Strategies to Improve Own Source Revenue Collection in Morogoro Municipal Council – Tanzania

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ABSTRACT

The Local government Finance Act 1982 empowers local government authorities to set fees and charges to offset the costs of their services, thereby enhancing service delivery. One of the strategies was the adoption of point-of-sale (PoS) machines for revenue collection aimed at reducing corruption and embezzlement of funds. Despite this inventeness, revenue collection was not improved. This leads to the underperformance of local government authorities. Therefore, the study examined strategies for improving own source revenue collection at Morogoro Municipal Council. The study was guided by two specific research objectives: to describe potential revenue sources within the Morogoro Municipal Council and to identify the regulatory frameworks governing revenue collection within the Morogoro Municipal Council. Theoretical concepts from political economy were employed to guide the study. A sample of 85 respondents was selected through a combination of purposive and convenience sampling techniques to collect data via questionnaires, interviews, and document reviews. Descriptive analysis and content analysis were used to analyse the collected data. The study revealed that close supervision, lobbying and advocacy, training and education programs, strict compliance with legal frameworks, outsourcing revenue collection, the application of technological development activities, and timely salary and allowances are relevant strategies used to improve own-source revenues in the Morogoro Municipal Council. The study has demonstrated that a combination of strategic approaches is essential for enhancing own-source revenue collection in the Morogoro Municipal Council. Close supervision ensures accountability and reduces revenue leakages, while lobbying and advocacy create an environment that enables revenue mobilisation. Own-source revenues are crucial for the effectiveness and efficiency of local government authorities, particularly in delivering services to the community. Therefore, there is a need for the council to establish regular monitoring and evaluation systems to ensure continuous oversight of revenue collection activities, thereby facilitating efficient revenue generation.

INTRODUCTION

The Sustainable Development Goals rely on local government authorities and local government areas (LGAs) to achieve their targets (United Nations, 2025). All actions within individual governments happen within the LGAs (World Bank Group, 2021). It is the local government areas (LGAs) that act like street-level bureaucrats, as they are in constant contact with citizens during service delivery. Local government authorities are a product of the decentralisation process, which plays a significant role in providing social services to local people (United Nations-UN, 2022). Fiscal decentralisation enables Local government Areas (LGAs) to generate their sources of funds, thereby enhancing service delivery (Mnyasenga & Mushi, 2015; Chindengwike, 2025). This would be an additional source of funds to what the central or federal governments offer to local governments (LGAs). However, by theory, the LGAs are capable. Most of the LGAs in developing countries lack sufficient funds from their sources to fulfil their obligations. Hence, the trend is that most citizens experience inadequate service delivery, contrary to the United Nations' expectations by 2030. The LGAs, however, have been hindered by inadequate funds in providing such quality and needy service delivery. Hence, the inadequate delivery of service undermines the effort to improve the quality of the perceived Sustainable Development Goals (Waskita & Ashari, 2025; Asimeng & Jauregui-Fung, 2025).

Local government authorities are responsible for providing services to their people. To provide quality services to the people, the local government needs to mobilise sufficient funds to achieve its intended objectives (United Republic of Tanzania-URT, 2019). All services provided by local government authorities are carried out within Local government Areas (LGAs) (Campos & Rodrigues, 2025). County governments are responsible for providing social services to the people (Research on Poverty Alleviation, 2021). However, worldwide, most local government authorities face difficulties in ensuring that people have access to efficient and effective essential social services due to limited resources (UN, 2021). This leads to the failure of service provision to the people (National Audit Office of Tanzania-NAOT, 2021).

The Constitution of the United Republic of Tanzania (1977), under Articles 145 and 146, categorically outlines issues related to local government. Article 145 establishes Local government Authorities (LGAs), and Article 146 clearly states the purpose of establishing local government authorities, which is to transfer authority to the people of local areas (URT, 1977). It encourages the participation and involvement of local people in the planning process and implementation of various development programs in their local areas. In addition, the Local government Finance Act 19, as amended (RE: 2019), gives local government authorities the power to

set fees and charges to offset the cost of their services and to enhance the efficiency and effectiveness of service delivery (URT, 1982). However, the local government authorities in Tanzania are not performing well in the revenue collection process, as the actual amount collected is less than the estimated amount of revenues to be collected (National Audit Office of Tanzania-NAOT, 2019, 2020, 2021, 2022, 2023, 2024). Thus, this resulted in the inefficiency of services provided to people at the grassroots level (URT, 2020). It influenced the burden on the central government to provide subsidies, as in 2021, the central government distributed funds to ensure the construction of classrooms to accommodate the increasing number of students enrolled. Although this issue was not fully resolved, the problem was mitigated to some extent, as local governments had their sources of revenue (URT, 2021; Rugeiyamu, 2024).

The Tanzanian government has implemented several initiatives to improve revenue collection processes among local government authorities, thereby enhancing the efficiency and effectiveness of service delivery (URT, 2020). One of the initiatives adopted to enhance revenue collection is the use of electronic devices, which necessitate the use of point-of-sale (PoS) machines in revenue collection to prevent corruption and embezzlement of funds (URT, 2021). Despite the government's initiative in Tanzania to improve revenue collection in local government authorities, which involved the use of point-of-sale machines, revenue collection still did not improve from 2017 to 2021, as the estimated amount was not met. Local authorities, including Bumbuli DC, Lindi MC, Mtwara MC, Liwale DC, Gairo DC, and Morogoro Municipal Council, have not performed well consecutively for five years, as indicated by the expected amount collected in respective years (NAOT, 2020). Consequently, the collection of revenues by local government authorities resulted in the delay of various projects and substandard service delivery to the people in specific areas of jurisdiction (REPOA, 2022).

A few empirical studies (Mbegu & Komba, 2017; Chindengwike, 2025; Malangalila, 2019; Ogunsuyi & Tejumade, 2021) and reports (URT, 2020; Michael, 2017; URT, 2019; URT, 2022; NAOT, 2020; NAOT, 2021) covered several issues concerning revenue collection processes among local authorities. These studies and reports revealed that, despite revenue collections among local authorities, the actual amount collected annually did not reach the estimated amount. The major reason observed is the centralisation of the major source of revenue, which is property tax. By far, this was the most important source of local revenues. Despite property tax being centralised by the government as a significant source of revenue for local governments, there are numerous other minor sources of revenue, such as service charges, agricultural product licenses, parking fees, and marketing fees. Therefore, the study examined strategies to improve the own-source

revenue collection in the Morogoro Municipal Council. The study can be utilised as baseline data for future related research, and it contributes to both theoretical and practical knowledge for further researchers. Furthermore, the study findings can be helpful for policymakers, by-law makers, and guideline makers in improving revenue collection in respective councils, reducing over-dependence on the central government, and enhancing service delivery.

LITERATURE REVIEW

Theoretical Framework

This study builds theoretically on the Political Economy Theory, which was first supported by John Maynard Keynes in 1930. Keynes's ideas emerged prominently during the Great Depression of 1936 when traditional economic theories failed to address the severe unemployment and stagnation experienced globally. His advocacy for active government intervention through fiscal policies and by-laws, particularly in the form of tax and fee adjustments, was revolutionary at the time. The theory suggests that the government raise revenues to finance various development activities and public investments for the provision of public goods and services to the citizens as well as targeted development projects. Improving revenue generation involves an overarching process whereby an organisation finds ways to drive income and increase profitability to reach its intended objectives (Loungehead & Koranyi, 2022). The theory assumptions are based on improving the organisation's arrangements, tools, and infrastructure to ensure the intended objectives are met. Mbegu and Komba (2017) emphasised that human resources responsible for administering and engaging in the revenue collection process, who are supposed to possess the skills and knowledge to increase revenue collection in their respective local government authorities, are also committed to both revenue collectors, who are highly needed.

Keynesians emphasise the government's policies, acts, and guidelines to reflect the local people's demand for revenue collection and pricing, as well as the laws defined by these acts that are supposed to be followed. The revenue collection process to be successful depends on the availability of clear revenue policies, guidelines, rules, regulations, by-laws, and acts, as well as pricing principles. Regulation is often seen as a means of controlling the relationship between taxpayers and revenue collectors, where issues are stipulated, commanding everyone to abide by the stipulated laws (URT, 2022). The theory enables the sales team to understand the most effective ways to increase business profits and income. Local governments are often

regarded as the most effective entities in efficiently collecting revenue. The theory emphasises that local authorities ensure that the right strategies are employed within the organisation to ensure revenue improvement. Despite the application of Keynesian theory in this study, some critiques that outdated by-laws can pose significant risks to an organisation, including legal compliance issues and ineffective governance practice.

Empirical Literature Review

Manwaring (2017) studied revenue enhancement for local government authorities in Tanzania, highlighting that central government revenue sharing is crucial, constituting approximately 80-90% of local council finances. These councils rely on grants from the central government, which are collected through shared taxes and other revenues. The study suggests that localities, such as the Morogoro Municipal Council, should explore alternative revenue sources rather than relying solely on fiscal transfers from the central government. In a related study, Mtazigazya (2018) examined the impact of outsourcing on local government, identifying various sources of revenue critical for funding operations and delivering essential public services. His research utilised a triangulation approach, combining interviews and questionnaires for primary data with a documentary review of legal frameworks governing revenue collection and financial reports from the municipality and the Controller and Auditor General (CAG). Additionally, John (2021) focused on the revenue collection systems in local government authorities, particularly in the Chato District Council. His findings emphasised that a successful revenue collection system relies significantly on a solid legal framework with clear pricing principles. The research highlighted the need for effective enforcement of laws, policies, and guidelines to prevent corruption and the misappropriation of funds. Ultimately, the study aims to explore the role of legal frameworks in Morogoro MC, focusing on how well policies and laws governing revenue collection are being complied with.

METHODOLOGY

This study focused on the Morogoro Municipal Council to explore strategies for enhancing own-source revenue collection. Situated in the Morogoro region, the council comprises 29 wards and was selected through simple random sampling. The selection was particularly timely, given the council's failure to consistently meet its revenue collection targets between 2017 and 2021. A single, holistic case study design was employed, enabling an in-depth examination of a small segment of the population. This approach aimed

to minimise the limitations associated with individual methods while maximising their strengths, thereby enhancing the validity and relevance of the data collected.

For data collection, the researcher conducted interviews with key figures, including the Municipal Mayor, a business officer, a lawyer, a revenue officer, and a councillor on the finance and administration committee, ensuring a comprehensive understanding of the revenue collection strategies. Additionally, questionnaires were distributed to development officers, street executives, revenue collectors, and ward executives, employing a triangulation method to bolster the reliability of the findings.

The study adopted a qualitative-sequential quantitative approach, primarily focusing on qualitative data while integrating quantitative elements. A total of 85 respondents were selected using purposive and convenience sampling techniques. Data collection methods comprised interviews, questionnaires, and documentary reviews of reputable financial reports from the National Audit Office in Tanzania. This also included an examination of local by-laws, policies, and guidelines regarding tax rates to ascertain whether regulations are updated in response to evolving needs.

To analyse the collected data, it was coded, entered, and organised into a data matrix using SPSS version 27. Graphs were created using Microsoft Office Excel and subsequently analysed in SPSS. Interview data were audio recorded and transcribed, while documentary data underwent content analysis to facilitate accurate interpretations grounded in the relevant theoretical framework.

The researcher prioritised establishing a supportive environment for respondents to openly share their experiences with revenue collection strategies, utilising techniques such as note-taking and voice recording. Ensuring that participant rights were safeguarded, the researcher adhered to professional ethics throughout the study. Permission was obtained from the relevant organisation, and respondents signed consent forms to affirm their voluntary participation. Confidentiality and anonymity were maintained, and participants were informed about the use of audio recordings for documenting the data collection process, thereby ensuring a transparent and respectful research environment.

RESULTS AND DISCUSSION

The study examined strategies for improving own-source revenue collection in the Morogoro Municipal Council. Specifically, the study aimed to describe potential sources of revenue collection, identify the regulatory framework for revenue collection and develop strategies for improving own-source revenue collection. The findings obtained through the interview method, questionnaire method, and documentary review are presented and discussed in the subsequent sections.

Potential Own Sources Revenue Collection at Morogoro Municipal Council

When considering potential sources of revenue for local government authorities, consider those that increase the number of customers, increase the frequency of transactions per customer, and raise prices. Other sources' revenues could have performed better, but the possibility of improvement was available if the government had attempted to enhance them. The questionnaire and interview findings revealed that the Msamvu bus station, Licenses, and service levies, as well as markets, are potential revenue sources, as explained in detail.

Msamvu Bus Terminal

The data revealed that Msamvu bus station is a potential source of revenue. As a public-private partnership approach, the Morogoro Municipal Council and the Local Administration Pension Fund (LAPF) cooperated to introduce the company known as Msamvu Properties Company (T) Limited. The data from the questionnaire revealed that 80% of respondents agreed that the Msamvu bus station has a positive influence on the council's revenues. One of the interviewed respondents said that;

> Haha...you know what? Msamvu bus station was the best stand before the stand of Dodoma and Mbezi-Dar es Salaam. Indeed, Msamvu's stand is a potential source of revenue for the Morogoro Municipal Council, and we are proud to have it.

The 2020/2021 finance report of the council revealed that, from June to July, a total amount of 1,638,151,090.00/= was collected as income for the Morogoro Municipal Council and LAPF, which serves as a partnership between the two. In 2021/2022, the June report revealed that Msamvu generated 2,131,623,198.00/= as the actual amount, while the estimated budget was 1,914,264,960.00/=; this indicates that the amount collected exceeded the estimated amount by 111%.

Licenses and Service Levies

This source of revenue (Licenses and service levies) was mentioned by about 63 (74%) respondents, revealing that it is the most common source of revenue where the council is supposed to invest efforts to ensure the sources are closely monitored due to the high income generated. One of the interviewees recommended that the potential source of revenue in Morogoro Municipal Council said that;

> Since taking office, I have witnessed a movement toward improvement in this source of revenue. You found that in one month, through licenses, the income generated cannot be compared to any other source. For instance, from May to July 2021, the actual generated revenue was approximately eight million, while the estimated amount was six million; thus, the amount collected from one source for three months exceeded the estimated amount. It is a more considerable improvement.

Furthermore, the data from the 2021/2022 council financial report in Morogoro revealed that from June to July 2021, the amount collected as a service levy was Tshs. 1,252,146,834.18/=.

Markets

The data from the questionnaire revealed that 62 (72%) respondents commented that markets generate more income in Morogoro Municipal Council (MC). Similarly, findings from the interview conducted in this council revealed that those markets generated the council's income. Likewise, a documentary review of the council's financial reports revealed that the Chief Kingalu market is the potential source. This was because, as of June and July 2021, the amount collected was Tshs. 720,986,722.00/= for Mawenzi (Soko la Mkulima); in June 2021, the amount collected was Tshs. 6,424,100.00/= for Mji mpya, Mazimbu, Mwanzo mgumu, Bigwa and Mwembesongo.

The findings identified licenses, the Msamvu bus terminal, service levies, and market fees as significant revenue sources for the Morogoro Municipal Council (MC). Notably, the planning and surveying of lands, particularly concerning the Kiegea project, generated substantial revenue, albeit temporarily, as subsequent land rent and property tax are collected by the Ministry of Land, Housing, and Human Settlement Development and the Tanzania Revenue Authority (TRA), respectively. This study corroborates earlier research by Mbegu and Komba (2017), Mtazigazya (2018), and Malangalila (2019), which also emphasised that the central bus stand, business licenses, and service levies contribute to the income of local councils. Furthermore, Mutua and Wamalwa (2017) and Mrutu and Mganga (2016) highlighted various revenue streams for local government authorities, emphasising market fees as vital for achieving council objectives.

Research by Michael (2017) and Muhaya (2021) in Morogoro Municipality categorised property tax as a crucial revenue source, although their studies encompassed broader themes of central revenue sources. Likewise, Lounghead (2022) in Washington, D.C., acknowledged property tax as a key local tax; however, this study diverges from it, as property taxes are administered through the TRA rather than being under municipal control. Close monitoring of these revenue sources alleviates the central government's financial burden on local authorities (Muhaya, 2021). In 2021, the central government allocated funds for classroom construction to address increasing student enrollment (United Republic of Tanzania, 2021), enabling local government authorities to finance some development activities independently (Malangalila, 2017).

Regulatory Frameworks for Own Own-Source Revenue Collection

The findings from the questionnaire revealed that 88% of the respondents agreed that there are various legal frameworks guiding the pricing of fees, charges, and taxes for any source of revenue within the Morogoro Municipal Council. These legal frameworks are explained below; various laws, policies, and other guidelines regarding revenue collection strongly disagree on five rating scales.

The Local government Finance Act 1982 allows Local government Areas (LGAs) to set these fees and charges to offset the costs of their services. The 86% of findings from the interview and questionnaire method revealed that the powers of local authorises to generate funds emanate from the Local government Finance Act 1982, as amended in 2019, which gives local government authorities power to set these fees and charges to offset the cost of their services and to enhance the efficiency and effectiveness of service delivery. Section 6(1) of the Local government Finance Act of 182 (RE. 2019) explained in detail various sources of revenue vested in urban authorities. The income derived from various trading activities, industrial activities, works, services or other undertakings carried on or owned by the urban authority, fees for licenses granted within the area of the urban authority.

The Morogoro Municipal Council has by-laws that govern fees, guiding revenue collection from various sources to generate income at the council level. A documentary review revealed that Section 4 of the law states that the fees for the service are to be paid before receiving the service, such as waste collection in urban areas from homes, industries, or other locations (United Republic of Tanzania, 2011). The primary economic reason for levying user charges on the direct recipients of public services is to enhance the efficiency with which governments utilise resources. Mistakes and penalties are well described in section 10

of the by-laws. Anyone who refuses or delays paying fees, anyone who influences others to refuse or delay paying user charges, and revenue collector who will not submit or bank the collected fees as well stated in this by-law. Anyone who makes a mistake is supposed to pay a fine of Tshs 50,000.00 or face a jail term of up to twelve months, or both (United Republic of Tanzania, 2011).

The findings from the questionnaire distributed to employees of the Morogoro Municipal Council revealed that 76% of respondents recognised the presence of property-related by-laws at the municipal level. The findings from the questionnaire revealed that 86% of the respondents agreed that laws, policies, and other guidelines relating to revenue collection in the Morogoro Municipal Council are frequently updated to cope with new changes occurring in local councils. One respondent stated:

> Here at Morogoro Municipal Council, we have competent legal officers who advise the council to ensure that the governing by-laws in revenue administration activities are continually improved and not static. I recall the current fees, which were amended in practice in 2011, whereas previously, we had a law from 1999. Due to various changes, we have opted to revise the by-laws. The good news is that we have the 2011 fees by-laws. Hopefully, by July of this year, the by-laws will be amended, allowing us to implement a new by-law to address the new changes.

The findings from the Morogoro Municipal Council questionnaire highlight the recognition of property-related by-laws among employees, with 76% acknowledging their existence. A significant 86% of respondents agreed on the need for frequent updates to laws and policies related to revenue collection, indicating a proactive approach to governance. One respondent emphasised the role of competent legal officers in refining these by-laws to ensure they remain relevant amidst changing circumstances, referencing amendments made since 1999 and the introduction of new fee by-laws in 2011. The anticipation of further amendments by July 2023 signifies the council's commitment to adapting its regulations. These findings align with Political Economy theory, suggesting that effective governance requires continuous revenue generation to support public services (Keynes, 1936). The importance of legal compliance in revenue collection is underscored by scholars, including Manwaring (2017) and Chindengwike (2025), noting that adherence to laws can mitigate issues of corruption and fraud (NAOT, 2021, 2022). Additionally, studies by Muhaya (2021) and Michael (2017) recommend periodic amendments to legal frameworks to reflect the council's evolving needs, while Mutua (2017) and Lounghead (2022) highlight the risk of under-collection due to outdated laws, reinforcing the need for responsive governance.

Strategies to Improve Own-Source Revenue Collection

Lobbying and Advocacy

Integrating the findings from Morogoro Municipal Council's revenue collection strategies with Keynesian economic theory provides a broader understanding of the implications of lobbying and advocacy in this context. Keynesian theory emphasises the role of government intervention in the economy to enhance productivity, stimulate demand, and ultimately drive economic growth (Keynes, 1936). In this case, by adopting proactive lobbying and advocacy strategies, Morogoro MC demonstrates an effort to intervene in the economic landscape, encouraging higher compliance and broader taxpayer engagement. From a Keynesian perspective, the council's focus on public communication campaigns can be seen as an investment in human capital. By informing citizens about the importance of tax compliance and the consequences of non-compliance, the council promotes not only revenue generation but also fosters a more informed populace that can participate productively in the economy (Stiglitz, 2019). This aligns with Keynesian principles, which suggest that improving public awareness and understanding can lead to more effective economic outcomes.

Additionally, the establishment of a task force in each ward supports the notion that localised government initiatives can contribute to economic stability and growth. Keynesian theory emphasises the importance of addressing economic problems at the community level, thereby enabling tailored solutions that address specific local needs (Dimick, 2018). By mobilising community resources and leveraging local networks, Morogoro MC's approach can stimulate economic activity through increased tax compliance, resulting in the availability of more public funds for infrastructure and services that further enhance local economic growth. Moreover, the council's emphasis on voluntary compliance rather than coercion reflects the Keynesian idea that public trust and cooperation are vital to fostering economic stability. By engaging taxpayers through advocacy instead of imposing strict penalties, the council can cultivate a cooperative relationship that encourages taxpayer investment in the community (Mankiw, 2020). This relationship fosters a stronger economic foundation and establishes a more sustainable revenue generation system over time. Incorporating Keynesian theory into the evaluation of Morogoro MC's strategies highlights not only the importance of government actions in driving economic progress but also emphasises the role of an informed citizenry in achieving those goals. The council's strategies are practical applications of Keynesian principles, reinforcing the idea that thoughtful government intervention can lead to improved economic outcomes for the community.

Training and Education program

The Morogoro Municipal Council is conducting training and education programs to enhance revenue collection activities at the council level. Training is provided to revenue collectors on the use of electronic devices (PoS machines) because they are the one who uses the system to collect the council's revenues. Job training programs are provided to them on how to deposit the collected money promptly. This was supported by the interviewed respondent, who said that;

> In our council, there are rare training programs rather than regular meetings, which are arranged internally. During these meetings, we discuss various matters related to revenue collection activities to ensure they are done smoothly. Additionally, we discuss the importance of being ethical in the workplace so that we do not damage the image of our council. The main issue that hinders us from undergoing frequent training is financial; we lack sufficient funds to support this program. However, if an opportunity arises, a few of us may be sent to represent others.

Another interviewed respondent also recommended that;

> Indeed, there are training programs, but they are not offered frequently because the demand exceeds the supply. From an economic point of view, the training is provided to those taxpayers, which is job training to increase their capacity. For those employees who undergo training, there are improvements in terms of working capacity. However, the issue is limited funds to support these employees to attend these trainings.

These data revealed that training programs are in place within the organisation, although to a large extent. Only a few numbers are allowed to utilise the council's limited time resources.

The current findings from the Morogoro Municipal Council indicate a significant need for enhanced training and support for revenue collectors to improve their efficacy. This observation aligns with previous studies, such as those by Noe et al. (2017), which have found that employee training not only increases skill levels but also improves job performance and organisational commitment. Specifically, research suggests that ongoing training is essential for maximising revenue collection efficiency (Davis & Wankel, 2018). Comparing these findings to earlier research, many municipal councils have reported that successful revenue collection is closely tied to the proficiency of staff (Bahl & Martinez-Vazquez, 2008). Their study highlights that councils investing in staff training see tangible improvements in service delivery and financial performance, reinforcing the need for continuous professional development. Integrating these insights with Keynesian economic theory provides a broader context for understanding the subject. Keynesian economics underscores the role of government intervention in stimulating economic growth, particularly in addressing market failures

(Keynes, 1936). According to Keynes, investments in public services, including training, can lead to increased productivity, which is essential for economic stability and growth.

Close supervision and strict compliance with legal frameworks

In the Morogoro Municipal Council, numerous legal frameworks govern the collection of revenues by local government authorities. These legal frameworks are often seen as a means of controlling the relationship between taxpayers and revenue collectors, where issues are stipulated, commanding everyone to abide by the laws to ensure that they do not abuse their powers. This revealed by the respondent, who was stated during an interview:

> Eeeeh, waaah, exactly. We have various laws and other guidelines in this council, such as the Local government Finance Act 1982, as revised in 2019 (CAP 290), which serves as the mother law in financial matters, where other supporting laws are supposed to abide by this Act. Additionally, the Finances and Charges By-laws 2011, Licences By-laws, and Parking Fees By-laws 2017 are these legal frameworks governing the entire process of revenue collection. These laws clearly outline penalties and consequences for those who infringe upon the stated regulations.

Another respondent recommended that during an interview.

> Yes, of course; in this MMC, we have policies, laws, rules, and regulations, such as the Local government Finance Act 1982, as revised in 2019, as well as financial regulations. Additionally, we have the Morogoro Municipal Council Property Rating By-law of 2002, the Charges By-laws of 2011, the Licences By-law, and the Parking By-laws of 2017. In MMC, we frequently revise our by-laws and guidelines, and the essence of reviewing is to adapt to new changes.

This entails that the Morogoro Municipal Council has various legal frameworks, including by-laws, the Local government Finance Act, License by-laws, fees by-laws, and waste management by-laws. It also is important not just to impose user charges where appropriate but to "get the prices right" and to impose the "correct" charges. In the context of the Morogoro Municipal Council, the ineffective collection of revenues and the failure to implement appropriate user charges suggest a missed opportunity for the government to engage in the kind of active financial management that Keynes advocated. By not "getting the prices right" and failing to impose the correct charges, the council risks overspending or misallocating financial resources, which could detract from their ability to meet community needs. As Keynes pointed out, the misallocation of government spending can lead to inefficiencies that fail to stimulate the economy effectively (Keynes, 1936). According to the principles of good governance highlighted by the World Bank, transparent revenue management is vital for maintaining public trust and ensuring that funds are used for their intended purpose

(World Bank, 2017). If the Morogoro Municipal Council efficiently collects and manages revenues, it can provide better public services, which can stimulate local economic activity and improve community welfare (Krugman & Wells, 2018). This is particularly relevant in the context of compliance with statutory requirements, as proper adherence can lead to more effective financial outcomes.

Outsourcing approach in revenue collection

Outsourcing involves delegating activities that are typically performed by the respective council to an independent entity under the council's guidance. One of the interviewed respondents recommended that:

> Yes, we have an outsourcing approach in this council. At MMC, the public institution enters into contracts with private entities or institutions to provide services. For instance, in car parking fees, the outsourcing approach is applied, which indeed reduces the workload at the council. This enables the council to be self-sufficient, relying on itself.

Msamvu; Msamvuies Company (T) Limited is a company registered on 4th September 2009 under the Companies Act, Cap 212. The primary objective of this project was to ensure that Msamvu is recognised as the best bus station. Another respondent had these comments to share:

> Haha... you know what? Msamvu bus station was the best stand before the stand of Dodoma and Mbezi-Dar es Salaam to be introduced. Indeed, Msamvu stands as a very potential source of revenue for the Morogoro Municipal Council, and we are proud to have it.

There are various sources of income, such as shops, halls, hotels, restaurants, Supermarkets/shopping malls, Booking/Ticketing Offices, passenger waiting areas, reserved parking areas, banks, car washing areas, and garages. All these revenues are collected under the guidance of the company. The company is doing well in revenue collection activities according to the financial report of the respective council revealed that in 2021/2022, the report of June revealed that Msamvu stand generated 2,131,623,198.00/= as the actual amount while the estimated budget was 1,914,264,960.00/=

The outsourcing approach utilised by councils for revenue collection aligns with Keynesian economic principles, particularly the emphasis on government intervention and efficient resource allocation to stimulate economic activity. According to Keynesian theory, active government participation in economic matters can lead to improved public services and overall economic health (Keynes, 1936). Previous findings underscore the effectiveness of outsourcing in various municipal functions. For instance, studies have shown that municipalities that outsource specific services often experience enhanced productivity and financial

performance (Donahue, 1989). This is reflected in the case of Msamvu, where the outsourcing of revenue collection, particularly regarding car parking fees, not only alleviates the council's workload but also boosts revenue generation, as evidenced by actual income surpassing budget estimates (as noted in the 2021/2022 financial report).

Technological development activities

The findings revealed that the adoption of electronic devices in revenue collection has improved the revenue collection at the Municipal level compared to before the adoption of these machines. That is why local government authorities, including the Morogoro Municipal Council, adopted the use of electronic devices in revenue collection. The interviewee recommended that;

> The revenue collection has improved each year; from 2017 to date, the level of improvement is high compared to previous years. In 2018, the council collected about 7 million. Until now, the council has collected $ 9 million, although we aim to ensure the targeted amount is reached. The improvements are attributed to the Municipal Council's adoption of electronic devices for revenue collection, which also provides taxpayers with education on the importance of paying taxes. In MMC, revenue collection has improved over the years, although the target has not yet been met; however, there is indeed a significant improvement.

The number of corruption cases and instances of fraud has been significantly reduced. Although the revenues in Morogoro Municipality were not collected as estimated, there has been a significant improvement, as stipulated in the financial reports from 2016 to 2021. Projected revenue versus actual revenue collected is that;

Usage of ICT	Respective Year	Projected amount	Actual collected
Less ICT use	2017/2018	5,814,885,000/=	5,454,822,932/=
(PoS machines)	2018/2019	5,616,348,000/=	2,186,267,039/=
Great use of the	2019/2020	6,705,926,213/=	5,270,626,176/=
ICT devices	2020/2021	7. 756,347,345/=	5.678.567.231/=
(PoS machines)	2021/2022	10,256,201,190/=	9,353,472,188/=

Source: Documentary (i.e., MMC and NAOT) Review, 2023

The findings from the Morogoro Municipal Council highlight the significant positive impact of adopting electronic devices for revenue collection, demonstrating an increase from approximately $7 million in 2018 to about $9 million by 2021. This trend aligns with prior studies, which indicate that technology enhances

fiscal performance and reduces corruption in local governments (Khadka, 2019; World Bank, 2020). The integration of Point of Sale (PoS) machines has not only improved revenue collection but also fostered taxpayer trust by enhancing transparency, reflecting key principles of Keynesian economics, which advocates for active government intervention to stimulate growth (Mankiw, 2016). By investing in electronic systems, the Morogoro Municipal Council exemplifies effective fiscal policy that leads to improved public service delivery and economic activity (Keynes, 1936). The reduction in corruption cases further supports the idea that technology can significantly enhance government operations and taxpayer compliance (Friedman, 1999). Overall, these findings underscore the importance of innovative practices in public administration, showing that technological adoption is crucial for optimising revenue collection and promoting community development.

Timely salary and allowances to revenue collectors

The findings from interviews conducted in Morogoro Municipal revealed that the revenue collectors, who are under Ngara Company Limited, are hired to collect the packing fees. The employees of Ngara Company are accountable to Ngara Company and not to the Morogoro Municipal Council. Furthermore, it was revealed that no corruption cases have been reported to the court, although an auditors' report indicated that a certain amount of money was collected but not banked. This reveals that there are some issues relating to corruption, as was stated by one of the interviewees as follows:

> Currently, no official cases have been reported at the court level. However, there are instances in which revenue collectors fail to deposit funds appropriately and may engage in the misappropriation of property, including theft from customers. Additionally, these collectors sometimes prioritise their interests over those of the council when interacting with customers or taxpayers.

Although the cases are not reported, there are climatic conditions that suggest corruption about those rumours, and close examinations are highly emphasised at the council level. Timely payment of allowances and salaries increases morale among workers and their commitment to the organisation. Employees work hard to earn their salaries, and the timely payments show how their efforts are valued and appreciated by the Morogoro Municipal Council. The revenue collectors are direct actors in the revenue collection process, engaging directly with taxpayers when they are not paid well and promptly, often resulting in delayed payments. This makes them vulnerable to corruption cases. From a Keynesian perspective, economic stability can also be fostered by creating a more accountable and transparent public sector. The findings that

revenue collectors in Morogoro are vulnerable to corruption due to delayed payments align with Keynesian theory, which posits that economic distress can lead to unethical behaviours. By ensuring timely compensation, not only can employee morale be enhanced, but the potential for misappropriation and corruption can also be mitigated. This finding aligns with those in other studies, which have demonstrated that timely payments can reduce corruption in public services.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The study aimed to explore strategies for enhancing own-source revenue collection at the Morogoro Municipal Council and identified several key findings that are vital for improving revenue generation. The collaborative efforts of the Morogoro Municipal Council demonstrate a strong commitment to enhancing service delivery through increased revenue generation. Local authorities have made notable progress in maximising revenue collection through a range of innovative mechanisms. The adoption of strategies such as lobbying and advocacy initiatives has successfully fostered goodwill among taxpayers, encouraging voluntary compliance —a key factor in boosting revenue collection.

The introduction of training programs for stakeholders on the use of electronic Point of Sale (POS) devices has made revenue collection processes more efficient. By educating stakeholders on timely banking practices, these programs ensure that collected revenues are deposited promptly, which reduces the risk of mismanagement or loss. Furthermore, compliance with legal frameworks—such as policies, laws, rules, and regulations—is essential for maintaining a structured relationship between taxpayers and revenue collectors. This compliance not only enhances transparency but also fosters trust among all parties involved—the community, encouraging taxpayers to fulfil their obligations.

Recommendations

The study revealed that the Morogoro Municipal Council has various mechanisms, including lobbying, advocacy, training and education programs, outsourcing revenue collection, compliance with legal frameworks, and the application of technological development, which have yielded positive results for the local government authority's revenue collection. To further improve own source revenue collection, it is recommended that continuous engagement with taxpayers through awareness campaigns should be

prioritised to reinforce the importance of tax compliance, regular training sessions should be conducted to keep stakeholders updated on best practices in revenue collection and management, strengthening legal frameworks governing revenue collection will help mitigate disputes and enhance accountability among both taxpayers and collectors. Furthermore, tax stakeholders must comply with the established legal frameworks governing revenue to prevent cases of corruption or embezzlement of public funds. These reduce issues related to forged receipts, corruption, rumours, and delays or failures to bank the collected revenues. They must also cultivate a spirit of paying taxes to support the local authorities, enabling them to serve the community better through service provision and development projects. Practical and Policy Implications

Revenue collection has been a long-standing issue in improving the process among local government authorities. These authorities require sufficient funds to finance various socio-economic development activities and ensure the delivery of standard services. Despite the government's adoption of point-of-sale machines to prevent corruption and fraud, revenue collectors continue to forge receipts given to taxpayers and sometimes fail to deposit the collected revenue for personal gain. Therefore, policies must be strictly adhered to in order to avoid and eliminate issues related to embezzlement and corruption. Legal aid is supposed to be given to taxpayers so that they pay taxes at the right time and feel that paying taxes is their duty and obligation.

Limitations and areas for further studies

The purpose of this study was to examine strategies to improve own source revenue collections in Morogoro Municipal Council. The study was conducted on one local government authority out of the 184 available in Tanzania. This provides opportunities for prospective researchers to explore the remaining 183 local government authorities. This study focused solely on the revenue collection perspective and without examining the management and expenditure of the collected revenues. Therefore, there is a wide range of areas to research in the sphere of revenues for local government authorities in our country, examining potential sources of revenue where the government should focus its efforts to increase revenue collection. Moreover, the study employs a qualitative research design and is complemented by a quantitative approach, providing an opportunity for future researchers to adopt a quantitative research design approach.

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Authors' Contributions

Conceptualisation: Faraja Cosmas Uhahula. Literature Review: Faraja Cosmas Uhahula, with Oscar Tefurukwa and George Igulu, participated in selecting relevant literature. Data Collection and Analysis: Faraja Cosmas Uhahula. Development of draft manuscript: Faraja Cosmas Uhahula and Oscar Tefurukwa. George Igulu addressed all comments from peer reviewers, proofread the manuscript and revised it for the final accepted version.

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