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An Assessment of the Sources of Revenue for Local Authorities: A Case Study of Lusaka City Council

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Abstract

The study sought to assess the sources of revenue for local authorities in Zambia; a case study of Lusaka city council. The study utilized a case study and investigative research designs. The used a sample size of 40 respondents. The study used questionnaires and data was analyzed using descriptive statistics and thematic analysis. The study found that the majority of respondents were male (71%) while 29% of the respondents were female. The study also found that 50% of the respondents were youths, 31% were adults and 19% were elderly respondents. Further, the study found that the highest level of education obtained by the majority of respondents (57%) had diplomas followed by those with bachelor's degrees (29%). On the challenges faced by the Council in collecting revenue, the majority of the

respondents accounting for 38% indicated that corruption is the major challenge faced by LCC in collecting local revenue while 29% of the respondents indicated that tax evasion and resistance from taxpayers. Other challenges included poor administrative capacity to enforce the taxes accounting for 10% and political influence on the administration of locally generated revenue accounting for 23%. On the effects of revenue collection on the quality of services delivered, the respondents accounting for 32% indicated that revenue collections improve garbage collection and street cleaning while 28% of the respondents indicated that the revenue collections for Lusaka City Council are used for the road street lights.

Keywords: Assessment, Local Government, Revenue, Tax- Collector, Tax-Payer

1. Introduction

1.1 Background

Local government refers to specific entities created by national constitution (e.g. Brazil, Denmark, France, India, Italy, Japan, Sweden etc.); by the state constitutions (e.g. Australia, the United States of America); by ordinary legislation of higher level of central government (e.g. government. New Zealand United Kingdom and most countries etc.); by provincial of state legislation like Canada, Pakistan or by executive order like China to deliver a range of specified services to a relatively small geographically delineated area.

Local governance is a broader concept and is defined as formulation and execution of collective action at local level. Thus, it encompasses the direct and indirect roles of formal institutions of local governmental hierarchies as well as the roles of informal forms, networks, community organizations and neighborhood associations in pursuing collective action by defining the framework for citizen-citizen and citizen-state interactions, collective decisions making and delivery of local public services (World Bank, 2002).

Local governance includes the diverse objectives of vibrant, living, working and environmentally preserved self-governing communities. Good local governance is not just about providing a range of local services but also about preserving the life and liberty of residents, creating space for democratic participation and civic dialogue, supporting market-led and environmentally sustainable local development, and facilitating outcomes that enrich the quality of life of residents (ibid).

The background of the Zambian local government system shows that, after independence, Zambia adopted a British type of local government system. The system is such that, in each District, there is a local council which is elected by general suffrage. Persons entitled to vote in the local elections must have reached the age of 18 when the elections are held every five years. Through democratization, local authorities commonly known as councils are charged with the aspiration of improving the

standard of living of the people who participate in the affairs of the councils through the elected representatives.

1.2 Statement of the problem

It is evident that the single most important source of revenue for local governments in Zambia is transfer from central governments. While a high proportion of central transfers by itself do not injure the autonomy of the local government, the conditions frequently attached to these transfers undermine genuine local decision-making. The majority of these transfers are conditional (Ahmad, 2006). This, coupled with the low revenue base for most local councils, threatens the autonomous functioning of local governments. Despite the fact that Lusaka City Council (LCC) collects revenue from various sources of income such as (market dues, fines and penalties, parking fees, property taxes, licenses and permits), the effectiveness of the provision of basic social service has become a challenge. In the Local government newsletter, (2008) it was stated that the issue of inadequate capacity in Local Authorities was exemplified by community dissatisfaction in the service areas such as collection and disposal of garbage, statutory inspections, installation and repair of street lights, Insufficient market places and Ineffectiveness in road construction and maintenance. The problems are as a result of insufficient finances and other reasons such as insufficient qualified and experienced staff, insufficient plant and equipment, inadequacies in legislation and unresponsive government pronouncements. Local government therefore, as an arm of national governance has consequently not performed to expectations. Lusaka City Council has a lot of potential to collect revenue but it lacks enough sources of revenue. The town council also lacks logistics to ensure that revenue is collected. Another problem is that the community does not comply with the rules regarding licenses, user fees that the council is mandated to collect. It is cardinal therefore, to investigate why Local Authorities are not exploiting the opportunities by being innovative as opposed to shifting the blame to government policies and directives. It is also important to look at the financial and fiscal policies that central government is pursuing in providing guidance to the local authorities since local authorities perform duties assigned by the central government. In addition, financial and economic crises have further aggravated the challenge which has led in the mobilization of resources by local authorities. As a result, this has in turn led to a problem of poor service delivery in cities like Lusaka city. As such this study will assess effectiveness of local authorities' sources of revenue in Zambia with particular emphasis on Lusaka City Council (LCC).

1.3 Objectives of the study

The main objective of the study is to explore the sources of revenue for local authorities a case study of Lusaka City Council while the specific objectives were to determine the sources of revenue for Lusaka City Council, to explore challenges faced in local revenue collection by Lusaka City Council, to describe the effect of revenue collection on quality of services delivered by Lusaka City Council and to establish the alternatives of revenue collection to be explored by local authorities in order to increase the revenue base.

1.4 Theoretical framework

Fiscal federalism theory

There is no ideal assignment of revenue sources between central and lower levels of government. Still, a set of tax rules has been developed in the traditional fiscal federalism theory (Oates 2005^[34], 1972; Musgrave 2000^[32]; Bird 2010). These principles relate to the respective responsibilities of central and lower tiers of government in macroeconomic stabilization, income redistribution, and resource allocation (Boadway *et al.* 2000). Furthermore, in developing countries the administrative capabilities of local governments in revenue design (that is, deciding on revenue bases and setting rates) must be taken into consideration (Bird 1990). In large and diverse countries, it is also important to address the issue of revenue harmonization between jurisdictions when assigning taxing powers.

The stabilization objective of the fiscal system calls for central control over the revenue instruments that may substantially influence central budget deficits or inflation. Thus, taxes on international transactions (customs duties) and a considerable share of income and general sales taxes (such as VAT) should be assigned to central government. If there are wide disparities in income and wealth across regions, as there are in many African countries, then local taxing powers may exacerbate these differences. Hence, the distributive function of government is an argument for centralized, progressive corporate income and wealth taxes. Since the central government can borrow money to make up for shortfalls, it can live with the more unstable revenue sources, such as customs duties and income taxes.

Local governments, by contrast, require relatively stable sources of revenue. Thus, lower-level governments should tax revenue bases with low mobility between jurisdictions. Property tax is therefore often labeled as the 'ideal' local tax. Moreover, if properly designed, user charges on trading services such as electricity, water, sanitation, and solid waste collection may be attractive local revenue instruments. The same applies to benefit taxes such as road and port tolls, and to various licenses, which also may have regulatory functions.

While the general principles and theoretical discussions of revenue assignments summarized above are useful reference points, in practice, country-specific factors play a crucial role when considering optimal ways to dividing revenue responsibility between central and lower tiers of government. (Bird 2010; Tanzi 2000^[40]).

Such assessments of tax almost always favor central over subnational taxation. Although the literature generally emphasizes that each level of government should be assigned taxes that are as closely related as possible to the benefits derived from spending them, it often also notes that "if fiscal decentralization is to be a reality, subnational governments must control their own sources of revenue" (Martinez-Vazquez *et al* 2006: 21). However, as argued by Bird (2010: 5), it is not easy to satisfy both of these conditions: "the standard model of tax assignment in a multi-tier governmental structure essentially assigns no productive taxes to subnational governments". Local governments are commonly left with little but property tax, business licenses, user charges and market fees, although, as discussed in section 4, a wide range of low productive revenue instruments often are in place.

1.5 Literature Review

The key concept is that own revenues uniquely offer an element of horizontal accountability of public officials to their constituents, on the revenue side of the budget. This accountability is fundamental to creating a fiscal culture of expenditure efficiency not wasting resources and providing what is needed and wanted by local residents, and of fiscal responsibility – providing limits to an otherwise unabridged appetite for public spending with continuous pressure for more central transfers and/or public debt. The international experience also shows that higher levels of tax autonomy at the subnational level are associated with a significant number of other virtuous effects for decentralized systems, including notably improved macroeconomic stability, overall better governance and lower corruption levels. Few revenue sources fulfil all the desirable properties and a compromise is generally needed.

Charges and Fees: There is ample consensus that user charges and fees are the most appropriate source of revenue for local governments, in particular because they best fit the benefit principle. A considerable array of services are amenable to being financed with user charges and fees, including water and sewerage, electricity, parking, garbage collection, urban transportation and road use, kindergartens and residential care for the elderly, museums, parks, and sport facilities. Other services, such as health and education, can be partially financed with user fees. Additionally, user fees can be charged to cover the public costs of registration and monitoring of a wide range of activities including business establishment, real estate titling and registration, and driving permits.

Challenges for local government are directly and indirectly linked to the fiscal crisis and can be identified as follows: The difficulty of balancing local budget realities with decreased revenues, increased service demands and the costs of unfunded provincial and national mandates; the dramatic cost of infrastructure and associated costs. In addition to these direct issues, three additional challenges exist for local municipalities that are indirectly related to fiscal conditions; Barriers to creating voluntary governmental mergers and shared service agreements; ongoing structural fiscal problems related to pensions and; Balancing emerging economic opportunities with environmental risks.

Bella (2000) conducted a study on challenges facing LGAs revenue collection in Sri Lanka and found that many local government authorities failed to deliver social services efficiently to their communities because they faced insufficient funds. He also noted that however, as local government collect revenues from various sources, they normally face many challenges in the due course as forecasted in their annual budgets. The provision of any services in society entails financial expenses; local authorities therefore must have money to provide such services. In order to undertake this task, Bella recommended that local authorities need a sound revenue base and proper financial control.

Liviga *et al.*, (2009) conducted their studies in France and found that LGAs needed to have an appropriate political – administrative framework for participation and national development and proper financial control to ensure smooth revenue collection and efficient social services provision. The local Government Finances Act no. 9 of 1982 provides for sources of revenue, funds and resources of all categories of Local Government authorities namely villages, township

authorities, district and urban councils, procedures for their financial management and establishment of the Local Government Loans Board.

Gideon *et al* (2013) carried out a study in Zimbabwe which reviewed national revenue collection in Zimbabwe, particularly interrogating major revenue sources, revenue collection strategies and soft spots for revenue leakage. Despite numerous efforts to broaden the tax base, researchers found that optimal revenue collection was still structurally and operationally compromised by loopholes in income tax frameworks, lack of transparency in revenue collection and remittance processes, and, corruption within institutions designated as Receivers of Revenue.

2. Methods and Materials

2.1 Research Design/Methods/Approach

The project employed a Case study design the researcher will use data to be obtained from Lusaka city as the case study and make generalizations. Hence, the research will use a combination of both primary and secondary data to answer the objectives of the research. Secondary data of the revenues and expenditures from Lusaka city council will be sought and qualitative data analysis tools will be employed to analyze the data. In order to ensure data quality and completeness in this study, the secondary data will be consistently validated and checked for completeness. For primary data, questionnaires will be used to get responses from the respondents. As such this case study will be a descriptive study design.

Simple random sampling was used as an ideal method for this study due to its nature that is representativeness, fairness, and lack of biasness. Probability sampling was used to select the key formats. Every person in the area of study will have an equal chance or opportunity to be selected as a respondent. The researcher also will use non-probability sampling technique and specifically the judgmental or purposive sampling.

Data collection methods: The researcher employed questionnaires as instruments of data collection. Semi-structured questionnaires were framed according to the objectives of the research, which were used as major themes. Each theme had several constructs that were designed as a way of obtaining primary data so that measurable concepts/ variables can be captured. The questionnaires for this study included both open-ended and closed ended questions. The traditional parts of the questionnaires such demographic details, will be included.

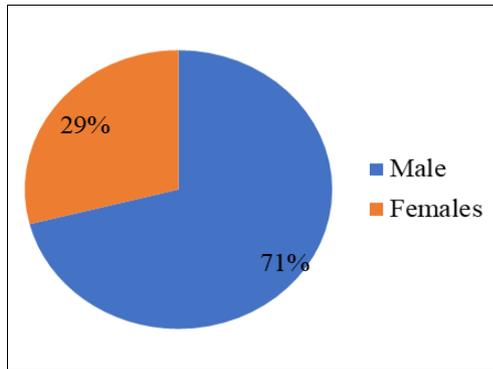
The study will use both primary and secondary modes of data collection. The researcher will use face to face interviews as this method generally yields highest cooperation and lowest refusal rates. The method also allows for longer and more complex interviews with high response quality and takes advantage of the interviewer presence. The researcher will also refer and make use of previously collected data from surveys, observations, and publications by other researcher to get an insight of the existing primary data.

Triangulation: In addition, the study carried out triangulation which was a process of checking the data collected whether it is correct. Basically, triangulation is a technique that is common in non-quantitative studies. The researcher normally bases their research on a variety of origins of the data (Creswell, 2014). The approach of triangulation is widely accepted in qualitative studies

because it strengthens the investigation because of its application of numerous approaches and theories. In this study the researcher applied triangulation by employing a variety sources in data collection. Firstly, the researcher employed questionnaires to collect primary data from the respondents. Secondly, the researcher employed phone call and made some relevant review of literature to ensure that proper triangulation is achieved.

3. Results/Findings

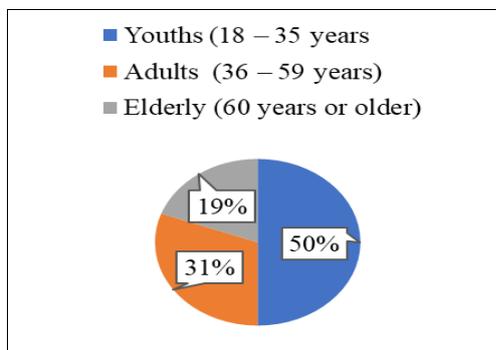
3.1 Background characteristics of the respondents



Source: 2021 Field work

Fig 1: Distribution of respondents by gender

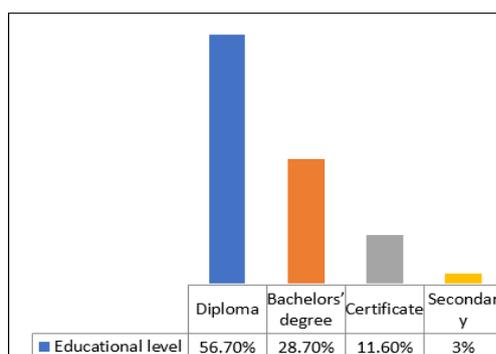
The results on the demographic information of the respondents indicate that the majority of respondents were male (71%) while 29% of the respondents were female.



Source: 2021 Research data

Fig 2: Distribution of respondents by age

Fig 2 above indicate that 50% of the respondents were youths, 31% were adults while 19% were elderly respondents.



Source: Field data

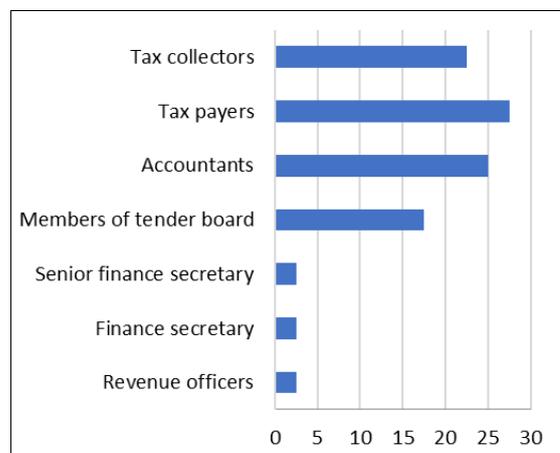
Fig 3: Distribution of level of education of respondents

The highest level of education obtained by the majority of respondents 57% had diplomas followed by those with bachelor's degree 29%. Those who had certificates accounted for 11% and 3% reached grade 12.

Table 1: Summary of demographic characteristics of the respondents

Variable	Percent (%)	
Gender	Male	71
	Female	29
Age	Youths (18 – 35 years)	50
	Adults (36 – 59 years)	30.6
	Elderly (60 years or older)	19.4
Educational level	Diploma	56.7%
	Bachelors' degree	28.7
	Certificate	11.6%
	Secondary	3%

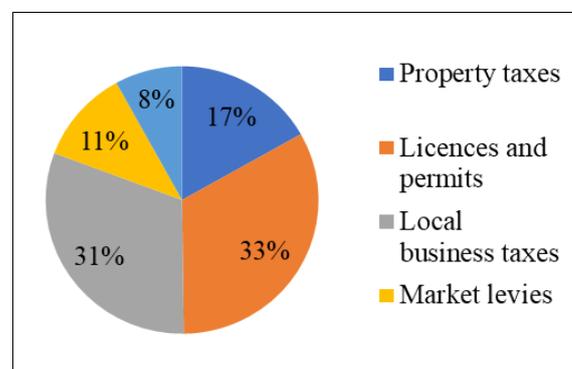
Source: Field data (2021)



Source: 2021 Field work

Fig 4: Position held by respondent at Lusaka City Council

From Fig 4 above, the revenue officer accounts for only 2.5%,the same applies to the finance secretary who also accounts for 2.5% ,the senior finance secretary accounts for 2.5%,members of the tender board account for 17.5%,the sub –accountants account for 25%,the tax payers account for 27.5% and finally the Tax collectors accounted for 22.5% and this means that the percentage of tax payers was more as compared to other respondents. The respondents generally reacted positively while giving information.

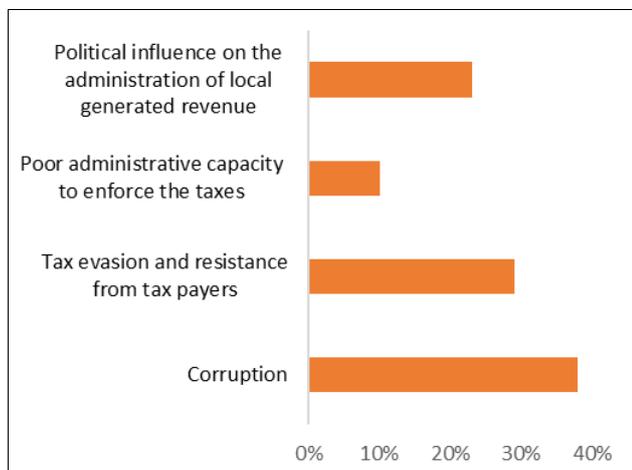


Source: Field data (2021)

Fig 5: Major sources of revenue for Lusaka City Councils

Results in Fig 5 above indicate the major sources of local revenue for Lusaka city council challenges faced by Lusaka

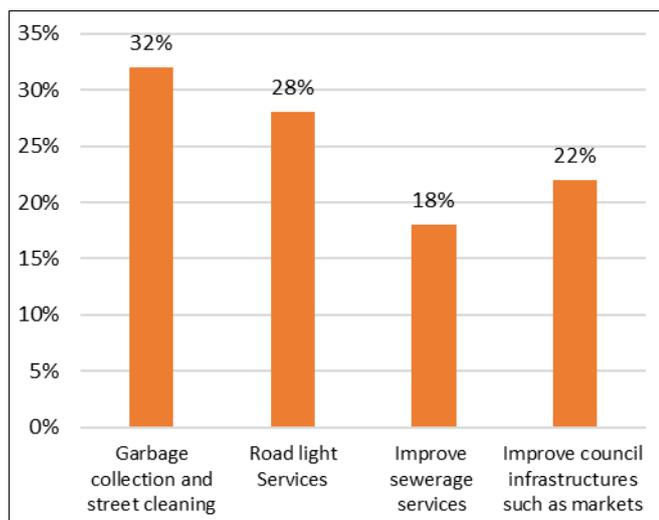
city council. Majority of the respondents accounting for 33% indicated that licenses and permits are the major sources of revenue, 31% local business taxes, 17% bus station levies while market levies and property taxes accounted for 11% and 8% respectively as the other sources of local revenue for Lusaka City Council.



Source: 2021 Field work

Fig 6: Challenges faced in local revenue collection by Lusaka City Council

Results in Fig 6 above indicate that the challenges faced by Lusaka city council in collecting local revenue. Majority of the respondents accounting for 38% indicated that corruption is the major challenge faces by LCC in collecting local revenue while 29% of the respondents indicated that tax evasion and resistance from tax payers is another challenge faced by LCC in local revenue collection. Other challenges faced by LCC in local revenue collection included poor administrative capacity to enforce the taxes accounting for 10% and political influence on the administration of local generated revenue accounting for 23%.



Source: 2021 Field data

Fig 7: Effects of revenue collection on quality of services delivered by Lusaka city Council

Results in Fig 7 above indicate that effects of revenue collection on the quality of the service delivered by Lusaka City Council. Majority of the respondents accounting for

32% indicated that the revenue collections improve the garbage collection and street cleaning while 28% of the respondents indicated that the revenue collections for Lusaka City Council is used for the road street lights. Other effects of the revenue collections included improving sewerage services in the city accounting for 18% and improving council infrastructure such as markets accounting for 22% of the respondents.

3.2 Discussion of Findings

Majority of the respondents accounting for 33% indicated that licenses and permits are the major sources of revenue, 31% local business taxes, 17% bus station levies while market levies and property taxes accounted for 11% and 8% respectively as the other sources of local revenue for Lusaka City Council. Councils must be committed to getting the most it can out of revenue sources that are legally and administratively available. The Training Manual on Revenue Collection (2012) opines councils must put in place a wide- ranging series of improvements to its policies, procedures, staffing and organizational structure. The intent is to use each one of its revenue source to its fullest potential in accordance with council goals and priorities. It is therefore, important that council staff understand the various revenue sources and ways of enhancing own sources of revenue. The Manual further suggests that there are many sources through which councils raise revenue to finance their operations. The sources maybe categorized as councils own, government/ donor support, loans/borrowing etc. it highlights the importance of revenue collectors being familiar with the various categories of revenue such as local business taxes/rates, levies, fees and charges.

In a study conducted by Fjeldstad and Semboja (2000) on local Government taxation in Tanzania identified 10 major categories of taxes; 18 major categories of licenses; 40 groups of charges and fees and 16 items listed as other revenue sources. The distinction between taxes, licenses, charges and fees is, however, often unclear. A number of levies are referred to as charges although they are in reality taxes, since no service is rendered directly and exclusively to the payer. In addition, a wide variety of fees for forms and permits exist.

The primary purpose of such permits is regulation, although in many types of council they have become more a source of local revenue furthermore, the number of different taxes, license, charges and fees varies considerably between the councils. In 1997, for instance there were at least 25 sources of revenue being levied in Kibaha District Council, compared to more than 60 for Kilosa Disticit Council and about 50 in Dar es Salaam.

Results indicated that the challenges faced by Lusaka city council in collecting local revenue. Majority of the respondents accounting for 38% indicated that corruption is the major challenge faces by LCC in collecting local revenue while 29% of the respondents indicated that tax evasion and resistance from tax payers is another challenge faced by LCC in local revenue collection. Other challenges faced by LCC in local revenue collection included poor administrative capacity to enforce the taxes accounting for 10% and political influence on the administration of local generated revenue accounting for 23%. This is also in line with the findings of Bella (2000) who conducted a study on challenges facing LGAs revenue collection in Siri Lanka and found that many local government authorities failed to

deliver social services efficiently to their communities because they faced insufficient funds.

He also noted that however, as local government collect revenues from various sources, they normally face many challenges in the due course as forecasted in their annual budgets. The provision of any services in society entails financial expenses; local authorities therefore must have money to provide such services. In order to undertake this task, Bella recommended that local authorities need a sound revenue base and proper financial control.

This also confirms the findings of Fjedstand (2003) who conducted a study on new challenges for Local Government revenue enhancement. The aim was to find out the extent to which revenue has been enhanced by local Government Reforms. His study revealed that councils were not able to collect full revenue due to them because of (1) poor administrative capacity to access the revenue base (2) poor administrative capacity to enforce the taxes (3) tax evasion and resistance from tax payers (4) corruption (5) external pressure which led to of more optimistic projections and (6) political influence on the administration of local generated revenue.

His study suggested that capacity building should be intended to administrative personnel and education be provided to taxpayers So as to improve that administrative problem. Semboja & Therkindsen (1992) cited resistance from taxpayers as another challenge to revenue collection. Taxes are widely perceived to be unfair and taxpayers see few tangible benefits in return for taxes they pay.

Effects of revenue collection on quality of services delivered by Lusaka city council.

Results in Fig 7 above indicate the effects of revenue collection on the quality of the service delivered by Lusaka City Council. The majority of the respondents accounting for 32% indicated that the revenue collections improve garbage collection and street cleaning while 28% of the respondents indicated that the revenue collections for Lusaka City Council is used for the road street lights. Other effects of the revenue collections included improving sewerage services in the city accounting for 18% and improving council infrastructure such as markets accounting for 22% of the respondents. This is in line with Villadsen and Lubanga (1996) said that to improve service delivery to the public, the government of Uganda should improve the institutional capacity building program. They added that the ability of any civil service reform program to meet its goals is difficult to ascertain because of the lack of baseline description of pre-reform service knowing the baseline will help the country set realistic goals for improving service delivery to the public.

Similarly Coker *et al* (2015) undertook a study in Nigeria that looked at Challenges of Expanding Internally Generated Revenue in Local Government Council Areas in Nigeria. The aim of the study was to posit that local government councils are likely to achieve their set objectives to a large extent if their internally generated revenue (IGR) is expanded. Also, the study also sought to postulate the capacity of local government councils in Nigeria to sustainably expand their internally generated revenue (IGR) is inhibited by the kind of strategies adopted and by some critical challenges facing them.

The study maintains that apart from the fact that the fiscal federalism apparently seems unfavorable to the local government functional responsiveness, it has nevertheless

the provided for adequate source for their internally generated revenue to augment the federally allocated funds. Again, sundry factors hinder the expansion internally generates revenue have been identified and recommendations for boosting IGR in local government councils in Nigeria have also been articulated. The position of the authors is that if the problems identified and strategies for expanding internally generated revenue in local government are strictly defined within each local context and vigorously pursued, enormous amount of revenue will be harnessed from each of them.

Majority of respondents accounting for 31% indicated that acquiring and maintaining customers through customer care and instilling loyalty to customers while 29% of the respondents indicated that local government training and education can build the capacity of the local government staff to increase revenue collection. Other alternatives to increase local revenue included establishing a good system of providing incentives to actors and partners in the whole process of revenue collection accounting for 24% and reducing the number of illegal traders and non-registered taxpayers and increase local revenue accounting for 16% of the respondents.

The results confirm the findings of Henry and Kellam (2004) who conducted a study in Malaysia on the areas that local municipal council can use to optimize local revenue collection, they found out that local governments can increase revenues by establishing a good system of providing incentives to actors and partners in the whole process of revenue collection. This can be done by initiating achievement rewards such as a bonus system for employees attaining a target set by the management. Another option is to acquire and maintain customers through customer care and instilling loyalty to customers. When people are motivated, production will improve and they will also shun corruption. Moreover, local government training and education can build the capacity of the local government staff. Resultantly, operational and managerial skills shall improve across the local government functions, revenue collection included.

Sobhan (2005) has stated that decentralization can help in expanding the ownership and control over the productive assets, enhancing their access to knowledge based society, strengthening the capacity of poor to compete in the market place by restructuring the monetary policy to deliver credit and provide savings instruments to the poor, designing institutions for the poor and empowering the poor.

4. Conclusion

Generally, it has been observed that, adequate and buoyant local revenues are critical to ensuring the viability and sustainability of local authorities and the quality of services they provide. However, there is often a perception that healthy local revenues are necessary in tension with economic development or poverty alleviation for the majority of local authorities, own source revenue on average accounts for less than 20 per cent of the total budget.

There are many instances where local authorities have to rely almost exclusively on fiscal transfers from the Centre. This has been exacerbated by the abolition of development levy and other nuisance taxes. This study shows that the local tax systems often are distortive, costly to administer, and exacerbate inequity. The findings of the study show that although part of the local revenue collected is channeled

towards delivery of services, some percentage of the local revenues collected is misused by some of the administrators involved in planning for the revenues collected and thus strong measures have to be put in place to reduce the misuse as will be seen in the recommendations.

In addition, measures are required to enhance taxpayers 'compliance and to improve the accountability of revenue collectors and elected councilors. This cannot be achieved without substantial and consistent political support from the local revenue collected is channeled towards delivery of services government. A fundamental requirement when further redesigning the local revenue system is greater emphasis on the cost-effectiveness of revenue collection, taking into account not only the direct costs of tax administration, but also the overall costs to the economy, including the compliance costs to the taxpayers.

In addition, losses through corruption and tax evasion need to be reduced. To achieve the seams, there is a need further to simplify the business license and fee structures by reducing the number of rates and coverage. Moreover, local taxes and licenses should be harmonized with local revenue collected is channeled towards delivery of services government tax bases, to avoid double taxation and conflicts with national development policies, such as job creation and private sector development. The experiences from Kenya with the one-stop-shop Single Business Permit systems are promising for future reforms. More realism is also required when it comes to the implementation of a well-functioning property tax system.

Property tax has many attractions as a local revenue base since it is imposed on immobile assets and therefore is difficult to avoid at least in principle. However, it has some obvious weaknesses that need to be taken into consideration before heavy reliance is placed on it. It is therefore a need to reassess the basis of the property tax in urban councils and to implement a simpler and more coherent approach to the valuation provision, which takes into consideration administrative capacity and capability constraints facing the urban councils.

A pragmatic policy approach is required, which may imply local revenue collected is channeled towards delivery of services of certain issues, such as management of property titles, valuation assessments, etc. Local own revenues are a necessary but not a sufficient condition for fiscal local revenue collected is channeled towards delivery of services. In most local government authorities in Africa, local sources are generally not sufficient to develop and supply adequate services for the fast-growing population.

The reality is that most local government authorities in Lusaka City Council for a long time will continue to be heavily dependent on channeled towards delivery of services government. Only a few large urban governments located in rich areas are able to finance a substantial share of their total expenditure with their own revenue sources.

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