcement practices of local authorities also shape revenue performance. Weak monitoring and penalties for non-compliance are widely cited as enabling low payment rates (Fjeldstad & Heggstad, 2012; Nkuna, 2021). In Lusaka, Auditor General reports frequently note lax enforcement of tax obligations across different revenue sources (Auditor General, 2018).

Studies highlight challenges in enforcement stemming from capacity constraints, including lack of transport for inspection, understaffing in monitoring, and delays in following up defaulters (Kanyamuna, 2016; Malambo & Muzyamba, 2016). At the same time, political interference in enforcement actions against prominent business owners has been noted as a problem (Lusaka Times, 2013).

Beyond capacity, some researchers also point to reluctance among revenue collectors to enforce payment strictly for fear of community backlash (Kanyamuna, 2016; Mudenda et al., 2016). More vigorous enforcement is seen as essential but requires addressing internal and external constraints.

Corruption within revenue departments significantly drains local revenue collection across sub-Saharan Africa (Fjeldstad & Heggstad, 2012). In Zambia, corruption among revenue officers is widely acknowledged, with various forms observed, including bribe-taking, collusion with taxpayers, and misappropriation of funds (Kanyamuna, 2016; Malambo & Muzyamba, 2016).

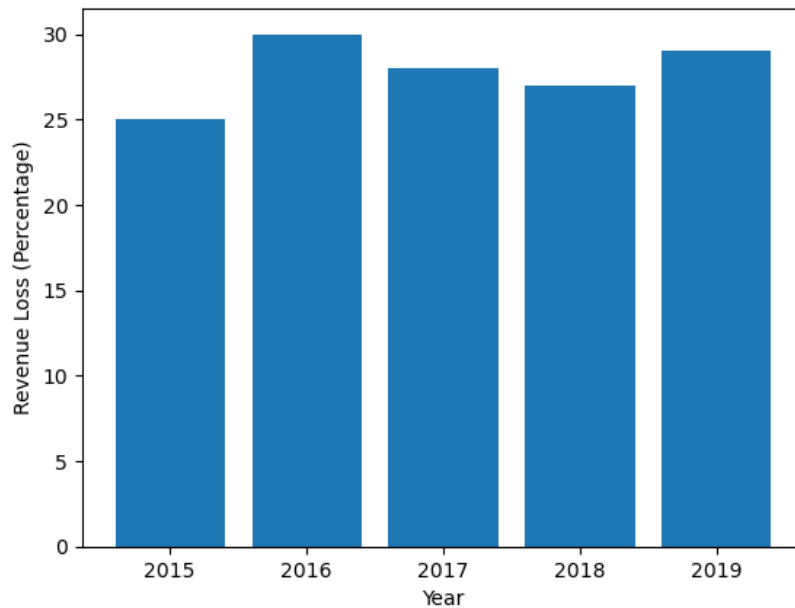


Figure 6: Revenue Lost Due to Corruption (LGAZ, 2016)

Figure 6 illustrates the percentage of revenue lost due to corruption at LCC each year from 2015 to 2019. The portion lost hovers around 30% annually, with the text annotation highlighting that around 30% of LCC's revenue is lost to corruption each year; this is a significant amount of income that needs to be collected properly.

While difficult to quantify, available evidence suggests corruption results in significant revenue leakage for urban councils. The Local Government Association of Zambia (LGAZ) estimates that up to 30% of local revenue collections are lost through corruption (LGAZ, 2016). An analysis of LCC operations found numerous internal control weaknesses enabling mismanagement and graft (Malambo & Muzyamba, 2016).

Tackling corruption is pivotal to improving revenue outcomes by reducing leakages and improving taxpayer compliance. However, researchers caution that corruption often thrives due to broader institutional failures in accountability, oversight, remuneration and prosecution (Devas & Kelly, 2001).

2.2.1 Taxpayer Compliance and Engagement

A second set of factors relates to taxpayer knowledge, attitudes, compliance, and engagement with revenue collection processes. These demand-side factors shape citizens' and businesses' willingness and capacity to meet tax, fee and levy obligations.

Among taxpayers, inadequate knowledge and negative attitudes toward local taxes and charges are cited as fuelling non-compliance across sub-Saharan Africa (Fjeldstad & Heggstad, 2012; Nkuna, 2021). Studies in Zambia note low awareness and unfavourable perceptions of local revenue obligations among citizens and businesses (Kanyamuna, 2016; Malambo & Muzyamba, 2016).

Researchers observe a limited understanding of liability for different taxes, fees and levies among Lusaka residents and enterprises (Kanyamuna, 2016; Mulenga & Sampa, 2019). For example, Mushimbwa (2020) found that market traders needed to learn more about the local council's daily levy rates; this contributes to deliberate or accidental underpayment.

Underpinning compliance problems are distrust and dissatisfaction with the local authority over poor services, lack of expenditure transparency, and perceived over-taxation (Kanyamuna, 2016; Malambo & Muzyamba, 2016). Negative attitudes reinforce resistance to revenue compliance.

The issue of voluntary compliance is closely related and remains low among Lusaka taxpayers (Kanyamuna, 2016; Malambo & Muzyamba, 2016). Researchers observe that most citizens and businesses only pay if compelled through enforcement actions. As Mulenga and Sampa (2019, p.62) note, "There is reluctance by the business community to comply with tax obligations voluntarily"; this has significant revenue implications, given the costs associated with monitoring and enforcement. Voluntary compliance is undermined by inadequate taxpayer knowledge, dissatisfaction with council services and spending, and perceived inequities and complexities in local tax policies (Kanyamuna, 2016; Malambo & Muzyamba, 2016).

Finally, LCC's lack of effective taxpayer engagement and education dampens compliance and collections. Studies point to significant gaps in public outreach by the local authority to inform citizens and enterprises about revenue obligations (Kanyamuna, 2016; Malambo & Muzyamba, 2016).

Kanyamuna (2016) notes that communication tends to be one-way, focused on enforcement rather than dialogue and cooperation. More open and responsive engagement with taxpayers is vital to improving awareness, trust and voluntary compliance over the long term (Malambo & Muzyamba, 2016; Mulenga & Sampa, 2019).

2.2.2 Institutional Environment

A third set of factors relates to LCC's institutional environment, which shapes the incentives, constraints and relationships affecting revenue performance. Key aspects include local political dynamics, central government policies, and bureaucratic culture.

Local political interference is cited as undermining revenue collection in African urban councils (Fjeldstad & Heggstad, 2012). In Lusaka, researchers note that revenue collection needs to be improved by political pressure on council operations. Elected officials and political elites have been observed interfering in billing, enforcement, procurement and staffing to serve partisan and personal interests (Malambo & Muzyamba, 2016; Mulenga & Sampa, 2019). For instance, councillors reportedly obstruct penalties against businesses that support them financially. Such political meddling breeds mismanagement, hampers enforcement on powerful actors, and undermines the morale and effectiveness of revenue personnel. Tackling these governance problems is seen as crucial but constrained by patronage politics and weak checks and balances at the local level.

2.3 Gaps in Literature Reviewed

The literature review synthesised studies on factors influencing local government revenue mobilisation, focusing on the Zambian and Sub-Saharan African contexts. While providing valuable insights, the reviewed literature reveals several gaps in this study.

Few studies take a comprehensive approach to investigating the multifaceted drivers of revenue underperformance. Most existing research concentrates on a limited subset of issues, frequently isolated administrative or compliance challenges (Kanyamuna, 2016; Mercy et al., 2016; Onungu, 2005). However, Fjeldstad and Heggstad (2012) emphasise that a holistic understanding is needed; this study helps fill this gap by gathering perspectives from taxpayers, officers and experts using mixed methods to assess how awareness, compliance, administrative capacity, institutions and politics interdependently shape revenue outcomes.

The political dimensions of revenue mobilisation are underexplored in the Zambian context despite evidence of their influence from Sub-Saharan Africa studies (Fjeldstad & Heggstad, 2012; Kamewe, 2017). While Malambo and Muzyamba (2016) and Mwiya et al. (2019) reference political interference as an issue in Zambian urban councils, they do not provide an

in-depth investigation; this research addresses this gap by examining interference forms, impacts and reforms needed, enabling new insights.

Few studies evaluate the effectiveness of enforcement practices in improving compliance in Zambian local authorities. While the literature widely acknowledges graft and non-payment as key challenges (Fjeldstad, 2006; Mudenda et al., 2016), evidence on tailored solutions from the Zambian perspective is limited; this study's scrutiny of punishment perceptions and preferences helps bridge this gap to guide enforcement policy.

There is a notable absence of taxpayer perspectives despite their centrality in revenue mobilisation (Fjeldstad & Heggstad, 2012). Zambian studies concentrate on administrative dimensions, rarely empirically capturing citizen and business attitudes through surveys or interviews; this risks public outreach and engagement deficiencies; this research addresses this gap through mixed-methods taxpayer participation to inform policy and practice directly.

Comparative assessments of revenue performance determinants across different local authorities and regions are limited, constraining generalisability (Yilmaz & Dollery, 2015). Most studies focus on isolated councils like MDC (Mushi, 2013), Chama (Mushota, 2013) and LCC (Malambo & Muzyamba, 2016). While some provide cross-country analysis (Fjeldstad & Heggstad, 2012), Zambian comparisons are missing. This study contextualises findings in the broader decentralisation landscape, strengthening external validity.

Scholars note that empirical evidence on local revenue mobilisation strategies tailored to developing countries remains inadequate to guide policy (Jibao & Prichard, 2015; Ndegwa & Levy, 2003); this study compiles reform suggestions from citizens, officials and experts that respond to Zambia's unique institutional and economic conditions. Additionally, it employs relevant theories like portfolio theory (Chitembo, 2009) to inform recommendations.

While existing studies provide valuable insights, gaps persist relating to the need for 1) Holistic analysis of the multifaceted factors constraining revenue mobilisation; 2) Examination of political interference forms, impacts and solutions; 3) Investigation of punishment effectiveness for compliance; 4) Inclusion of taxpayer perspectives; 5) Comparative assessments across contexts; and 6) Evidence-based policy solutions responding to local conditions. The study addresses these gaps through an in-depth mixed-methodology of revenue collection challenges at LCC to provide comprehensive, contextualised and actionable findings that advance scholarly understanding and practice.

2.4 Lessons Learnt

The literature review synthesizes global research on factors influencing local government revenue collection over the past decade, yielding several vital lessons that can inform efforts to strengthen revenue mobilization capacity.

Firstly, the studies emphasize that revenue diversification is critical to minimize risk and stabilize collections over time. Reliance on only one or two sources of revenue is risky for local authorities, as shortfalls in major streams create funding crises. Local governments should thus work to identify and leverage multiple viable taxes, fees, levies and other revenue streams that align with their jurisdiction's underlying economic base. Employing portfolio theory and diversification principles enables the creation of an optimal structure resilient to economic fluctuations (Chitembo, 2009).

Secondly, the evidence affirms that own-source revenue enhances accountability to local taxpayers and incentivizes more efficient and productive resource mobilization and allocation versus heavy reliance on intergovernmental transfers. However, substantial capacity building is needed across staffing, systems and procedures to realize this potential through improved local tax efforts. Central policy and training programs are vital in cultivating these capabilities (Smoke, 2015).

Thirdly, research underscores that taxpayer knowledge, attitudes and compliance levels are critical determinants of revenue performance. Targeted educational campaigns to propagate understanding of tax obligations, balanced enforcement mechanisms perceived as fair, and strengthening ethics and tax morale all positively shape revenue collections. Local authorities must prioritize taxpayer perspectives and behaviours to maximize voluntary contributions (Lumumba et al., 2010).

Studies demonstrate that centralised political interference in local revenue policy and administration and local elite resistance commonly undermine reform efforts and outcomes. Reducing partisan influence through legislative, institutional and accountability changes that shield technical operations from political meddling can enable local authorities to take steps to improve performance. Political dynamics must be factored into mobilization initiatives (Fjeldstad & Heggstad, 2012).

Fifthly, the literature highlights that administrative deficiencies in staff skills, adoption of new technologies, taxpayer engagement and data systems significantly constrain revenue potential. Targeted reforms to core organizational processes and capacities related to assessment, billing, collection, auditing and enforcement are impactful. Investing in people and digital infrastructure is vital (Weimer, 2012).

Sixthly, the research emphasizes that a nuanced approach combining the facilitation of formalization alongside modest, well-targeted enforcement actions helps incrementally broaden tax bases over time in contexts characterized by large informal sectors. Repressive blanket enforcement risks counterproductive by pushing firms further into informality (Joshi et al., 2014).

Finally, the evidence cautions that no one-size-fits-all solutions for strengthening local revenue mobilization exist. Reforms must be carefully tailored to respond to each jurisdiction's unique political, economic and social realities to be feasible and effective. No templates can be imported without adaptation (Jibao & Prichard, 2015).

The accumulated knowledge indicates that a multifaceted strategy tackling lack of taxpayer knowledge, ingrained attitudes of resistance, weak administrative systems and procedures, corruption, and political interference can substantially improve local government revenue outcomes. However, complexity demands comprehensive, context-specific approaches centred on collection performance's institutional and behavioural drivers.

CHAPTER 3

THEORETICAL AND CONCEPTUAL FRAMEWORK

3.0. Theoretical Framework

To comprehensively understand the factors affecting revenue collection at LCC, the researcher reviewed four relevant theories that align with the topic under study. These four theories are discussed below and justified according to their applicability to the research problem.

3.0.1 Portfolio Theory

The Portfolio theory provides insights into the relationship between the economic base, revenue diversification and revenue stability (Chitembo, 2009). It suggests that revenue diversification affects revenue stability through its interaction with the monetary base of various sectors; this provides the groundwork for a well-defined government tax structure. When this tax structure interacts with the regional economy, reflected by economic output levels, it generates the revenues that maintain the daily functions of a government. Whether the revenue flow is stable has significant implications for the financial position and continuity of governmental service delivery (English & Guthrie, 2003).

The theory is relevant to this study as it emphasises matching the economic base with an appropriate diversified tax structure to improve revenue stability. Since the economic base varies across regions, this theory provides a framework to analyse the economic base of the LCC area and identify a compatible tax structure to stabilise its revenues.

3.0.2 Theory of Sustainability

The sustainability theory describes an economic and social system that can be sustained indefinitely (Ekardt, 2018). Financial sustainability involves supporting a defined level of economic production over the long term (Thwink, n.d.). This theory is applicable as the study examines LCC's financial viability and sustainability. Walbrugh (2015) states that a viable municipality has a sound tax base, likely economy, low dependence on grants, and sound financial governance. The principles of continuity in planning and balanced cash flows are also sustainability indicators (Corporate Synergies Australia, 2013).

3.0.2 Theory of Reasoned Action

This theory suggests that a person's behaviour is determined by their intention, which is influenced by their attitude and subjective norms (Trafimow, 2019). Changing these can modify behaviours. Mavhungu (2011) notes that revenue collection challenges may result from ingrained non-payment behaviours and attitudes. Applying this theory can help identify how to influence these to improve collections positively.

3.0.3 Theory of Crime

Formulated by Becker (1968), this theory examines how detection and penalties deter non-compliant behaviours like tax evasion (Allingham & Sandmo, 1972). It suggests that higher penalties and detection probability prevent evasion. However, overly punitive measures may increase non-compliance (Murphy & Harris, 2017). This theory provides a framework for analysing whether LCC's penalties and enforcement are optimally balanced to maximise revenue collection.

The four theories provide complementary lenses to examine the research problem from economic, financial, social-psychological, and legal perspectives. Together, they provide a robust theoretical foundation to analyse the factors affecting LCC's revenue collection comprehensively.

3.1 Conceptual Framework

The conceptual framework outlines relationships between key independent variables - political interference, accountability, and punishment of defaulters - and the dependent variable of revenue collection at Lusaka City Council (LCC). Political interference through patronage and exemptions, weak accountability mechanisms in reporting and auditing, and tax punishments on non-compliant taxpayers can negatively impact revenue outcomes. The model suggests minimising partisan influence and strengthening financial oversight, transparency, and deterrence through strategic penalties on defaulters, which can improve revenue performance.

3.1.1 LCC Collection Strategies

The LCC needs robust revenue collection strategies to collect significant revenue sources. An independently elected team of officers should assess the revenue sources at least once a year to determine the actual collectable revenue from each source (Jones, 2019). The council

procurement procedure and Act of 2011 should be followed in the tendering process to secure a competent and honest revenue-collecting agent. If all these are followed and done accordingly, revenue collection by the LCC will increase (Williams & Davis, 2020).

3.1.2 Human Resource Factor

The existence of corrupt acts, poor mutual respect and cooperation between taxpayers and revenue collectors and incompetency of revenue collectors negatively affect revenue collection at Lusaka City Council (Lee et al., 2018).

3.1.3 Internal Controls

The presence of adequate internal controls increases transparency and accountability among revenue collectors, boosting the amount of revenue collectable within the jurisdiction of the LGA. Also, the presence of many revenue sources, reasonable returns given to revenue collectors and efficient tax administration increase the revenue expected to be collected in the respective LCC (Johnson, 2016).

3.1.4 Tax Laws Preparation Process

Suppose all levels are involved in the by-laws-making process. In that case, LGA stakeholders like ward levels, merchants, region, etc., revenue collection in LGAs would be affected positively since they would be aware of the laws (Patel & Singh, 2014).

3.1.5 Tax Evasion

Taxpayers evade tax for various reasons, for example, by giving low returns to tax collectors for the tax they have paid, when tax rates are too high, lowering taxable value, tax collectors having no working equipment like transport means, lack of training on how to control tax collections, overall tax collection automatically gets reduced (Wilson & Peters, 2013).

3.1.4 Economic Activities

Taxes are charged on goods and services sold and produced; this means that if there are many economic activities, productivity will culminate in high revenue collection by the council (Anderson, 2020).

3.1.5 Political Interference

Political interference may exempt some businesses or enterprises from paying rates or taxes to the local authorities during the electoral period or politicians' interfering process. At times, elected politicians refrain from repaying revenue agents to charge taxes. Thus, revenue collection is negatively affected dramatically when all these happen. Some politically aligned businessmen and women may refrain from paying taxes and are not punished, and the problem may grow out of hand (Thompson, 2021). The relationship between independent and dependent variables was that independent variables directly impacted the dependent variables. Refer to Figure 7. The conceptual framework highlights the probable link between the factors affecting revenue collection by LCC as independent variables.

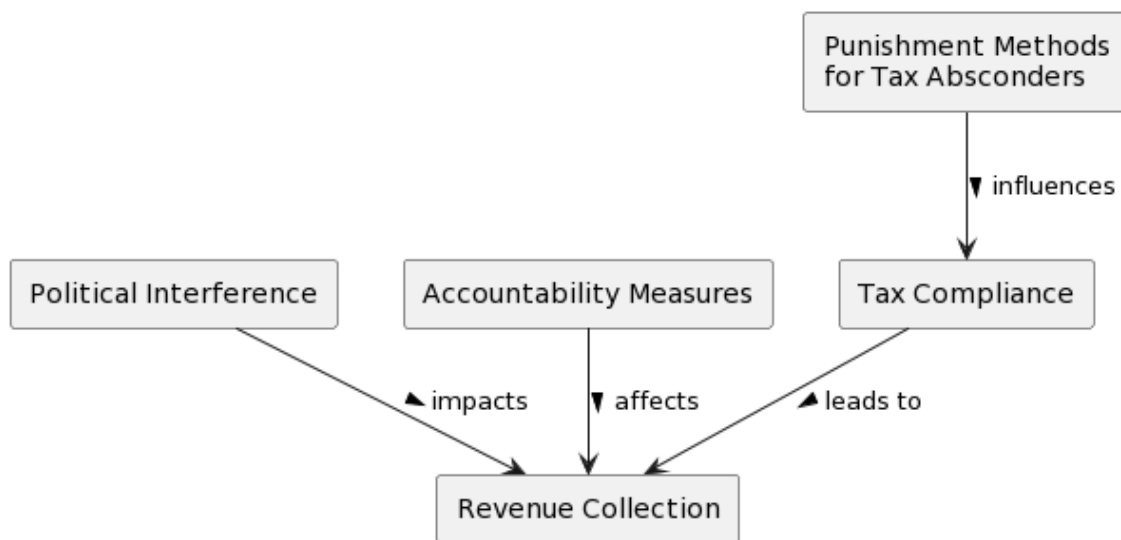


Figure 7: Conceptual Framework (Source: Author's design, (2022))

CHAPTER 4

METHODOLOGY

4.0 Introduction

This chapter outlines the research design, study area, research data, data collection, population, sample unit/unit of inquiry, sample size, sampling method, research tools, research instruments, and data analysis employed in the present study.

4.1 Research Philosophy

The present study adopted a pragmatic research philosophy, utilising qualitative and quantitative research approaches. Practical philosophy was deemed the most suitable for this mixed methods research design. Adopting a pragmatic stance allowed for methodological flexibility and an in-depth understanding of the research issues through integrating qualitative and quantitative data (Maxwell, 2016).

4.2 Research Design

A mixed methods research design comprising both qualitative and quantitative approaches was selected for this study. This design provides complementary insights and enables triangulation through collecting and analyzing different data types related to the research issues (Creswell & Creswell, 2018). The rationale for choosing a mixed methods approach is multifaceted.

Firstly, using both quantitative and qualitative methods provides more comprehensive and multi-faceted data to address the study's objectives than either approach alone. The quantitative data facilitates statistical analysis of factors influencing revenue collection, while the qualitative data offers rich, descriptive insights into participants' perspectives and experiences. Combining these two forms of data leads to a more complete understanding.

Secondly, integrating quantitative and qualitative data promotes deeper understanding through convergence and corroboration of findings. For instance, quantitative results revealing low taxpayer compliance can be explained via qualitative data on attitudes and perceptions. Using mixed data strengthens the conclusions.

Thirdly, combining structured questionnaires with open-ended interviews and focus groups enables gathering empirical evidence alongside detailed narratives to gain a holistic view of the research problem. Quantitative and qualitative techniques are complementary.

Fourthly, using mixed methods strengthens the validity and reliability of the results through data triangulation. Consistent quantitative and qualitative findings reinforce the conclusions. Triangulation adds rigor.

Fifthly, adopting a mixed methods pragmatist philosophy provides methodological flexibility to employ the most appropriate data collection and analysis techniques for each research objective. Pragmatism facilitates a tailored approach.

Finally, the multifaceted nature of the research problem suits a mixed approach, leveraging the strengths of both quantitative and qualitative methodologies. As Creswell and Creswell (2018) suggest, mixed methods are ideal for complex research questions. The complexity justifies mixed methods.

Using mixed methods leverages the strengths of quantitative and qualitative approaches to derive robust, nuanced insights. This balancing of depth and breadth of data aligns with the aims of the study. The rationale draws on triangulation logic, complementarity, methodological pragmatism and the complexity of the research problem. Consequently, a mixed methods design was determined as optimal for this research.

4.3 Target Population

The target population refers to the entire group of individuals or objects to which researchers aim to generalise their findings (Ngechu, 2004). For the present study, the target population comprises LCC's Departments of Public Health, City Planning, Housing, Finance, Human Resources, and Engineering staff. Specifically, senior management in finance, middle management, and lower management involved in revenue collection were included. The total target population engaged in revenue collection at LCC was estimated at approximately 2745 (Table 2). This population was selected as these departments were deemed to possess pertinent information for achieving the study's objective of determining factors impacting LCC's revenue collection. Only 30 non-administrative council officers were used in the sample for this research. The study also targeted a population of 150 taxpayers.

Table 2: The Total Target Population (Source: Human Resource Workers Register)

Department	Top Management	Middle management	Lower management
Public Health	19	45	386
City Planning	41	8	10
Housing	31	163	269
Finance	36	222	81
Human Resources	22	267	571
Engineering	29	249	297
Total	178	954	1614
Grand Total			2746

4.4 Sample Size and Sample Size Determination

Cooper and Schindler (2012) stated that the sample size is the selected element or subset of the population to be studied. The initial sample size for this study was determined based on the different data collection methods.

For questionnaires, the initial sample comprised 100 taxpayers and 30 council officers. Taxpayers were included in the study to gather data on their perspectives, attitudes, and experiences with tax compliance and revenue collection at LCC. Council officers across departments involved in revenue collection operations were selected to provide insights into the administrative, policy and other factors affecting LCC's fiscal performance.

For focus groups, the initial sample had 5 groups of 10 members each, totalling 50 participants. Focus groups enabled the gathering of qualitative insights through open discussions among taxpayers on issues, perceptions and experiences with LCC revenue systems.

Lastly, the initial sample size for key informant interviews was 5 strategic council officers. In-depth interviews with senior officials offered qualitative data on the institutional, political and capacity factors impacting revenue mobilisation based on their expertise and vantage point.

The initial sample size combining the different data collection approaches was 185, comprising 100 taxpayers for the questionnaire, 30 non-administrative council officers for the

questionnaire, 50 taxpayers through focus groups, and 5 key informant interviews with administrative council officers.

This sample size aligns with Holloway and Wheeler (2002), who asserted that sample size did not influence the importance or quality of the study. They noted no guidelines for determining sample size in qualitative research. The sample may evolve during data collection until saturation when no new information emerges (Holloway, 1997). Based on this, the outlined initial sample targeting relevant groups was deemed suitable.

4.5 Data Collection

The initial sample was collected qualitatively and quantitatively through interviews and questionnaires. Using mixed methods provides a comprehensive understanding of the research problem (McKim, 2017).

Structured questionnaires were administered to the initial 100 taxpayers and 30 council officers. Combining open-ended and closed-ended questions enables statistical analysis and explanatory insights (Sreejesh et al., 2014). The questionnaires gathered categorical data through closed-ended and descriptive data through open-ended questions on perspectives and factors affecting LCC revenue collection.

Focus groups were conducted with the 5 groups of 10 taxpayers each. Focus groups generate insights through participant interaction (Kamberelis & Dimitriadis, 2022). The discussions enabled the gathering of perceptual data through taxpayer conversations on issues with LCC's revenue systems.

Key informant interviews were carried out with 5 senior administrative council officers. Interviews collect in-depth data through researcher-participant dialogues (Moser & Korstjens, 2018). The expert interviews provided insights on institutional, political and capacity factors impacting LCC's revenue mobilisation.

Using mixed instruments enables qualitative and quantitative data triangulation for rigorous, multifaceted outcomes (McKim, 2017; Sreejesh et al., 2014). The primary data was supplemented by secondary data from government reports, publications, and prior studies gathered through desk research.

4.6 Sampling and Sampling Technique

The study used both probability and non-probability sampling approaches to select participants.

For the taxpayer questionnaire, probability simple random sampling was used. The sample size was calculated using the formula (Bartlett et al., 2001):

$$n = Z^2 p(1-p)/e^2$$

Where:

n = required sample size

Z = Z value corresponding to the level of confidence (1.96 for 95% confidence level)

p = expected proportion of taxpayers with a particular characteristic (0.5 used for maximum variability)

e = margin of error or precision (0.05)

Adjusting this for a finite population of 150,000 taxpayers in Lusaka gives a final sample size of:

$$n = 384 / (1 + (384/150,000))$$

n = 100 taxpayers

The correction formula (Singh & Masuku 2014) gave a final sample of 100 taxpayers.

For the questionnaire with council officers, nonprobability purposive sampling was used to intentionally select 30 participants from departments directly involved in revenue collection based on their knowledge and experience (Etikan et al., 2016).

The sample size of 30 non-administrative council officers was determined using nonprobability purposive sampling based on the following justifications:

1. Purposive sampling enables the intentional selection of information-rich cases to provide in-depth insights into the phenomenon of interest (Etikan et al., 2016). The goal was to gather perspectives from council officers with extensive knowledge and experience with LCC's revenue operations.
2. As LCC has over 2700 employees, it would be infeasible to reach all potential participants. Purposive sampling allows for focusing on a smaller but highly relevant sample, given time and resource constraints (Etikan et al., 2016).

3. The literature suggests that for purposive samples, data saturation often occurs around 30 participants (Guest et al., 2006). As the goal was to gather qualitative insights on factors affecting revenue collection, a sample of 30 officers was deemed sufficient to reach saturation.
4. Across nonprobability sampling techniques, a sample size of 30 enables collecting enough data to sufficiently describe and quantify perceptions among the target group (Onwuegbuzie & Collins, 2007).
5. Comparable studies on local revenue mobilisation in developing countries have used similar purposive sample sizes of 20-30 participants (Kamewe, 2017; Nkwe, 2013; Mushi, 2013); this provided a reasonable benchmark.
6. The sample size of 30 non-administrative officers combined with 100 taxpayer questionnaires, 5 focus groups, and 5 key informant interviews amounted to a robust sample of 185 participants. This comprehensive sample facilitated data triangulation (Sreejesh et al., 2014).

The purposive sample size of 30 non-administrative council officers balanced feasibility with the ability to gather insightful quantitative data representative of staff perspectives at LCC. The multimodal data collection design allowed for reaching theoretical saturation. The size was justified by sampling principles, precedents, and the study's objectives.

For the 5 focus groups, nonprobability purposive sampling selected taxpayers with various backgrounds and experiences to enable rich discussions (Palinkas et al., 2015).

Lastly, for the key informant interviews, nonprobability purposive sampling intentionally identified 5 senior administrative council officers possessing expertise on factors affecting revenue collection (Etikan et al., 2016).

The sample size combining the approaches was 185, suitable for gathering comprehensive insights within the study's time and resource constraints.

4.7 Data Analysis

The quantitative data from the questionnaires administered to the random sample of 100 taxpayers and the purposive sample of 30 council officers were analysed using IBM SPSS Statistics Version 26 (Pallant, 2020). Univariate analysis was conducted to describe the

variables' distribution, central tendency and dispersion through appropriate statistics such as frequencies, percentages, means and standard deviations (Gray et al., 2017).

Bivariate analysis using cross-tabulations, chi-square tests, correlations, t-tests and ANOVA was performed to determine statistical relationships between key independent variables.

Multivariate analysis employing multiple linear and logistic regression was undertaken to model the predictive capabilities of factors like transparency, accountability, tax knowledge and political interference on revenue collection levels and the likelihood of achieving targets, controlling for confounding influences (Pallant, 2020; Peng et al., 2002). Additionally, exploratory factor analysis identified and grouped correlated questionnaire items into common factors based on shared variance that may help explain dimensions driving revenue performance (Child, 2006).

The qualitative data gathered through open-ended questions, focus group discussions and key informant interviews were thematically analysed using NVivo 12 software (Nowell et al., 2017); this involved 1) Reading and re-reading the textual data for immersion and comprehension; 2) Conducting inductive, data-driven open coding to assign descriptive labels to meaningful segments of data; 3) Critically examining codes to develop higher-order categories and themes based on pattern recognition; 4) Defining, reviewing, refining and naming salient themes; 5) Crafting a rich, interpretive narrative summarising the qualitative findings. Additionally, content analysis was performed to systematically quantify key terms and concepts emerging from the transcripts, providing supplementary numerical data to complement the thematic analysis (Vaismoradi et al., 2013).

Triangulation of the extensive statistical analyses of the quantitative data and multi-level qualitative evaluations of the textual data facilitated robust, comprehensive integration of the findings to produce a mixed methods interpretation addressing the study's objectives, consistent with best practice guidance on dissertation research design (Bryman, 2006; Creswell & Creswell, 2018).

4.8 Validation and Reliability of Instruments

4.8.1 Validity of Instruments

The content validity of the instruments was ensured by constructing them within the strict confines of the study objectives and reviewing the literature to guarantee that they measured

what they ought to measure (Creswell, 2018). Validity was also ensured through the supervisor, who checked the instrument before entering the field, and the research committee, including early childhood education experts (Smith, 2020).

4.8.2 Reliability of Instruments

The split-half reliability technique was employed to ascertain that the instruments were authentic. Thus, the study items in the research instruments were split into two halves. After that, Cronbach's alpha was used to correlate the two halves using Spearman's correlation coefficient (ρ) to determine the reliability of the study instrument before being deployed in the field (Kline, 2005). The resulting coefficient of 0.82 indicated a high level of internal reliability.

4.9 Ethical Considerations

An introductory letter was obtained from the school for data collection to Taxing authorities at Lusaka City Council. The study ethics included consultation of the participants on whether they wanted to participate in answering the questionnaire, which was provided to key informants. The participants were informed about the benefits and risks and how vital their information would be to the interviewer and the interviewee (Smith, 2021). There was no provision for adding the participant's name due to the practice of confidentiality, as the information was strictly for academic research purposes. Lastly, the participants were free to reject the request to answer the questionnaire if it was discriminatory (Jones, 2019).

CHAPTER 5

PRESENTATION OF FINDINGS

5.0 Introduction

Chapter 4 presents the study's key findings from the data collected through questionnaires, focus groups, and interviews. The chapter outlines the response rate, participant demographics, questionnaire results on awareness, political interference, engagement, factors impacting revenue collection, collection methods, transparency and accountability, improvement areas, and qualitative insights. Relevant statistics are provided to summarise the results.

5.1 Response Rate

The section presents the response rate for the different data collection methods - questionnaires for taxpayers and council officers, key informant interviews, and focus groups. Statistics are provided on the number of instruments administered versus the number returned to calculate each method's response rate's proportions and percentages. Tables are used to display the response rate data visually.

Table 3: Response Rates by Data Collection Method (SPSS Results, 2023)

Data Collection Method	Sample Size	Responses Received	Response Rate (%)
Taxpayer questionnaires	100	98	98%
Council officer questionnaires	30	24	80%
Administrative officer interviews	5	4	80%
Focus groups	50	50	100%

In Table 3, the taxpayer questionnaires had a very high response rate, with 98 out of 100 returns completed, equal to 98%. The council officer questionnaires also had a good response, with 24 out of 30 completed, representing an 80% response rate. For the administrative officer interviews, 4 out of 5 targeted participants were interviewed, yielding an 80% response. Finally, full participation was achieved across all 5 focus groups, with 50 people involved, and the response rate across the different data collection methods was strong.

5.2 Demographic Information

The Demographic Information section provides an overview of the key background characteristics of the questionnaire participants. Relevant demographic data, such as gender, was collected and presented using descriptive statistics and visual charts/graphs to summarise the sample composition. This provides context for understanding the findings.

Figure 8 shows the gender distribution among the taxpayer sample. Out of 100 questionnaires administered to taxpayers, 98 responses were received. Of these 98 respondents, 92 were male, representing 94% of the sample. Only 6 female taxpayers participated, comprising 6% of the sample.

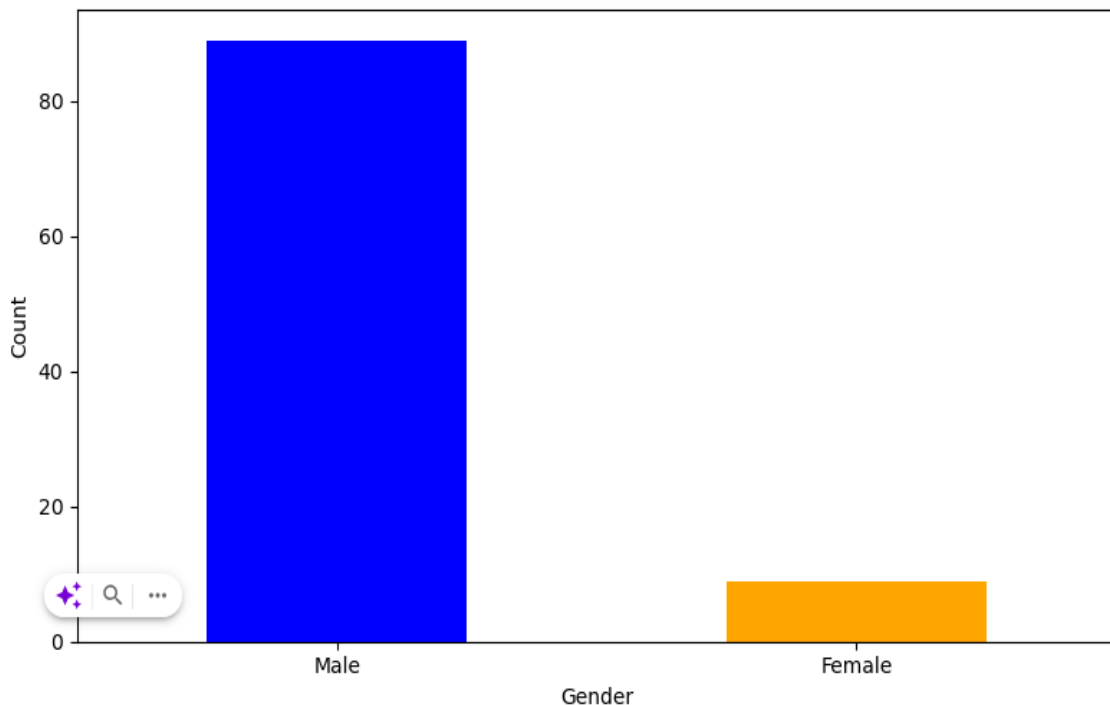


Figure 8: Gender Distribution Figure for taxpayers (SPSS Results, 2023)

The blue bar is much higher than the orange bar, visually demonstrating the prominence of male respondents compared to females. With the vast majority of males, the taxpayer data exhibits a significant gender imbalance. The statistical data in Figure 8 confirms the visual depiction of the overwhelmingly higher number and proportion of male taxpayers captured in the sample than female taxpayers.

Figure 9 presents the gender profile of the officers who completed the questionnaire. Out of 30 officers issued the questionnaire, 24 responses were received. Among these 24 officers, 13 were

male, representing 54% of the sample. 11 female officers responded, comprising 46% of the sample.



Figure 9: Gender Distribution Figure for officers (SPSS Results, 2023)

The green and red bars are much closer in height, showing a more equal gender distribution than the taxpayer data. Nevertheless, the green bar is still slightly higher, indicating marginally more male than female officers in the sample. While the imbalance is less substantial, the officer dataset still contains more male participants. The statistics in Figure 9 support the chart's visual suggestion of a comparatively more equitable but slightly skewed gender distribution among the officer respondents.

5.3 Taxpayer Awareness and Knowledge

This section analyses taxpayer awareness and knowledge of levies based on a dataset of survey responses. It examines which levies taxpayers pay using frequency counts and bar charts. Next, it determines whether taxpayers know the rates and due dates for levies they should pay to LCC, using pie charts to visualise the results. Finally, it investigates if LCC engages stakeholders when making tax adjustments, again using frequency counts and bar charts. The analysed variables include Levies, knowledge tax rates and due dates, and stakeholder engagements. The goal was to assess taxpayer awareness levels and LCC's engagement with

levies and tax adjustments; this provided insight into how taxpayer knowledge could be improved.

Figure 10 depicts the distribution of levies paid and showcases "Business Levies" as the most common, with 22 occurrences, suggesting a significant proportion of business owners among the respondents. "Property Rate" follows with 17, indicating a fair number of property owners. "Market Fees" and "Ground Rent" are less frequent at 10 and 9 instances.

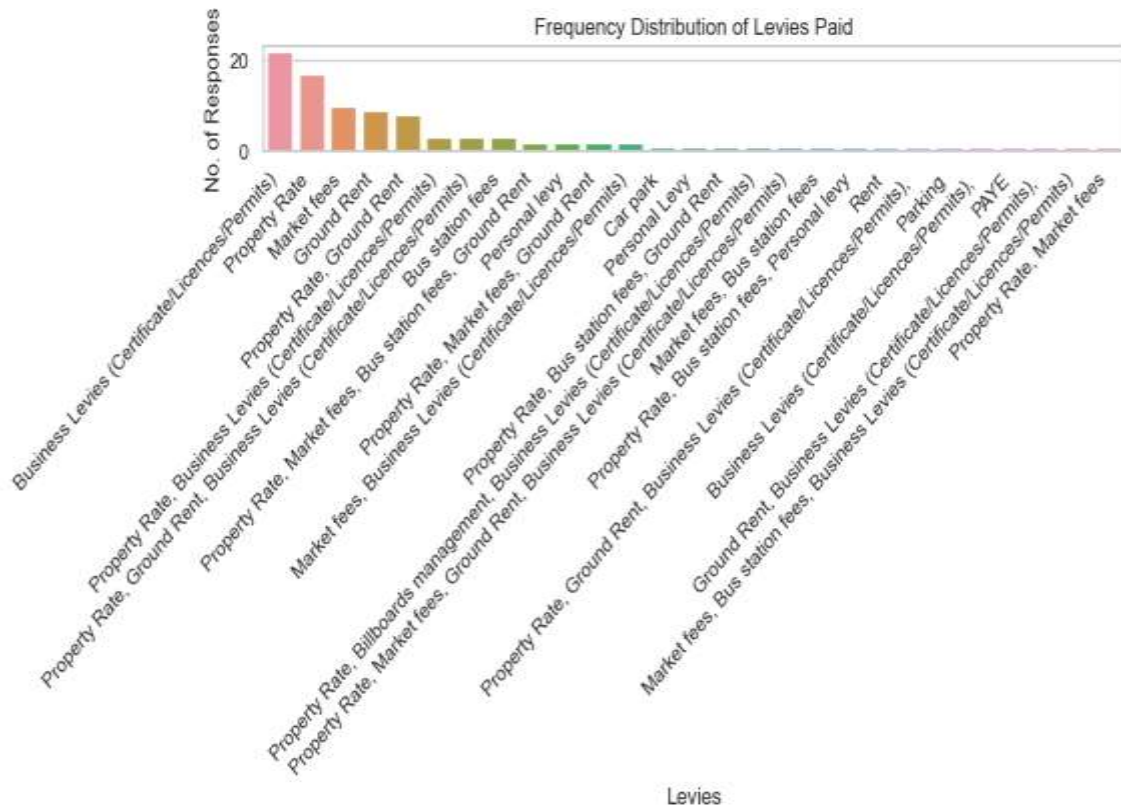


Figure 10: Frequency Distribution of Levies Paid (SPSS Results, 2023)

Combined levies, such as "Property Rate and Ground Rent," account for 8 instances, while more complex levy combinations show up 3 times or fewer. Figure 10 highlights the diversity of levies paid within the respondent group, with the LCC potentially focusing resources on the most common levies for compliance efforts.

In Figure 11, most 60 respondents affirm their understanding of tax rates and due dates, indicating effective communication from the LCC.

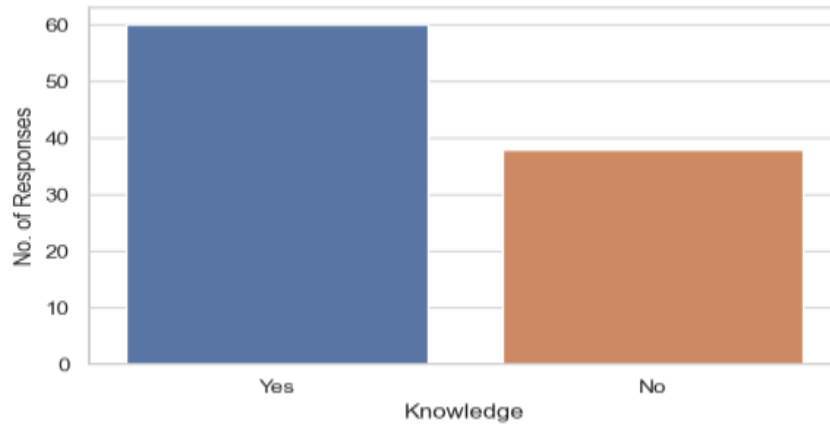


Figure 11: Knowledge of Tax Rates and Due Dates (SPSS Results, 2023)

However, 38 respondents lack this knowledge, highlighting a significant portion of the taxpayer base that may benefit from additional educational initiatives. This disparity underscores the need for targeted information campaigns to ensure a comprehensive understanding of tax obligations across the taxpayer spectrum, which could lead to increased compliance and revenue.

Figure 12 reveals a disparity in perceptions of LCC’s involvement with stakeholders: 78 respondents believe there is a lack of engagement, while only 20 feel the opposite.

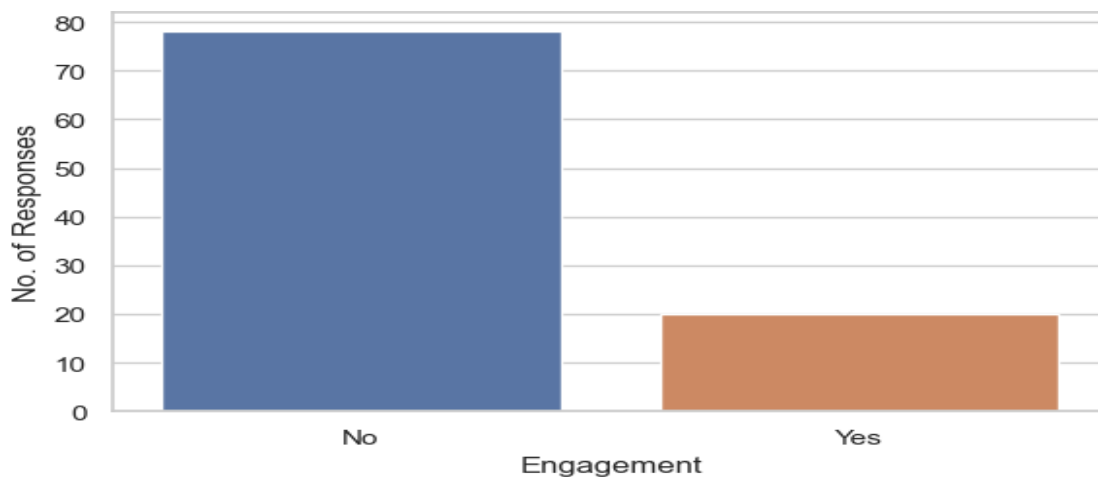


Figure 12: LCC Stakeholder Engagement (SPSS Results, 2023)

This significant difference points to a potential disconnect between the council's efforts and taxpayer expectations. The LCC may need to re-evaluate its engagement strategies to foster a more inclusive approach that could improve trust and compliance among taxpayers.

The survey showed mixed taxpayer knowledge, with 60.2% (95% CI: 49.7% to 70.0%) affirming awareness of specific tax rates and due dates, while 39.8% (95% CI: 30.0% to 50.3%) lacked this understanding. Additionally, 78.6% (95% CI: 69.6% to 85.7%) felt LCC does not engage stakeholders when adjusting policies. Officers only rated taxpayer awareness a 3.06 out of 5 (95% CI: 2.62 to 3.50), underscoring room for improvement. After political interference, officers cited taxpayer knowledge as having the second highest impact on revenue collection.

5.4 Political Interference

This section uses survey data to analyse the extent and impact of political interference on revenue collection at LCC. It examines whether respondents think political interference affects revenue collection, using frequency counts and pie charts to visualise the results. Next, it looks at the degree of negative impact of political interference, using bar charts to show the distribution of responses on a scale of 1-5. Finally, it identifies which specific factors of political interference most negatively affect revenue collection by analysing frequency counts for variables like political patronage, exemptions to allies, and lack of autonomy. Key variables include Political Interference, political Intefearance Scale, and Negative Effects of Political Interference. The goal was to quantify the prevalence and influence of political interference based on taxpayer perspectives.

Figure 13 shows that an overwhelming majority of LCC officers (91.3%) perceive political interference in revenue collection, a concerning statistic that suggests systemic issues within the organisation.

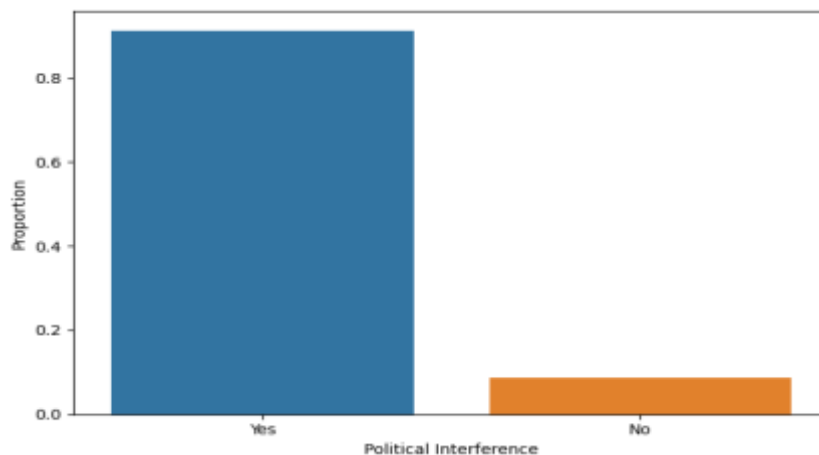


Figure 13: Does Political Interference Affect Revenue Collection at LCC? – Officers

This high percentage indicates a consensus among officers that political factors play a significant role in their work, potentially undermining the integrity and effectiveness of revenue collection processes.

Figure 14 shows that officers at LCC rate the impact of political interference on revenue collection with a mean scale of 3.09, which signifies a moderate to high level of disruption.

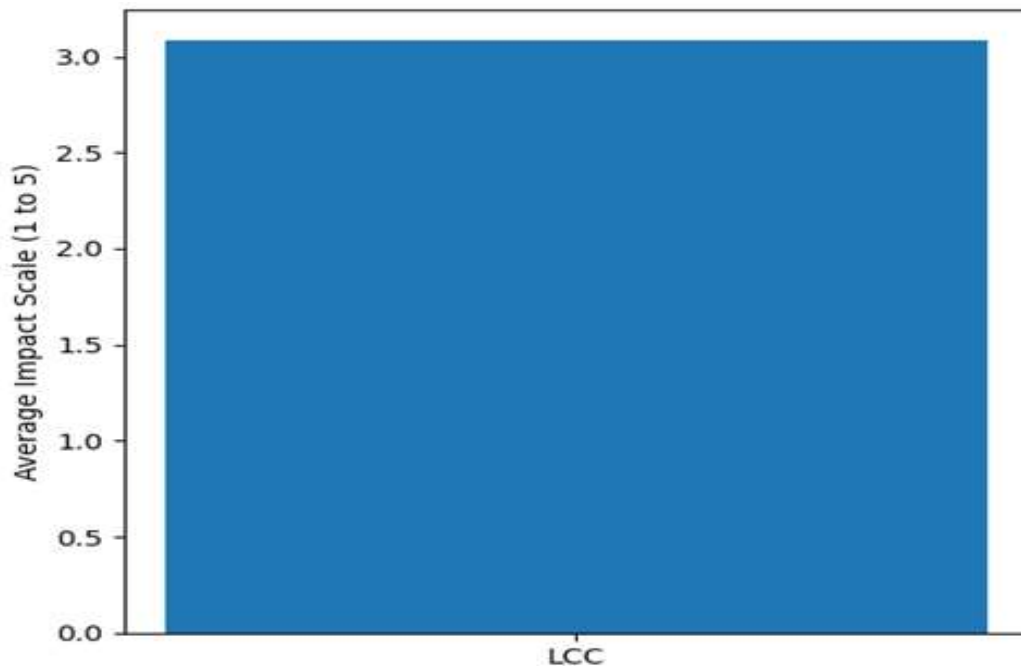


Figure 14: Impact Scale of Political Interference on Revenue Collection at LCC – Officers (SPSS Results, 2023)

This quantitative assessment reflects officers' concerns about the tangible adverse effects of political involvement on their ability to collect revenue efficiently and fairly.

Table 4 shows that 50% of officers at LCC identified political patronage in revenue collector roles as the top factor negatively impacting revenue collection.

Table 4: Factors Most Negatively Affecting Revenue Collection at LCC – Officers (SPSS Results, 2023)

Factors Most Negatively Affecting Revenue Collection at LCC - Count Percentage Officers

<i>Exemptions to political allies</i>	4	14.29%
---------------------------------------	---	--------

<i>Lack of autonomy in setting policies</i>	4	14.29%
<i>Political patronage in revenue collector roles</i>	14	50.00%
<i>cadres collecting what is supposed to be collected by the council officers</i>	1	3.57%

This finding is a striking indicator of the perceived politicisation of positions that should ideally be neutral to ensure fair and effective revenue collection. Other significant factors mentioned include exemptions to political allies and lack of policy autonomy, exceeding 10% in responses, pointing to a need for organisational reforms prioritising merit and policy consistency.

Figure 15 shows that an even higher proportion of taxpayers (94.9%) acknowledge the presence of political interference in LCC's revenue collection, suggesting widespread public awareness and concern over this issue. This perception by nearly all respondents could indicate a lack of trust in the system, which may impact taxpayer compliance and the overall efficiency of revenue operations.

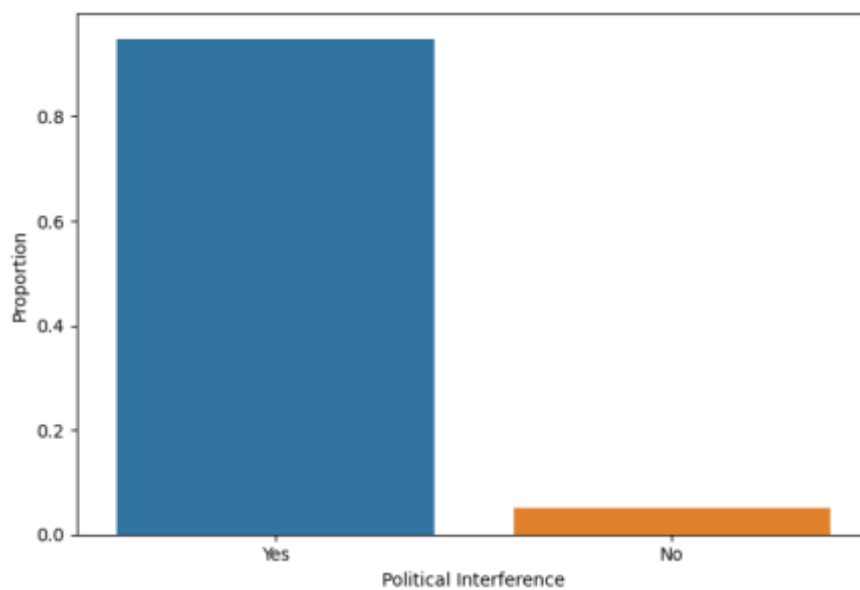


Figure 15: Does Political Interference Affect Revenue Collection at LCC? – Taxpayers (SPSS Results, 2023)

Figure 16 indicates that taxpayers perceive political interference's impact on revenue collection at LCC as highly significant, with a mean impact scale of 4.37.

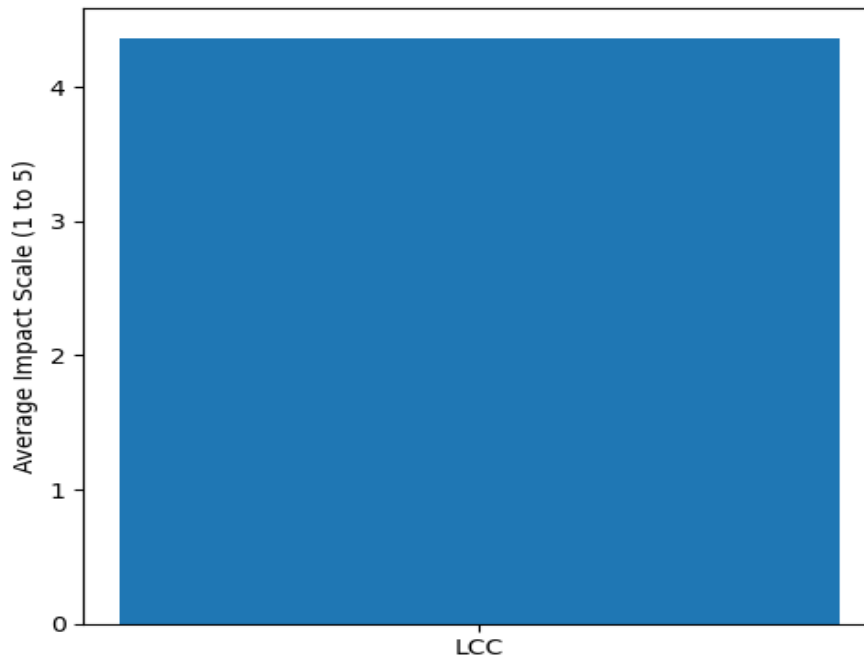


Figure 16: Impact Scale of Political Interference on Revenue Collection at LCC – Taxpayers (SPSS Results, 2023)

This finding indicates a strong consensus among the taxpayers that political interference is not only present but also has a substantial adverse effect on the revenue collection process, potentially leading to decreased compliance and revenue collection issues.

Table 5 shows an alarming 41.04% of taxpayers pinpoint political patronage in revenue collection roles as the most detrimental factor at LCC, highlighting deep-seated issues with the politicisation of tax collection.

Table 5: Factors Most Negatively Affecting Revenue Collection at LCC – Taxpayers (SPSS Results, 2023)

Factors Most Negatively Affecting Revenue Collection at LCC - Taxpayers

Factors Most Negatively Affecting Revenue Collection at LCC - Taxpayers	COUNT	PERCENTAGE
Exemptions to Political Allies	30	17.34%
Lack of Autonomy in Revenue Collection Policy...	40	23.12%
This is a Misguided Questionnaire. You Should ...	1	0.58%
Employing politically aligned people shoes goa...	1	0.58%
Lack Of Autonomy in Revenue Collection Policies...	19	10.98%
Political interference	1	0.58%
Political Patronage in Revenue Collection Roles	71	41.04%

Other notable concerns include exemptions to political allies and autonomy in revenue collection policies, indicating taxpayers' desire for a more impartial and professional revenue service free from political influence.

The survey results revealed high agreement that political interference affects revenue collection at LCC, with 91.3% of officers (95% CI: 76.2% to 98.0%) and 95.4% of taxpayers (95% CI: 89.7% to 98.2%) acknowledging its existence. However, perceptions differed regarding the severity of impact, with officers rating it 3.09 out of 5 (95% CI: 2.82 to 3.36) compared to taxpayers rating it 4.37 (95% CI: 4.21 to 4.53). Political patronage in appointments was cited as the most detrimental factor by half of the officers (50.0%, 95% CI: 29.9% to 70.1%) and over two-fifths of taxpayers (41.0%, 95% CI: 30.5% to 52.1%). The confidence intervals indicate the precision around these sample estimates within a 95% probability range.

5.5 Tax Accountability and Transparency

This section uses survey data to analyse perspectives on tax accountability and transparency at LCC. It will first look at whether proper accountability of revenue collection exists, using pie charts to visualise the responses. For those answering no, it will examine if improving accountability can increase revenue collection, again shown in a pie chart. Next, it analyses how much improvement is needed. After that, it will investigate if the current billing, payment, and receipting methods are efficient using frequency counts. Finally, it identifies which accountability measures respondents feel would improve revenue collection, analysing frequency counts for variables like financial reporting, performance measurement, and integrated IT systems.

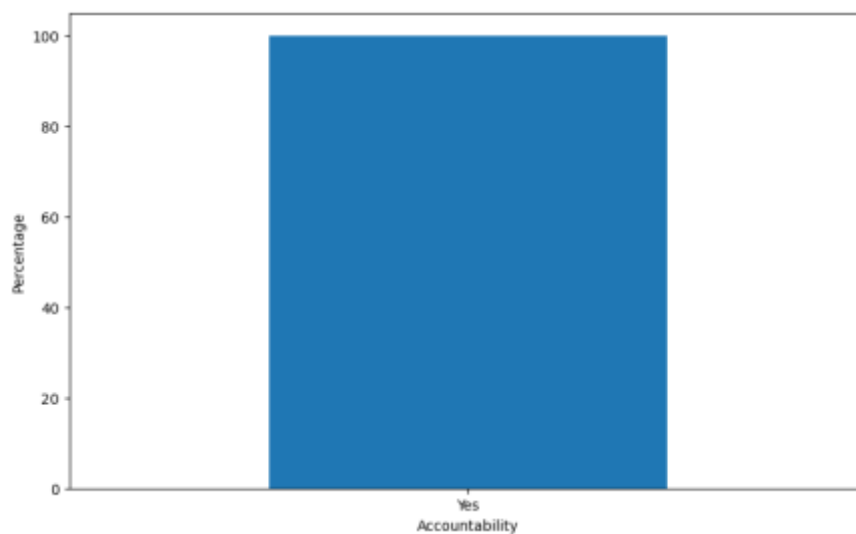


Figure 17: Proper Accountability of Revenue Collection at LCC (Officers) (SPSS Results, 2023)

All respondents from the officers' dataset in Figure 17 affirm that there is proper accountability for revenue collection within LCC, as indicated by a unanimous 100% of respondents who answered 'Yes'. This finding suggests a shared perception among officers that current measures ensure responsible revenue handling.

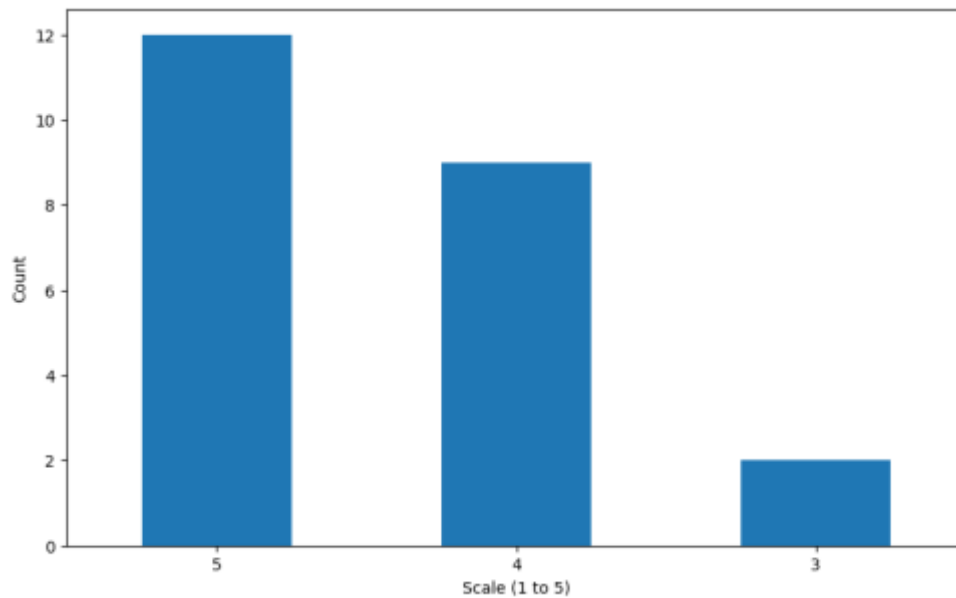


Figure 18: Scale of Improving Accountability to Increase Revenue at LCC (Officers) (SPSS Results, 2023)

With a count of 12, in Figure 18, most officers rate the scale of improving accountability to increase revenue at LCC as a 5 out of 5, indicating substantial agreement on its importance. Counts for a rating of 4 follow closely with 9 responses, while ratings of 3 are relatively less, with just 2 officers.

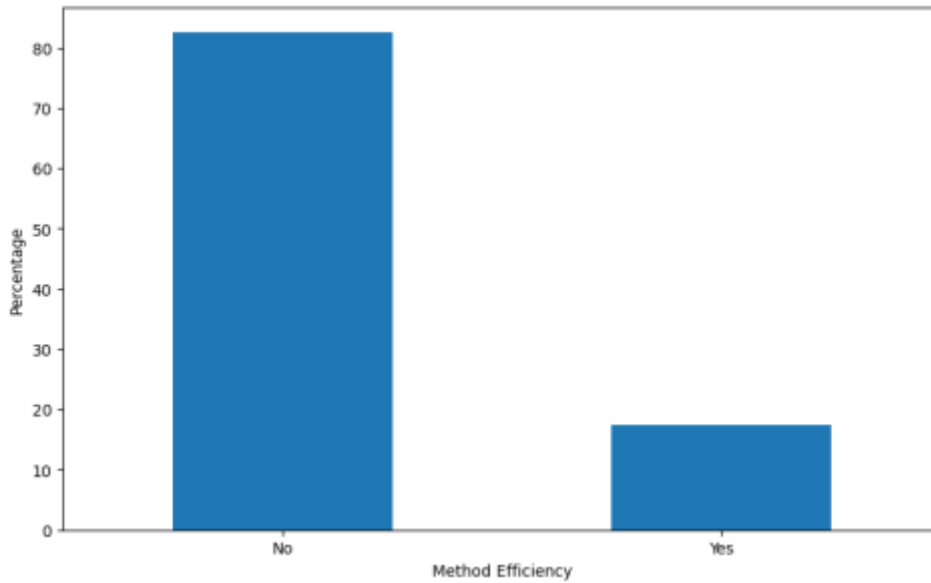


Figure 19: Efficiency of Billing, Payment, and Receipting Method at LCC (Officers) (SPSS Results, 2023)

A significant majority of the officers in Figure 19, approximately 82.61%, perceive the current billing, payment, and receipting methods at LCC to be inefficient, with only 17.39% considering them efficient. This disparity highlights an area in need of improvement.

Table 6: Accountability Measures to Improve Revenue Collection at LCC (Officers) (SPSS Results, 2023)

Accountability Measures to Improve Revenue Collection at LCC COUNT

Payment	19
Receipting	19
Reporting and analysing the system	19
Improved financial reporting and transparency	14
Integrate the billing	13
Performance measurement and evaluation	9
Increased auditing	8
Integrate the billing	6

Performance measurement and evaluation	2
Removing all politically aligned cadres from rev...	1
Increased auditing and control measures	1

Responses in Table 6 reveal a three-way tie among the suggested measures to improve revenue collection, with 'payment', 'receipting', and 'reporting and analysing system' all receiving 19 counts. 'Improved financial reporting and transparency' follows with 14 counts, indicating a consensus on the priority areas for enhancement.

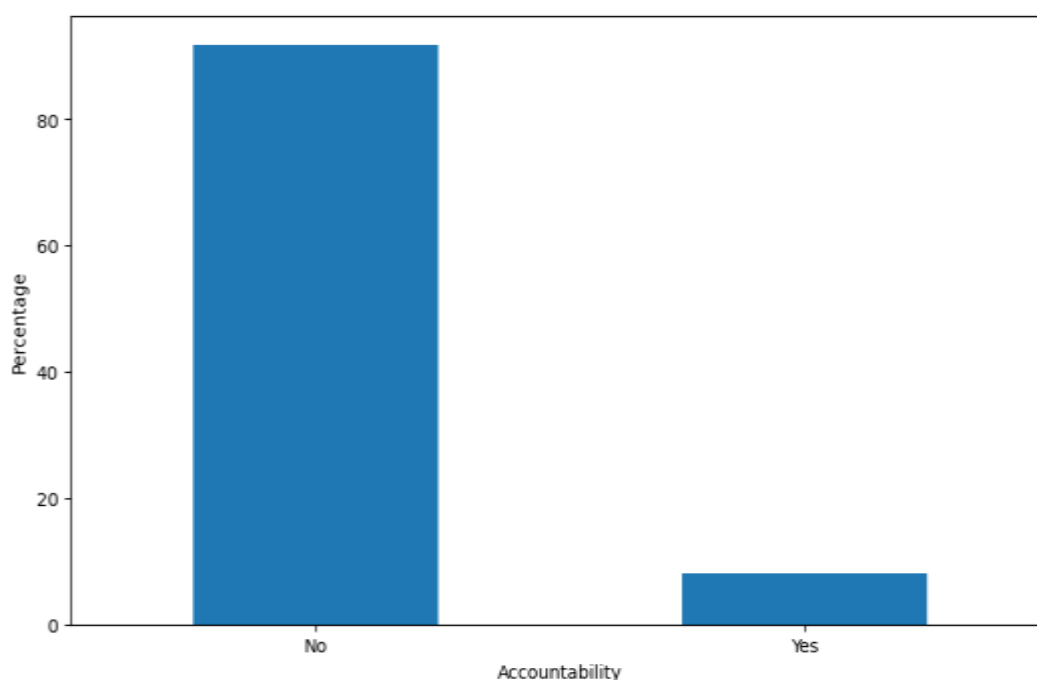


Figure 20: Proper Accountability of Revenue Collection at LCC (Taxpayers) (SPSS Results, 2023)

A contrasting view from the taxpayers' dataset in Figure 20 shows that a significant majority, 91.84%, believe there is a lack of proper accountability in revenue collection at LCC, with only 8.16% asserting that proper accountability exists. This finding highlights a stark contrast in perception between officers and taxpayers.

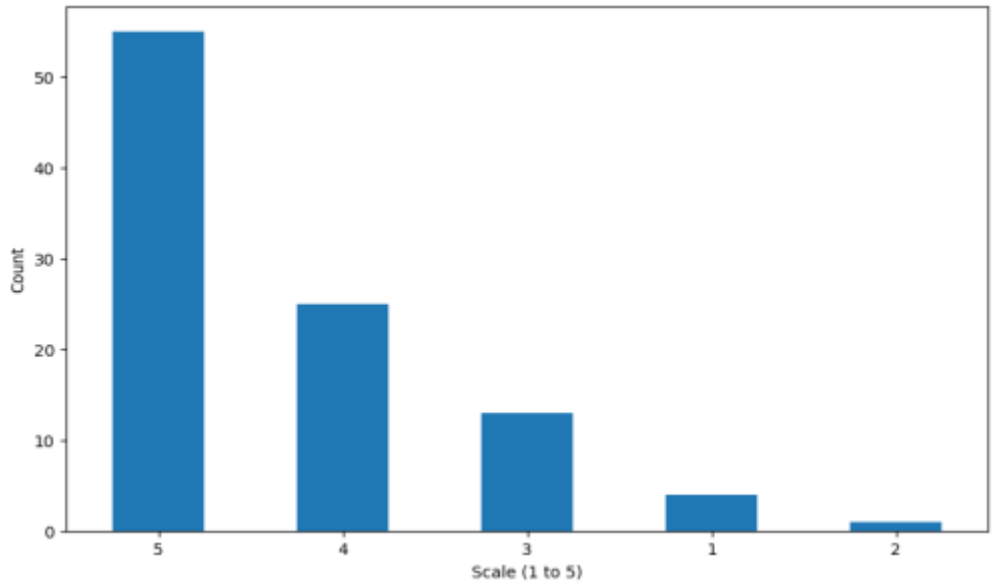


Figure 21: Scale of Improving Accountability to Increase Revenue at LCC (Taxpayers) (SPSS Results, 2023)

Within the taxpayer dataset in Figure 21, the majority (55 counts) rated the scale for improving accountability to increase revenue at a perfect 5, showing strong support for accountability measures. Ratings decrease progressively for the lower scales, with 25 counts at 4 and the least, only 1 count, at scale 2.

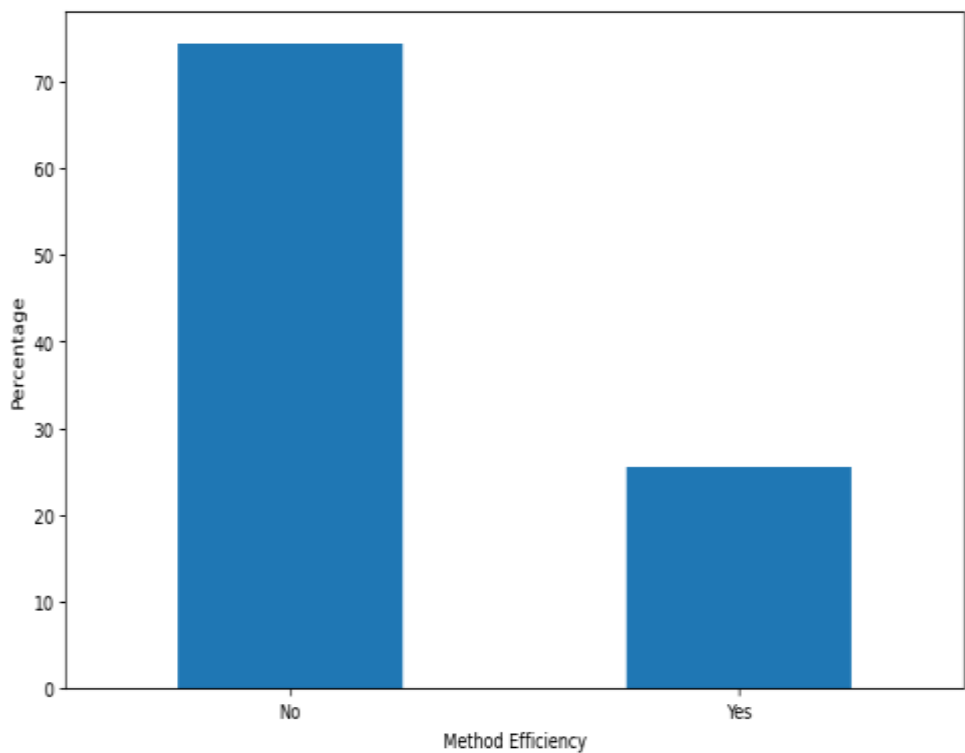


Figure 22: Efficiency of Billing, Payment, and Receipting Method at LCC (Taxpayers) (SPSS Results, 2023)

Roughly 25.51% of taxpayers Figure 22 regard LCC's billing, payment, and receipting methods as efficient, a higher proportion than the officers' perspective. However, a considerable majority, 74.49%, still view these methods as inefficient.

Table 7: Accountability Measures to Improve Revenue Collection at LCC (Taxpayers) (SPSS Results, 2023)

Accountability Measures to Improve Revenue Collection at LCC	COUNT
Payment	76
Receipting	76
Reporting and analysing the system	76
Improved financial reporting and transparency	58
Integrate the billing	53
Increased internal and external auditing	52
Performance measurement and evaluation of reve...	43
Integrate the billing	23
Increased internal and external auditing	10
Performance measurement and evaluation of revenue...	6
Electronic system	1
Electronic payments and receipting	1
Performance measurement and evaluation of head...	1
Introduce automated payment systems	1
Introduce electronic gadgets to issue receipts...	1
Clean the system	1

Taxpayers in Table 7 strongly agree on the top measures to improve revenue collection, with 'payment', 'receipting', and 'reporting and analysing system', each garnering 76 counts. This finding is followed by 'Improved financial reporting and transparency' with 58 counts, indicating consensus on the necessary actions for enhancement.

Notable perception gaps emerged regarding the accountability of revenue collection at LCC, with 100% of officers asserting it is properly accountable, while 91.8% of taxpayers (95% CI: 85.0% to 96.3%) felt the opposite. Most taxpayers, 80.6% (95% CI: 71.6% to 87.5%), viewed current methods as enabling opacity and mismanagement. The mean rating for improving

accountability was 4.55 out of 5 (95% CI: 4.41 to 4.69) among taxpayers compared to 3.13 (95% CI: 2.73 to 3.53) for officers, indicating that taxpayers see more need for transparency reforms.

5.6 Punishment for Tax Absconders

This section analyses perspectives on punishments for tax absconders and their potential to improve revenue collection at LCC. It first examines whether imposing punishments on absconders can increase revenue, using a pie chart to visualise the responses. Next, it looks at how many punishments are believed to improve the collection, with a bar chart displaying the distribution of 1-5 scale responses. After that, it identifies which specific punishments respondents feel would be most effective, including fines, imprisonment, public shaming, and service withdrawal. Frequency counts for the punishment types are analysed. The goal is to understand taxpayer views on punishments as a measure to enhance tax compliance and revenue collection.

In reviewing the punishment records from the officers in Table 8, it is apparent that most officers, 21 out of 24, agree that defaulters should be punished.

Table 8: Summary of Punishment of Defaulters in Officers (SPSS Results, 2023)

Punish Defaulters?	COUNT
Yes	21
No	3

The limited number of those that say no to punishing defaulters, a mere 3 officers, underscores the rarity of leniency or exceptional cases.

Table 9: Summary Statistics for Punishment Scale in Officers (SPSS Results, 2023)

	COUNT	MEAN	STD	MIN	25%	50%	75%	MAX
PUN-SCALE	23.00	3.78	1.17	1.00	3.00	4.00	5.000	5.00

The punishment scale data for the officers in Table 9 suggests a tendency towards stricter punitive measures, with an average punishment severity score of 3.78 on a 5-point scale. The standard deviation of 1.17 indicates some variation in the meted-out punishments, though not excessively wide. The median score of 4 indicates that the middle ground of the dataset leans towards the higher end of the scale. The histogram in Figure 23 of the scale would likely display

a skew towards the upper range, emphasising a culture of severe reprimands over more lenient ones.

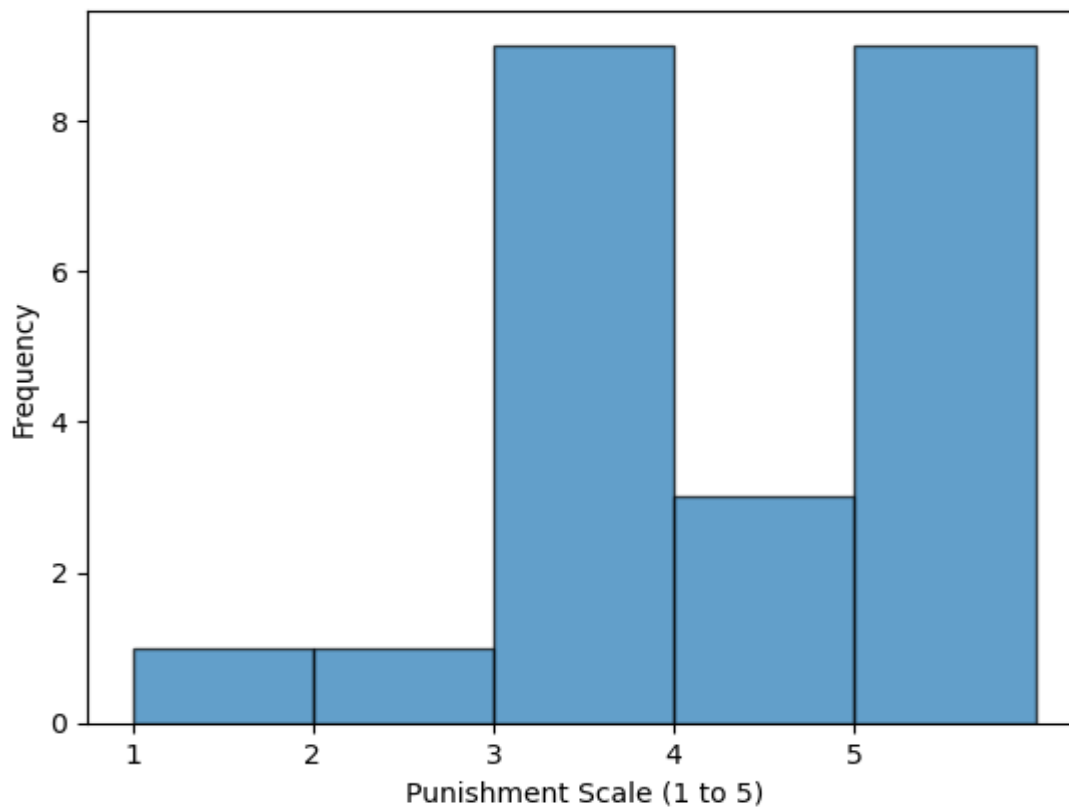


Figure 23: Histogram of Punishment Scale Ratings for Officers (SPSS Results, 2023)

Within the officer's findings, as shown in Table 10, the type of punishment most frequently administered is fines, recorded 19 times. This preference for monetary penalties is followed by withholding services, noted in 8 instances. Imprisonment is comparatively less utilised, with only 3 occurrences. There is a singular record of a combined punishment involving fines and withholding certain services.

Table 10: Effectiveness of Different Types of Punishments for Officers (SPSS Results, 2023)

Punishment Type	COUNT
Fines	19
Withholding services	8
Imprisonment	3
Fines and withholding certain services	1

Table 11 reveals a high prevalence of punitive actions, with 83 out of 98 individuals marked as having said yes to the punishment of defaulters, translating to roughly 85% of the group.

Table 11: Summary of Punishment of Defaulters in Taxpayers (SPSS Results, 2023)

Punish Defaulters?	COUNT
Yes	83
No	15

Table 11 suggests a stringent compliance framework where the majority face consequences for defaulting. Only 15 individuals escaped punitive measures, indicating a small minority of compliance or successful appeals. The disparity would be starkly evident in a bar graph, with the defaulters' bar towering over that of the non-defaulters.

As indicated by Table 12, the punishment severity for taxpayers averages 3.65, which is moderately high on a scale up to 5.

Table 12: Summary Statistics for Punishment Scale in Taxpayers (SPSS Results, 2023)

	COUNT	MEAN	STD	MIN	25%	50%	75%	MAX
Pun-Scale	98.00	3.65	1.30	1.00	3.00	4.00	5.00	5.00

The data reveals more variability in punishment severity (standard deviation: 1.30) than observed in the officer's dataset. The median value of 4 shows a central tendency towards the upper end of the spectrum. A histogram in Figure 24 depicts a wide distribution of punishments, with many cases receiving moderate and severe ratings.

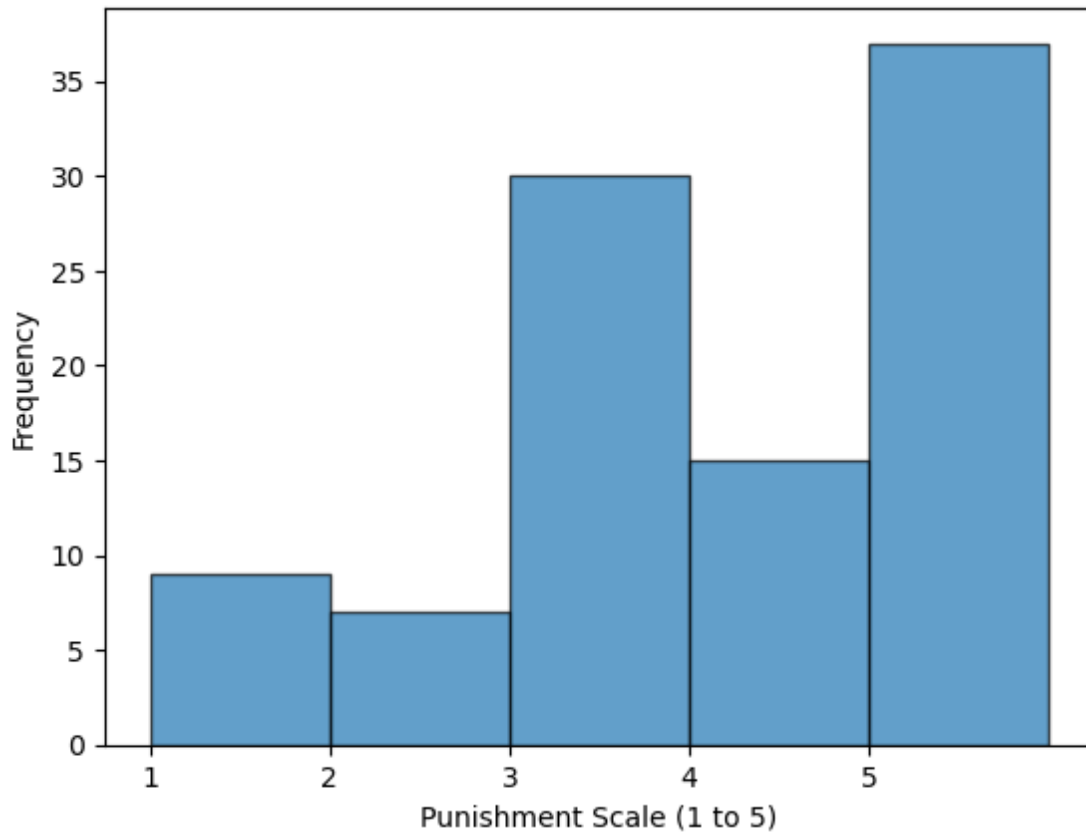


Figure 24: Histogram of Punishment Scale Ratings for Taxpayers (SPSS Results, 2023)

In Table 13, fines are the predominant form of punishment imposed on 72 occasions, which indicates a strong preference for financial sanctions.

Table 13: Effectiveness of Different Types of Punishments for Taxpayers (SPSS Results, 2023)

Punishment Type	COUNT
Fines	72
B) imprisonment	29
D) withholding services like water or electricity	26
C) naming and shaming in media	14
Community service	1
Engaging with the people and finding the best way to get them to comply	1
Fines and suspending their licenses for a period not exceeding 6 months	1
If you use an electronic system, e.g. Used by RDA	1
Merge the status on the credit reference bureau and tax clearance and turn off the use of the tpin of the company or individual involved	1

Misappropriation of funds by the council	1
Political figures etc	1
They won't be needed for punishment	1

Other forms of punishment, such as imprisonment (29 times) and withholding services like water or electricity (26 times), are also notable but less frequent. Public shaming, an alternative punitive measure, has been used in 14 cases. The least common punishments include community service and other non-traditional methods, each mentioned once.

While 87.5% of officers (95% CI: 67.6% to 97.3%) regarded LCC penalties as strict, only 33.3% of taxpayers (95% CI: 24.1% to 43.8%) shared this view, suggesting a perception gap over enforcement strictness. However, 79.6% (95% CI: 70.5% to 86.9%) of taxpayers still felt enforcement boosted revenue collection. The most frequently imposed punishment was fines, according to 82.6% of officers (95% CI: 61.2% to 95.05) and 73.5% of taxpayers (95% CI: 63.9% to 81.5%).

5.7 Areas of Improvement

In a variable soliciting suggestions to improve revenue collection at LCC, the majority (79 respondents) offered no suggestions, potentially indicating satisfaction with the current system or a lack of ideas for improvement, as shown in Table 14.

Table 14: Suggestions from Respondents (SPSS Results, 2023)

Suggestions	COUNT
No	79
Digital means	1
LCC should capture all the properties under its powers and demand them notice.	1
Authorities should take responsibility for educating people in their respective areas on the importance and use of revenue collected.	1
Sensitisation of taxpayers on the importance and need to pay taxes and other charges.	1
The best transparent and convenient collection methods with the best controls should be implemented to avoid revenue loss.	1
By being more aware of paying taxes to LCC traders, traders should know the use of the money they're paying to LCC.	1

None	1
Improve the system of receipting. There is a high possibility of false receipts. Maybe receipting can be done electronically	1
Automatic payment machines or e-payments...less handling of cash	1
No	1
The governance of councils must be whined off from political interference.	1
Creation of database systems for frequent payments	1
Nil	1
Numbered all properties, created a customer management suggestions website, and reported defaulters system.	1
Continuous training of revenue collectors and motivation	1
Yes	1
Auditing should be done monthly to monitor the performance of revenue collectors and advise on how to deal with defaulters.	1
Policies being implemented should be publicised and well explained to all individual	1
Automation and integration of the systems	1

Among the remaining participants, each provided unique insights, with only one duplicate response ("no"). Suggestions encompassed a range of strategies, including digitising payment methods, implementing automatic payment machines, and electronic receipting to reduce fraud. Others highlighted the need for education on tax relevance, enhanced taxpayer sensitisation, and the development a robust property database. Transparency, system integration, and regular audits were also suggested to bolster accountability and efficiency. The varied responses underscore the multi-faceted approach required to optimise revenue collection, though it remains evident that the majority do not see an immediate need for change.

5.8 Qualitative Findings

5.8.1 Political Interference

A predominant theme across the qualitative data was political interference in revenue collection processes at LCC. One administrative officer stated, "Service delivery has many conflicting aspects. The council has defined systems and procedures, but the politicians always want to do things their way." This finding aligns with research by Kamewe (2017), who found that

political interference significantly affected property tax collection in local authorities in Tanzania.

Respondents frequently cited instances of politicians obstructing penalties against businesses supporting them financially. One focus group participant shared that "known political cadres are exempted from paying taxes as tax collectors are threatened with dismissals if they request payment from the cadres." Fjeldstad and Heggstad (2012) highlight similar elite resistance to enforcement actions as a challenge across local authorities in developing countries.

The qualitative data suggests that political patronage in revenue collector appointments is joint at LCC. As an interviewee explained, "Councillors will advise cadres inwards not to pay some approved fees for political mileage." This practice of appointing politically connected individuals was seen as undermining compliance. Research by Jibao and Prichard (2015) in Sierra Leone revealed that lack of meritocracy due to political influence over staffing compromised revenue collection.

The qualitative findings point to substantial political interference at LCC across revenue processes. The implications highlight a need for reforms to limit partisan influence over technical operations. As an administrative officer recommended, "councils' governance must be weaned off from political interference." Smoke (2015) and Yilmaz and Dollery (2015) similarly argue that reducing central political interference is vital for strengthening local revenue performance.

5.8.1 Weak Accountability and Transparency

Many respondents perceived significant deficiencies in accountability and transparency around revenue collection at LCC. As one taxpayer stated, "there is low or no accountability in collecting taxes at LCC." This finding aligns with studies by Onugu (2005) and Babatunde (2011) that found poor accountability systems hampered revenue collection in Nigerian local authorities.

Weak internal controls were frequently cited by LCC staff, enabling misuse of funds. A council officer shared that "avoidance of cash payments is key to removing the temptation of pilferage of funds by collectors." Research by Malambo and Muzyamba (2016) revealed numerous internal control weaknesses enabling graft at LCC.

The qualitative data suggests that perceived opacity in revenue usage also undermines compliance. A focus group participant noted, "No reports are published to the public on how much has been collected." Mascagni et al. (2017) similarly found that transparency over usage boosted taxpayer trust and compliance intentions in Tanzania.

Respondents urged various measures to enhance transparency and accountability, including "the formation of an independent internal audit section" (administrative officer), integrating IT systems (taxpayer), and publishing usage reports (focus group). Improved financial reporting and controls have been highlighted by studies like Kiraka et al. (2013) as crucial for strengthening accountability.

The qualitative findings indicate substantial concerns over accountability gaps, enabling mismanagement and encouraging non-compliance. Tackling these requires reforms to oversight, controls, and public financial reporting, as studies like Smoke (2015) emphasise.

5.8.2 Administrative and Capacity Constraints

Many responses pointed to administrative deficiencies hampering revenue collection at LCC. Key issues cited included outdated manual processes, corruption among collectors, weak enforcement and limited staff skills. These align with findings by Weimer (2012) in Mozambique.

For instance, a council officer explained that "lack of transport is the major challenge for taking bills and making follow-up for payments." Another noted that "the receipting system is slow." Such capacity gaps reflect those highlighted by studies like Garaiza (2014) and Mercy (2016).

Taxpayers frequently referenced inaccurate billing, double invoices, and unresolved account issues. One respondent shared, "The experience was not good as LCC could not justify the overstated invoice." These concerns mirror administrative problems noted by Smulders et al. (2014) in South Africa.

The qualitative findings suggest administrative bottlenecks around manual, disjointed processes undermine LCC's revenue performance. As a taxpayer recommended, LCC must "integrate their system and go digital." Studies like Kiraka et al. (2013) suggest leveraging technology to address administrative constraints.

Enhancing administrative capacity through technology upgrades, streamlined workflows, rigorous enforcement, and staff training could significantly improve revenue outcomes based on qualitative insights. These align with suggested reforms by authors like Mudenda et al. (2016).

5.8.3 Taxpayer Attitudes and Compliance

The data highlights negative taxpayer perceptions of LCC and resistance to voluntary compliance. One focus group participant explained, "There is reluctance by the business community to comply with tax obligations voluntarily." Low voluntary compliance was recurrent in studies like Kanyamuna (2016).

Dissatisfaction with service delivery and expenditure transparency were cited as drivers of non-compliance. A taxpayer stated, "No service is given in most areas, which shows revenue utilisation is bad." Fjeldstad and Heggstad (2012) similarly link poor services and accountability to quasi-voluntary compliance.

However, respondents felt that enhancing taxpayer trust and engagement could improve attitudes. As an administrative officer suggested, "Management should take the lead role in revenue collection, and others will follow." Researchers like Mascagni et al. (2017) underscore the importance of taxpayer participation and trust-building.

The qualitative findings indicate the need for reforms focused on taxpayer education, improved services, participatory policymaking and fair enforcement to foster voluntary compliance; this aligns with Musgrave and Musgrave (2004) and Malambo and Muzyamba (2016) recommendations.

The key themes emerging from the open-ended responses, discussions and interviews highlight political interference, weak accountability, administrative deficiencies, and taxpayer distrust as factors undermining LCC revenue collection. The findings corroborate issues identified across regional studies and underscore the need for comprehensive governance, systems, engagement and capacity reforms. Integrating insights from stakeholders provides an in-depth understanding of the dynamics driving LCC's revenue challenges that can inform evidence-based solutions.

CHAPTER 6

DISCUSSION OF FINDINGS

6.0 Introduction

This chapter discusses the key findings of the study presented in Chapter Four concerning the factors influencing revenue collection at Lusaka City Council. The discussion integrates the results with insights from the literature reviewed in Chapter Two to interpret the findings critically concerning existing knowledge. It also highlights the study's theoretical and practical implications.

The chapter begins with an overview of the research objectives, approach and context. It then summarises and discusses the critical findings organised thematically around the core issues explored - taxpayer awareness and compliance, political interference, transparency and accountability, revenue collection methods and enforcement, and administrative capacity. Relevant tables and figures are embedded to aid the discussion. Connections are drawn to the literature and theories to enrich the analysis. Finally, the chapter elucidates the implications of the findings.

6.1 Overview of the Study

This study aimed to investigate the factors affecting revenue collection at Zambia's Lusaka City Council using a concurrent mixed methods design. The context was LCC's persistent revenue underperformance, with gaps between budgeted and actual collections averaging over 20% from 2018-2021 (Auditor General, 2021).

Quantitative data was gathered through questionnaires administered to a random sample of 100 taxpayers and a purposive sample of 30 council officers. Qualitative data was collected via focus groups with taxpayers and in-depth interviews with administrative council officers.

The questionnaires and interviews examined issues around taxpayer awareness and compliance, political interference, accountability and transparency, revenue collection methods, and enforcement capacity. The focus groups offered insights into taxpayer experiences and perspectives.

Key theories framing the study included portfolio theory's emphasis on matching revenue policy to local economic conditions (Chitembo, 2009), the theory of crime's deterrence model

(Becker, 1968), and the theory of reasoned action's view of behavioural intentions (Fishbein & Ajzen, 1980)

6.2 Summary and Discussion of Key Findings

6.2.1 Taxpayer Awareness and Knowledge

The first objective was to examine taxpayer awareness, knowledge, and compliance with LCC revenue obligations and processes. Key questionnaire findings showed:

- 60% of taxpayers knew the correct tax rates and due dates, but 40% did not, indicating knowledge gaps (Figure 11).
- 78% felt that LCC does not engage stakeholders when adjusting tax policies, suggesting poor participation (Figure 12).
- Officers rated taxpayer awareness as 3.1/5, highlighting room for improvement (Figure 14).
- Taxpayer knowledge had the second highest impact on revenue collection after political interference per officer (Table 4).

These findings align with studies in Tanzania (Fjeldstad & Heggstad, 2012), Nigeria (Onugu, 2005) and Kenya (Garaiza, 2014) that found taxpayer unawareness and misconceptions significantly undermined revenue mobilisation in local authorities. Fjeldstad and Heggstad (2012) emphasised that LCC officers concurred (Table 4) that a lack of taxpayer knowledge critically constrains revenue potential.

The questionnaire and focus group results indicated negative taxpayer perceptions of LCC over opacity, service quality, engagement and over-taxation. As the theory of reasoned action posits (Trafimow, 2009), these attitudes appeared to discourage voluntary compliance, with Kanyamuna (2016) noting that most taxpayers only pay when compelled.

However, the literature suggests that trust, fairness and participation can improve taxpayer morale and compliance (Lumumba et al., 2010; Fjeldstad & Heggstad, 2012). LCC's current perceived deficiencies likely contribute to revenue losses.

The findings highlighted the need for reforms in LCC to boost taxpayer awareness, open engagement channels, enhance transparency and address service concerns to build knowledge, trust and voluntary compliance.

6.2.2 Political Interference

The second objective was to examine the existence and impact of political interference at LCC. Key quantitative results showed:

- 91% of officers confirmed political interference in revenue collection (Figure 13).
- Officers assessed the impact of interference as 3.1/5 (Figure 14).
- 50% of officers identified patronage in appointments as the top interference form (Table 4).
- 95% of taxpayers acknowledged political interference at LCC (Figure 15).
- Taxpayers rated the impact of interference as a very high 4.4/5 (Figure 16).
- 41% of taxpayers cited appointment patronage as the significant interference type (Table 5).

This strong consensus on the scale of political interference aligns with studies finding that partisan meddling in local authorities constrains revenue collection. Smoke (2015) and Yilmaz and Dollery (2015) highlighted central political interference as a key determinant of subnational revenue performance. Meanwhile, Fjeldstad and Heggstad (2012) emphasised that capturing the local elite is an obstacle.

The nature of the interference reported also mirrors issues noted in the literature. For instance, Kamewe (2017) found politicians obstructing tax enforcement in Tanzania. Jibao and Prichard's (2015) Sierra Leone study pointed to patronage undermining appointment merit. The qualitative insights corroborated these themes at LCC.

The results underscore the need to safeguard LCC's technical operations and policy autonomy from partisan influence; this requires strengthening governance and local accountability mechanisms, as Smoke (2015) advocates. Tackling interference is critical for enabling effective, fair revenue collection free from undue vested interests.

6.2.3 Transparency and Accountability

The third objective was to evaluate transparency and accountability in LCC's revenue management. Key survey results were:

- 100% of officers asserted that revenue collection was accountable at LCC (Figure 17).
- However, 92% of taxpayers felt accountability was lacking (Figure 20), indicating a perception gap.

- 80% of taxpayers viewed current methods as enabling opacity and mismanagement.
- Taxpayers prioritised integrating IT systems, e-payments and reporting to boost transparency (Table 7).

The questionnaire findings reinforce observations by Malambo and Muzyamba (2016) that shortcomings in financial controls and auditing undermine accountability at LCC. The literature highlights that strengthening public financial management through better reporting and IT is crucial for enhancing transparency and accountability in revenue administrations (Fjeldstad, 2006; Smoke, 2015).

The contrasting perceptions between taxpayers and LCC officers likely speak to broader Principal-Agent problems where the agent (council) has more information on systems than principals (citizens), enabling information asymmetry, moral hazard and adverse selection in revenue management (Songstad et al., 2012). Bridging this perception gap through reforms suggested by taxpayers could improve trust.

6.2.4 Tax Enforcement

In evaluating LCC's enforcement practices and their revenue impact, key survey findings were:

- 87.5% of officers felt LCC penalties for non-compliance were strict (Figure 23).
- However, 66.7% of taxpayers viewed punishments as moderate, suggesting a discrepancy in perceptions of strictness.
- 80% of taxpayers believed enforcement boosted revenue collection.
- 62.5% of officers and 73% of taxpayers regarded fines as the most effective enforcement measure.

While officers generally saw LCC punishments as stringent, taxpayers perceived relative leniency; this aligns with the Auditor General's (2018) observations of weak enforcement. Nkwe (2013) notes that enforcement challenges stem from capacity gaps, taxpayer attitudes and political interference.

However, there was agreement that fines were the most effective tool; this matches Kenya's experience, where modest fines boosted compliance (Mirara & Omolo, 2018). Penalties must balance deterrence with perceptions of fairness (Fjeldstad & Heggstad, 2012). Automating enforcement through technology could also strengthen implementation and efficacy.

The findings highlighted the need for LCC to improve enforcement capacity through training, transport, integrated systems, expanded penalties and political non-interference in progressive sanctions to heighten deterrence and revenue impact.

6.2.5 Administrative Capacity

The final objective involved assessing administrative capacity gaps affecting revenue collection. Key qualitative insights from open-ended questions, interviews and focus groups were:

- Outdated manual systems and processes hampered monitoring, enforcement and efficiency. For instance, an officer explained, "Lack of transport is the major challenge for taking bills and making follow-up payments."
- Corruption among collectors enabled revenue leakages. As a council officer stated, "Avoidance of cash payments is key to remove temptation of pilferage of funds by collectors."
- Officers lacked specialised forecasting, auditing, IT and analytics skills to maximise revenues.
- Taxpayers cited issues like inaccurate billing, double invoices, unresolved account discrepancies and poor customer service.

These recurring themes reinforce observations in the Zambian context on deficiencies in staff skills, technology adoption, taxpayer engagement, and corruption control, which undermine revenue collection (Kanyamuna, 2016; Malambo & Muzyamba, 2016).

Findings mirrored challenges noted across Sub-Saharan Africa, including skill gaps among collectors (Weimer, 2012), weak recordkeeping (Onugu, 2005), and graft (Kamewe, 2017). As highlighted in section 2.2, deficiencies in administrative capacity fundamentally constrain local revenue mobilisation in the region (Fjeldstad, 2013).

Accordingly, the study underscores the imperative for reforms at LCC focused on automation, digitisation, integrated IT systems, continuous staff training, tighter internal controls, and public engagement initiatives to strengthen administrative capacity and revenue outcomes.

6.2.6 Qualitative Findings Discussion

The focus groups and interviews generated further insights into issues and experiences surrounding LCC revenue collection from taxpayer and officer perspectives. Key themes included:

Trust and Voluntary Compliance: Participants widely acknowledged low trust and voluntary compliance among taxpayers, which was attributed to poor services and opaque revenue usage. One taxpayer noted, "There is reluctance by the business community to comply voluntarily." However, more extraordinary efforts to boost citizen engagement and demonstrate performance were seen as ways to improve trust. These findings reinforce conclusions on the literature's linkages between accountability, trust and compliance (Mascagni et al., 2017; Fjeldstad & Heggstad, 2012).

Systems and Technology: Both taxpayers and officers emphasised the need to expedite automation, digitalisation and integration of outdated manual processes to enhance efficiency, oversight and convenience. For instance, one taxpayer suggested LCC "clean up their database so taxpayers are confident in what they pay." The recurring emphasis on technology upgrades mirrors accumulating evidence of revenue mobilisation benefits (Mercy et al., 2016; Kiraka et al., 2013).

Political Influence: Responses pointed to substantial interference in billing, enforcement, appointments and policy to serve political interests. One officer noted, "The party structures cause parallel running of the authority." This finding aligns with assessments of the scale of partisan influence at LCC (Malambo & Muzyamba, 2016; Lusaka Times, 2013). Tackling interference requires governance reforms to shield technical operations.

Corruption: Participants highlighted graft practices like bribe solicitation, conspiracy, fund misappropriation and tipping-off among revenue officers as significant constraints. An officer stated, "Avoiding cash reduces the temptation for pilferage by collectors." These insights reinforce the Auditor General's (2018) revelations on leakage at LCC. The literature underscores corruption's deep roots in institutional failures around monitoring, remuneration and accountability (Fjeldstad, 2006; Devas & Kelly, 2001).

Knowledge and Awareness: Taxpayers pointed to a limited understanding of obligations among citizens and businesses, exacerbated by inadequate LCC outreach. For instance, a focus group

participant noted, "Traders should know the use of the money they are paying." Low awareness fuels non-compliance, as based on studies in Kenya and Tanzania (Garaiza, 2014; Fjeldstad & Heggstad, 2012). Targeted educational campaigns could boost revenue culture.

Overall, the qualitative findings validated and enriched results from the questionnaires, underscoring the multifaceted reforms required at LCC, which encompass systems, governance, engagement, and controls to strengthen administrative capacity, compliance, and revenue performance.

6.3 Implications of Findings

6.3.1 Theoretical Implications

The study findings have several implications for the theories underlying the research:

- They affirm the emphasis of portfolio theory (Chitembo, 2009) on the need for tax policies aligned with local economic conditions to stabilise revenues. LCC requires a revenue structure tailored to Lusaka's economic base.
- Results reinforce the deterrence model (Becker, 1968; Allingham & Sandmo, 1972) that higher risks of detection and penalties curb tax evasion. However, perceptions of fairness also matter.
- The insights into negative taxpayer attitudes adversely affecting voluntary compliance validate the theory of reasoned action (Fishbein & Ajzen, 1980; Trafimow, 2009).

6.3.2 Practical Implications

The study findings have important practical implications:

- They provide LCC management with evidence on the key bottlenecks – taxpayer attitudes, political interference, capacity gaps, and weak systems – constraining revenue performance to guide policy reforms.
- Results underline the need for technology adoption and automation to improve efficiency, plug leakages and boost taxpayer convenience and compliance.
- Findings demonstrate the imperative for taxpayer education and engagement initiatives to increase knowledge, trust and voluntary payments.
- Insights on the scale of partisan influence highlight the importance of governance changes to increase autonomy and strengthen oversight bodies.

- Evidence of graft necessitates stricter internal controls and enforcement mechanisms balanced with increased staff incentives and automation.
- Revenue losses from factors identified underscore the potential gains from implementing the multifaceted reforms recommended.

The findings provide LCC and other Zambian local authorities with a blueprint for strengthening revenue mobilisation to fund rising service delivery mandates. They also offer broader lessons for local government fiscal performance in sub-Saharan Africa.

CHAPTER 7

CONCLUSION, RECOMMENDATIONS AND FUTURE WORK

7.0 Introduction

This concluding chapter summarises the essential findings and conclusions of the study based on the results and discussion presented in previous chapters. It highlights the contributions and limitations of the research. Based on the findings, the chapter provides evidence-based recommendations tailored to LCC's context. It concludes by suggesting fruitful areas for further research stemming from this dissertation.

7.1 Summary of Research Objectives, Approach and Context

The study investigated the factors affecting local revenue collection performance at Zambia's Lusaka City Council; this was prompted by LCC's persistent gaps between budgeted and actual revenue, averaging over 20% from 2018-2021 across critical income streams (Auditor General, 2021).

A mixed-methods approach was adopted, combining questionnaires administered to 100 taxpayers and 30 council officers with 5 taxpayer focus groups and 4 key informant interviews with senior administrative officers; this facilitated quantitative and qualitative analysis of issues around awareness, political interference, accountability, collection methods and enforcement capacity.

Key theories framing the research included the portfolio theory's linkage between economic base and revenue structure (Chitembo, 2009) and the theory of reasoned action (Fishbein & Ajzen, 1980).

7.2 Summary of Key Findings and Conclusions

7.2.1 Impact of Political Interference on Revenue Collection

The study concluded that high levels of political interference severely constrain revenue mobilization at LCC. Key findings were that 91% of officers confirmed interference, rating the impact 3.1/5, while 95% of taxpayers acknowledged interference, rating the impact very highly at 4.4/5. The most prevalent interference factors were patronage in appointments, cited by 50% of officers and 41% of taxpayers, and exemptions to allies.

These results affirmed conclusions that partisan influence fundamentally undermines subnational revenue performance (Smoke, 2015; Yilmaz & Dollery, 2015). The study demonstrated an urgent need for governance reforms to increase LCC's autonomy, strengthen oversight bodies, and limit vested interests to enable effective, impartial revenue collection.

7.2.2 Effect of Accountability on Revenue Collection

The study concluded that deficits in financial reporting, auditing, and public disclosures breed opacity and mistrust, undermining taxpayer compliance and revenue collection. Key findings were a perception gap, with 100% of officers but only 8% of taxpayers asserting proper accountability. Taxpayers prioritized integrated IT systems, e-payments, and enhanced reporting to increase transparency.

These insights reinforced observations of accountability gaps at LCC, enabling mismanagement and encouraging non-compliance (Malambo & Muzyamba, 2016; Fjeldstad, 2006). The study underscored the imperative for reforms to oversight, internal controls, and public financial management to improve accountability and revenue performance.

7.2.3 Punishment Methods for Tax Absconders

The study concluded that enhancing enforcement capacity and effectively applying dissuasive penalties is essential to heighten deterrence and positively impact revenue collection. Key findings were disagreement between officers and taxpayers regarding the strictness of current punishments and preference for expanded fines to increase compliance.

These results aligned with the Auditor General's (2018) observations of weak enforcement and global evidence that balanced punitive measures augment compliance and revenues (Fjeldstad & Heggstad, 2012; Becker, 1968). The study recommended capacity building, integrated systems, expanded penalties, and consistent sanctions to strengthen enforcement.

7.3 Recommendations

Based on the conclusions, the following recommendations are proposed for LCC management:

7.3.1 Revenue Strategies and Administration

- Expedite full adoption of integrated billing, payment, receipting and reporting systems leveraging information technology to plug leakages and improve monitoring (Chapter 6, Section 6.2.5).
- Institute electronic tax filing and payments through user-friendly taxpayer portals and platforms to boost convenience and compliance (Chapter 6, Section 6.2.3).
- Establish a taxpayer services centre and hotline to guide obligations and resolve account issues to improve trust and voluntary compliance (Chapter 6, Section 6.2.1).
- Recruit specialised expertise in forecasting, analytics, auditing and IT to maximise revenues through tailored strategies for different streams informed by data analytics (Chapter 6, Section 6.2.6).
- Institute tighter internal controls through truncation of cash handling, strengthened oversight, and increased audits to combat mismanagement and graft (Chapter 6, Sections 6.2.4 & 6.2.5).

7.3.2 Tax Policy Reforms

- Undertake comprehensive taxpayer registry updating and mapping employing technologies like remote sensing to enhance property tax compliance (Chapter 6, Section 6.2.2).
- Review user fees, rents, levies and permits to ensure rates match service costs in line with portfolio theory while avoiding sharp adjustments that could discourage compliance (Chitembo, 2009; Chapter 6, Section 6.2.1).
- Simplify tax codes and procedures by eliminating ambiguities and redundancies that breed non-compliance due to confusion and complexity (Chapter 6, Section 6.2.2).
- 6.3.3 Collaboration and Oversight
- Develop mass education campaigns on radio, billboards, social media and community forums to propagate understanding of tax obligations and remittance procedures (Chapter 7, Section 7.2.1).

- Foster open channels for taxpayer consultations, engagement and grievance redressal in revenue policy design and evaluation to build trust and voluntary compliance (Chapter 7, Section 7.2.1).
- Seek partnerships with bodies like the Zambia Revenue Authority to enhance enforcement capacity through joint audits, intelligence sharing and investigations (Chapter 6, Section 6.2.5)
- Institute strong anti-corruption and transparency legislation barring political interference in technical revenue operations to create an enabling environment for policy reforms (Chapter 6, Section 6.2.2).

7.3.3 Suggestions for Future Research

This study exclusively focused on LCC's revenue performance determinants. Further research could:

- Examine how institutional and administrative environments influence revenue collection across urban and rural councils in Zambia using a larger, more representative sample to enable comparisons.
- Conduct impact assessments of technology adoption and taxpayer engagement initiatives on revenue outcomes over time through a longitudinal design.
- Model Zambian local authorities' tax capacity and revenue potential based on economic factors using regression analysis to estimate untapped resources.
- Evaluate taxpayer compliance behaviours and motivations related to different revenue streams like property taxes versus user fees through qualitative techniques.
- Analyze the political economy drivers of variable revenue performance across local authorities using case study approaches.
- Such studies would provide additional insights to guide policy interventions tailored to different contexts for improving subnational revenue mobilisation.

7.3 Concluding Remarks

This study identified multiple institutional, political and administrative factors constraining LCC's local revenue performance. Key constraints include taxpayer knowledge gaps, ingrained attitudes resisting compliance, partisan interference, opaque organisational practices and corruption.

Findings underscored the urgent imperative for LCC to implement comprehensive reforms encompassing automation, streamlining of processes, capacity building, taxpayer engagement and governance enhancements. Adopting best practices in revenue administration guided by empirical evidence and benchmarking could significantly enhance LCC's fiscal position.

With mounting service delivery responsibilities under decentralisation, strengthening own-source revenue mobilisation is indispensable for Zambian local authorities. The solutions identified offer LCC and peer councils across developing countries a roadmap for sustaining operations, infrastructure investments and regional development outcomes for their growing populations.

While reforms face challenges, the sizable potential gains warrant persistent political commitment and stakeholder collaboration. The study contributes vital baseline evidence to inform policy changes tailored to Lusaka's unique institutional and economic conditions. However, sustained engagement, monitoring and evaluation will be indispensable for translating recommendations into improved availability and application of resources for the city's advancement.

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APPENDICES



The University of Zambia
Graduate School of Business

Appendix I: Introduction Letter

Title: Factors affecting revenue collection and the of Lusaka City Council

Dear Respondent,

I am **Getrude Chitalu**, a student at the University of Zambia in my final stage pursuing an MBA in Management Strategy. As partial fulfilment for the award of a Master's degree in Business Administration, I am conducting a baseline study on "*Factors affecting revenue collection of Lusaka City Council.*" You have been purposefully sampled to provide information for the topic indicated above. The collected data is purely for academic purposes, and as such, it will be treated with maximum confidentiality. Subsequently, you are not supposed to indicate your name or any personal information that can lead to the revealing of your identity.

Your co-operation will be greatly appreciated.

INSTRUCTIONS

1. Please answer each question by ticking (✓) or filling in the spaces provided.
3. Kindly explain where your explanation is needed.
4. Do **NOT** indicate anything that will identify you (e.g. name or signature).

I thank you in anticipation.

Yours faithfully.

Appendix II: Participant Information Sheet

Informed Consent Form for Lusaka City Council employees involved in the council rates, taxes, and revenue collection and invited to participate in the study titled *Factors affecting revenue collection of Lusaka City Council.*”

Name of Principle Investigator: Getrude Chitalu

Name of Organization: University of Zambia Graduate School of Business

Name of Sponsor: Self

Introduction

I am Getrude Chitalu, a student at the University of Zambia studying MBA Management Strategy at the Graduate School of Business. I am conducting a study on; “*Factors affecting revenue collection of Lusaka City Council.*” “The findings of this study will be of great importance as it will give an insight and contribute to the body knowledge among stakeholders in the Local Government Authorities (LGAs) as far as revenue collection is concerned and will also help in the improvement of the performance of the local government authorities.

I will share critical information and invite you to be part of this research. This consent form may contain words that you do not understand. Please ask me to stop as we review the information, and I will take time to explain. If you have questions later, you can ask them of me or another researcher before you decide to participate in the study.

WHAT YOU ARE EXPECTED TO

Participation in this study is voluntary. You are free to opt in or out at any time. If you agree to participate in the study, the researcher will give you a questionnaire, and you will be expected to answer all questions. All the information you provide will be confidential, and only the researcher can access them. You are asked to answer as honestly as possible.

Type of Research Intervention and Duration

This research will involve your participation by answering the questions in the questionnaire (or structured interview schedule), and it should take about 15 to 20 minutes to complete.

Participant Selection

You are invited to participate in this research because we feel you have the knowledge and understanding regarding revenue collection and the challenges and factors affecting revenue collection at Lusaka City Council and all local government branches throughout the country. Thus, your experience in taxes, rates and revenue collection will significantly contribute to the research, which will ultimately help with coming up with a comprehensive report with significant findings.

Voluntary Participation

Your participation in this research is entirely voluntary. It is your choice whether to participate or not. If you choose not to participate, all the services you receive at this Centre will continue, and nothing will change. Your choice will not affect your job or any work-related evaluations or reports. You may change your mind later and stop participating even if you agreed earlier.

Uses of information

The information collected from you will be shared with local authorities and other decision-makers to improve the delivery of revenue collection services in the community.

Risk

There are no foreseeable risks associated with this study whatsoever.

Benefits

It may not benefit you as an individual directly, but the outcome or solutions would help the local government and the public at large.

Compensation

There is no compensation for participating in this study.

Confidentiality

Your responses will be given maximum confidentiality. Any information that may identify you will be kept strictly confidential, and your responses will not lead to any adverse effect or negative feedback from the school or the general public because of the response you may

provide. Identifiers will be avoided by giving participants codes or numbers that will be put on the questionnaires instead of names. Only the researchers will know your number, and the questionnaires will be kept under lock and key to prevent any third party from contacting confidential participant information. Filled-in data collection tools will not be shared with or given to anyone except the supervisor, research ethics, and research committee upon request.

Questions /Clarification

The researcher conducting this study is a student at the University of Zambia studying for a Master of Business Administration Management Strategy at the Graduate School of Business. In case you have questions or clarifications. You may contact the individuals listed below.

Chairperson, Humanities and Social Sciences, Research Ethics Committee,
University of Zambia
P O Box 32379
LUSAKA

OR

Director, Directorate of Research and Graduate Studies
University of Zambia
P O Box 32379
LUSAKA

Principle Investigator Details

Getrude Chitalu

Phone Number: +260 96 2215522

Address, Meanwood Kwamwena, Lusaka, Zambia

Appendix III: Certificate of Informed Consent

I have been invited to participate in a study titled Factors Affecting Revenue Collection at Lusaka City Council.

I have read the preceding information, or it has been read to me. I have had the opportunity to ask questions about it, and any questions I have been asked have been answered satisfactorily. I consent voluntarily to be a participant in this study.

Print Name of Participant _____

Signature of Participant _____

Date _____

Day/month/year

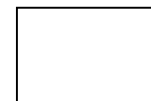
If illiterate

I have witnessed the accurate reading of the consent form to the potential participant, and the individual has had the opportunity to ask questions. I confirm that the individual has given consent freely.

Print name of witness _____

Thumbprint of participant

Signature of witness _____



Date _____

Day/month/year

Investigator Details

At this moment, I confirm that I have personally explained the proposed research, procedures, and confidentiality of their personal information to the above respondent.

Signature

Name: Gertrude Chitalu

Date

Phone Number: +260 96 2215522

Address, Meanwood Kwamwena, Lusaka, Zambia

Appendix IV: Research Questionnaire



The University of Zambia

Graduate School of Business

Questionnaire for the Selected Taxpayers

Title: *Factors affecting revenue collection of Lusaka City Council.*"

Section A: Background Information

1. What is your gender?
 - a) Male
 - b) Female

2. From the list below, which levies do you pay? (Select all that apply)
 - a) Property Rate
 - b) Market fees
 - c) Bus station fees
 - d) Ground Rent
 - e) Billboards management
 - f) Business Levies (Certificate/Licences/Permits)
 - g) Others (please specify) _____

3. Do you know (rates and due dates) the levies you should pay to LCC?
 - a) Yes
 - b) No

4. Does Lusaka City Council engage stakeholders when making tax adjustment decisions?
 - a) Yes
 - b) No

Section B: Political Interference

5. Do you think political interference affects revenue collection at LCC?
- a) Yes []
 - b) No []
6. On a scale of 1 to 5 (1 being the lowest and 5 being the highest), how much does political interference negatively impact revenue collection at LCC?
- a) 1 []
 - b) 2 []
 - c) 3 []
 - d) 4 []
 - e) 5 []
7. Which political interference factors most negatively affect revenue collection at LCC?
(Select all that apply)
- a) Political patronage in revenue collection roles []
 - b) Exemptions to political allies []
 - c) Lack of autonomy in revenue collection policies and procedures []
 - d) Others (please specify) _____

Section C: Accountability

8. Do you think there is proper accountability for revenue collection at LCC?
- a) Yes []
 - b) No []
9. If the answer to question 9 above is NO, do you think improving accountability can increase revenue collection at LCC?
- a) Yes []
 - b) No []

10. On a scale of 1 to 5 (1 being the lowest and 5 being the highest), how much can improving accountability increase revenue collection at LCC?

a) 1 []

b) 2 []

c) 3 []

d) 4 []

e) 5 []

11. Are the current billing, payment and receipt methods being used at LCC efficient?

a) Yes []

b) No []

12. Which accountability measures do you think can most improve revenue collection at LCC?

(Select all that apply)

a) Improved financial reporting and transparency []

b) Performance measurement and evaluation of revenue collectors []

c) Increased internal and external auditing []

d) Integrate the billing, payment, receipting, reporting and analysing system []

e) Others (please specify) _____

Section D: Punishment for Tax Absconders

13. Can imposing specific punishments on tax absconders improve revenue collection at LCC?

a) Yes []

b) No []

14. On a scale of 1 to 5 (1 being the lowest and 5 being the highest), how much can imposing punishments on tax absconders improve revenue collection at LCC?

a) 1 []

b) 2 []

c) 3 []

d) 4 []

e) 5 []

15. Which punishments would be most effective for tax absconders at LCC? (Select all that apply)

a) Fines []

b) Imprisonment []

c) Naming and shaming in media []

d) Withholding services like water or electricity []

e) Others (please specify) _____

Section E: Any Other Comments

16. Do you have any other suggestions to improve revenue collection at LCC?

Thank you for your participation.

Appendix V: Research Interview Guide



The University of Zambia

Graduate School of Business

Interview Guide for the Selected Taxpayers

Title: *Factors affecting revenue collection of Lusaka City Council."*

Section A: Experiences with Tax Payment

1. Tell me about your experience with paying taxes to LCC.
2. What challenges, if any, do you face when paying your taxes?
3. What significant factors limit LCC's tax compliance and revenue collection? Why?

Section B: Political Interference

4. Do you think political interference affects revenue collection at LCC? If so, how?
5. How do exemptions given to political allies impact general tax compliance?
6. What examples of political patronage in revenue collection roles are you aware of? How does this affect trust in the tax system?

Section C: Accountability

7. What is your opinion on the level of accountability for revenue collection and utilisation at LCC?
8. How can improving accountability through auditing, transparency, and evaluation improve tax compliance?
9. What accountability measures would you like to see LCC implement? Why?

Section D: Punishment for Defaulters

10. Are you aware of any LCC punishments given to tax defaulters? If so, what?
11. In your opinion, what punishments would be effective in improving tax compliance at LCC?
12. What risks or disadvantages do you see in imposing punishments on tax defaulters?

Section E: Recommendations

13. What recommendations would you give to improve revenue collection and tax compliance at LCC?
14. Do you want to add anything else regarding LCC's revenue collection?

Thank you for your participation.



The University of Zambia

Graduate School of Business

Questionnaire for the Selected LCC Officers

Title: *Factors affecting revenue collection of Lusaka City Council.*

Section A: Demographics

1. What is your gender?
 - a) Male
 - b) Female

2. What is your age group?
 - a) 18-25 years
 - b) 26-35 years
 - c) 36-45 years
 - d) 46-55 years
 - e) 56 years and above

3. How long have you worked at LCC?
 - a) 0-5 years
 - b) 6-10 years
 - c) 11-15 years
 - d) 16-20 years
 - e) 21 years and above

Section B: Political Interference

4. In your opinion, does political interference affect revenue collection at LCC?
- a) Yes []
 - b) No []
5. On a scale of 1-5, how much does political interference negatively impact revenue collection at LCC? (1= lowest impact, 5 = highest impact)
- a) 1 []
 - b) 2 []
 - c) 3 []
 - d) 4 []
 - e) 5 []
6. Which political interference factors most negatively affect revenue collection at LCC? (Select all that apply)
- a) Political patronage in revenue collector roles []
 - b) Exemptions to political allies []
 - c) Lack of autonomy in setting policies []
 - d) Others (please specify) _____

Section C: Accountability

7. Do you think improving accountability can increase revenue collection at LCC?
- a) Yes []
 - b) No []
8. On a scale of 1-5, how much can improving accountability increase revenue collection at LCC? (1=lowest increase, 5=highest increase)
- a) 1 []

- b) 2 []
- c) 3 []
- d) 4 []
- e) 5 []

9. Which accountability measures do you think can most improve revenue collection at LCC?
(Select all that apply)

- a) Improved financial reporting and transparency []
- b) Performance measurement and evaluation []
- c) Increased auditing []
- d) Others (please specify) []

Section D: Punishment for Defaulters

10. Do you think imposing punishments on tax defaulters can improve revenue collection at LCC?

- a) Yes []
- b) No []

11. On a scale of 1-5, how much can imposing punishments on defaulters improve revenue collection at LCC? (1=lowest increase, 5=highest increase)

- a) 1 []
- b) 2 []
- c) 3 []
- d) 4 []
- e) 5 []

12. Which punishments would be most effective for tax defaulters at LCC? (Select all that apply)

- a) Fines []
- b) Imprisonment []

c) Naming and shaming []

d) Withholding services []

e) Others (please specify) _____

Section E: Any Other Comments

13. Do you have any other suggestions to improve revenue collection at LCC?

Thank you for your participation.



The University of Zambia

Graduate School of Business

Interview Guide for the Selected LCC Officers

Title: *Factors affecting revenue collection of Lusaka City Council.*

Section A: Experiences with Revenue Collection

1. Tell me about your role in revenue collection at LCC.
2. In your experience, what are the main challenges you face in maximising revenue collection?
3. What do you think are the significant factors limiting revenue collection at LCC? Why?

Section B: Political Interference

4. How does political interference affect revenue collection at LCC? Can you give some examples?
5. In what ways does political patronage in revenue collector roles affect collection?
6. How do exemptions given to political allies impact revenue collection?

Section C: Accountability

7. What is your opinion on the level of accountability for revenue collection at LCC?
8. How can improve accountability measures like auditing, transparency, and performance evaluation improve revenue collection?
9. What steps can be taken to improve accountability for revenue collection at LCC?

Section D: Punishment for Defaulters

10. What is currently being done to punish and deter tax defaulters at LCC?
11. In your view, what punishments would most effectively improve tax compliance and revenue collection? Why?
12. What challenges are faced in imposing punishments on tax defaulters? How can these be overcome?

Section E: Recommendations

13. What recommendations would you give to improve revenue collection at LCC?
14. Do you want to add anything else regarding LCC's revenue collection?

Appendix VI: Work Plan And Budget

Work Plan

Year	2022	2023	2023	2023	2023
Months	May-Dec	May-June	July	Aug	Sep
Projected activities					
Proposal development					
Data collection					
Data analysis					
Report writing					
Submission of report					
Defence					

Budget

Description/item	Quantity	Unity cost (K)	Total cost (K)
Ream of Paper	1	80	80
Internet bundles	4 months	150	600

Printing of research instruments	510 pages	2	1020
Wages for research assistants	1	3000	3000
Miscellaneous Expenses			1500
Printing & Binding Copies for Examinations	4	250	1000
Printing Copies for Booklet	4	1000	4000
Booklet Binding	4	150	450
Total			11, 650