

Administrative Challenges Affecting Revenue Mobilization Within Local Government Authorities: A Case of Morogoro Municipal Council

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Abstract: This study examines administrative challenges affecting revenue mobilization in the Morogoro Municipal Council (MMC), one of Tanzania's Local Government Authorities (LGAs). While LGAs are significant for service delivery and development, their capacity is undermined by poor revenue mobilization. From a case study design, data were collected through questionnaires and interviews from 133 respondents, analyzed using descriptive and thematic methods. Results indicate that revenue mobilization in MMC is majorly constrained by bureaucratic procedures, lack of adequate training, staff shortages, unrealistic revenue targets, weak communication, limited resources, and unequal distribution of tasks. Even if introduced, digital systems cannot address the enforcement gap or ensure a higher engagement of taxpayers. This study concludes that institutional and administrative problems need to be addressed to enhance revenue performance. Thus, measures should be taken to simplify procedures, build staff capacity, enhance resource allocation, and align targets with realistic expectations to support sustainable local development.

Keywords: Revenue Mobilization, Local Government Authorities, Decentralization, Service Delivery.

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I. INTRODUCTION

The establishment of Local Government Authorities (LGAs) in Tanzania was aimed at promoting decentralization of governance, boosting local development, and improving the provision of public services. LGAs were re-established under the Local Government (District Authorities) Act and the Local Government (Urban Authorities) Act of 1982. Achieving democratic involvement and self-reliance for local development is one of the mandated purposes of LGAs (URT, 1982). Their other responsibilities include infrastructure maintenance, provision of education and health services, and environmental management (Kharel, 2019). Over the years, however, LGAs have become vital for the effective execution of development policies and ensuring that local resources are mobilized, thereby curtailing informal dependence on allocations from the central government.

The most critical determinant for LGA effectiveness is revenue mobilization, as it gives the underlying base for the provision of essential services. Some of the local revenues that are generated from Tanzania LGAs include: property rates; business licenses; market fees; parking fees; and

service charges (Fjeldstad and Katera, 2017). However, these potential sources of revenue generation have been hampered by structural, administrative, and socio-political constraints, as most LGAs are to a greater extent dependent on grants from the central government (TRA, 2021). Furthermore, revenue challenges such as existential tax non-compliance, leakages, and corruption have persisted despite the establishment of the Local Government Revenue Mobilization Information System (LGRCIS) as an instrument of digitalization, thus exposing gaps in enforcement and limited monitoring, and low taxpayer engagement (Fjeldstad & Katera, 2017; TRA, 2021).

All these issues come out quite clearly in the Morogoro Municipal Council (MMC). It is evident that in this fast-growing city, the demand for public services and infrastructure continues to expand, but revenue projections have not been met. For the past three financial years (2021/2022-2023/2024), the total projected revenue for MMC stood at TZS 36,065,136,199.95, but collections amounted to only TZS 30,767,520,486.93, leaving a shortfall of TZS 5,297,615,713.02 (MMC, 2024). Much of the lost revenue could have come from the establishment of both

digital and procedural measures, but gaps in enforcement, inadequate monitoring, and low taxpayer engagement restrict the effectiveness of the mobilization of revenue. Revenue mobilization dynamics in MMC thus require very serious attention. Therefore, this study aimed to examine administrative challenges affecting revenue mobilization in the Morogoro Municipal Council.

II. LITERATURE REVIEW

Institutional, technological, and socio-economic variables affect revenue mobilization effectiveness in LGAs. Studies done in Tanzania have shown that the administrative structures and tax designs fail to mobilize revenues, with policy frameworks and interagency coordination contributing some more factors, while corrupt practices, low taxpayer awareness, political interference, and weak legal frameworks continue to hinder such collection (Kipilimba, 2018).

These challenges are like those of other municipalities. Laizer (2023) found that some challenges that obstructed revenue generation included taxpayer resistance, limited tax education, informal sector participation, and inadequate institutional capacity in the Arusha City Council. Amin (2018) found enforcement inefficiencies as well as little contribution by revenue to development initiatives in Asa Local Government in Nigeria. An enlarged tax base accompanied by mobilization capacity was found to positively influence service delivery by Mpaata et al. (2017) in Masaka District, Uganda, although no direct effect from transparency was found.

Recently, technology-based interventions such as digital systems have now producing mixed results. In Malangalila (2019), it was assumed that the ICT adoption and outsourcing in Tanzanian LGAs fail most of the time due to limited infrastructure and poor planning. Kayombo (2023) and Shaban (2022) further highlighted that the current conditions of weak internal controls, low IT literacy, and technical failures that limit effective digital revenue mobilization were ongoing barriers. Njogela et al. (2022) and Mtasigazya (2018) have also identified fraud, human error, and poor oversight in outsourced and POS-based collections.

Studies have shown that administrative and socio-political factors of high staff capacity, political interference, low taxpayer engagement, and limited public knowledge of by-laws have inhibited revenue performance in other councils (John, 2021, 2024; Nuluva, 2015; Mabhena & Chibomba, 2025). In general, it is also widely accepted that critical factors for improving efficiency are in governance, training, and technical support (Msenga, 2021; Kapongo & Mutalemwa, 2024).

Though earlier efforts have emphasized primary determining factors of revenue mobilization effectiveness, there is a clear gap in research on how institutional, technological, and socio-economic challenges influence revenue mobilization in the Morogoro Municipal Council (MMC).

III. METHODOLOGY

➤ Research Design

The study employed a cross-sectional research design. This design was appropriate as it enabled the collection of data at a single point in time, providing a snapshot of the factors influencing revenue performance (Stake, 1995).

➤ Sample Size and Sampling Techniques

A total of 133 participants (45 staff from the Msamvu area, 86 staff from other areas, and Heads of Departments) formed the sample. The sample size was deemed necessary enough for comprehensive coverage and for saturation of data (Silverman, 2013; Creswell, 2014).

Participants with direct experience in revenue mobilization were purposely sampled. This method gave assurance that individuals with relevant knowledge were included, thereby enhancing the depth and relevance of the data to the problem posed (Palinkas et al., 2015).

➤ Data Collection Instruments

Data were collected using structured questionnaires and semi-structured interviews. The questionnaires captured quantitative information on trends, compliance, and operational efficiency among revenue staff.

Semi-structured interviews with Heads of Departments were used to capture experiences, perceptions, and institutional practices. This design enabled flexibility in questioning and the emergence of new information while keeping participants focused on the objectives of the study (Kvale, 2007; Tisdell et al., 2025).

➤ Data Analysis

Quantitative data from the questionnaires were analyzed through descriptive statistics, involving frequencies and percentages to find patterns and trends in revenue mobilization (Creswell, 2014).

The qualitative data from interviews were thematically analyzed. As transcripts were coded, codes were then organized into larger themes representing significant challenges, strategies, and institutional dynamics. Both inductive and deductive reasoning were applied, and tables and matrices were used to systematically organize themes for interpretive understanding (Braun & Clarke, 2006).

IV. FINDINGS AND DISCUSSION

Table 1 Administrative Challenges of Revenue Mobilization in LGAs

Statements	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
	F (%)	F (%)	F (%)	F (%)	F (%)

Bureaucratic procedures make revenue mobilization difficult	53 (40.5)	47 (35.9)	15 (11.5)	11 (8.4)	5 (3.8)
Staff received adequate training on revenue mobilization processes	19 (14.5)	36 (27.5)	28 (21.4)	34 (26.0)	14 (10.7)
Staffing levels were sufficient to manage revenue mobilization efficiently	12 (9.2)	25 (19.1)	21 (16.0)	41 (31.3)	32 (24.4)
Revenue mobilization targets are realistic and achievable	21 (16.0)	44 (33.6)	27 (20.6)	30 (22.9)	9 (6.9)
Internal communication supports effective revenue mobilization	25 (19.1)	39 (29.8)	29 (22.1)	28 (21.4)	10 (7.6)
The council provides adequate resources for revenue mobilization	16 (12.2)	28 (21.4)	30 (22.9)	38 (29.0)	19 (14.5)
Revenue mobilization responsibilities are well-distributed among staff	18 (13.7)	34 (26.0)	26 (19.8)	37 (28.2)	16 (12.2)

Scale: F = Frequency and % = Percent

Source: Field Data (2025)

➤ *Bureaucratic Procedures and Revenue Mobilization*

This coincided with the existing literature, which revealed that Kipilimba (2018) came up with the complex administrative structure as the main constraint affecting the success of tax administration. Laizer (2023) mentioned inefficiencies in bureaucratic procedures encouraged corrupt practices and compliance among taxpayers. Mushimbwa (2019) indicated that the rigor of procedures has been entrenched in resistance to reforms over the years in the local government system. Mtasigazya (2018) showed that complexity in bureaucracies with respect to contract management leads to leakage of revenues. Likewise, Amin (2018), through a case study of Asa Local Government, proved that even very rich in revenues, procedural inefficiencies do exist. All the above statements thus point to the agreement of all these studies, pointing out that bureaucratic procedures act as level barriers in the system and therefore require structural intervention.

➤ *Staff Training on Revenue Mobilization*

Training was a major factor that made effective revenue mobilization, though not fully, training established by the council. Only 14.5% of respondents strongly agreed and 27.5% agreed that the employees received adequate training in revenue mobilization, leading to a total of 42% supporting the argument. Out of these, 36.7% viewed it as inadequate since 26% disapproved, and 10.7% strongly disagreed. An even further 21.4% were undecided on the matter, which maintains the possibility of quite different results in percentages across departments. Such findings meant that part of the source of inefficiency in revenue mobilization has been the lack of proper training, as well as the possibility of establishing more structured and demand-oriented programs to further improve the performance and results of the staff.

John (2021) identified the major skills gaps among revenue officers, particularly in understanding revenue systems through digital means. Gituma (2017) stated quality of training is the most crucial aspect affecting revenue outcomes, next to the impact of corruption control and the regulatory frameworks. In the hands of Msenga (2021), establishing a combination of technical training and technology adoption improved the performance of

collections. Training failures documented by Malangalila (2019) occurred because of the lack of alignment of programs with upgrades to the system. Recently, John (2024) argued that needs-based training coupled with mentorship would greatly enhance staff performance. As such, all these studies reaffirmed the conclusion that contextually specific, relevant, and practically delivered training goes a long way in achieving results.

➤ *Staffing Levels and Efficiency*

The greatest concern of the findings addressed staffing. Only 9.2% and 19.1% agreed strongly or agree, respectively, that staff were sufficient to handle revenue mobilization efficiently; thus, only 28.3% found the staffing level appropriate. Moreover, it showed that most of the respondents, 55.7%, viewed staffing as insufficient since 31.3% disagreed and 24.4% strongly disagreed. Additionally, another 16% said that they have no opinion about this issue; probably a sign of discrepancies between departments. Findings indicated the possibility of revenue losses since understaffing loads excess work on employees, delays some processes, and loses revenue opportunities. Revamping staffing capabilities or changing the assignment of tasks would seem beneficial.

• *One Head of Department Noted:*

“Most of the time, we just have 1 officer performing the work of 3. This leads to mistakes, burnout, and delay in reconciliations or reporting.”

• *Another Head of Department Stated:*

“This makes us do the urgent collection and leave the rest unattended because there is just insufficient manpower.”

In Laizer's (2023) findings, developing countries suffer from a shortage of qualified personnel in almost all sectors. Mabhena and Chibomba (2025) indicated staffing shortfalls leading councils to embrace reactive strategies instead of proactive methods in collecting revenues. Time-motion studies have proven that staff shortages forced shortcuts in processes, especially in assessments and enforcement, as demonstrated by Kayombo (2023). Nuluva (2015) highlighted that there is now enough staffing only for normal

revenue sources because of the complexity of revenues; thus, nuanced allocation strategies are needed. Dada et al. (2017) provide further proof that investing in human resource capacity pays off with sizeable returns in revenue yield.

➤ *Revenue Mobilization Targets*

There was a mixed perception amongst the study respondents with regard to the realism of revenue targets. In terms of the extent of strongly agreeing, 16 % was actually supported by 33.6 % of respondents agreeing to the viewpoint that targets were realistic and achievable, whereas some 29.8% found the view as thus high, with 22.9% disagreeing and only 6.9% strongly disagreeing. The opposite side had 20.6% indifferent, probably due to poor communication or not actively engaging when targets were set. From these results, it seems that usually revenue targets are mismatched to the actual operational delivery of capabilities, which probably demotivated staff and revenue performance in the end. Hence, the organization will need to revamp the target setting speedily to reflect realistic goals, in line with existing resource constraints.

Kayombo (2023) states that too high targets negatively affect the morale and performance of staff. The researchers utilizing econometrics, Mpaata et al. (2017), put their effort into determining where revenue targets would be optimum, depending on variables associated with tax base and mobilization. Nuluva (2015) has done research work on psychological agony because of mismatched expectations between planners and implementers, while Kapongo and Mutalemwa (2024) indicated that the target-setting dynamism improves target alignment, harnessing data analytics. Evidence from those specific findings clearly indicated the need for evidence-based planning to consider participatory engagement with the frontline staff to set targets.

➤ *Internal Communication*

Internal communication was a vital factor in supporting the mobilization of revenue. Results show that 19.1% of respondents strongly agreed, while 29.8% agreed that internal communication supports efficient revenue mobilization, but conversely, 21.4% disagreed, while 7.6% strongly disagreed, or 29% total, that such means were being used among members of the council. Another 22.1% undecided may indicate different communication practices in different departments. With that, subpar communication may inhibit coordination, delay the implementation, and reduce efficiency in revenue overall. Getting better communication systems and feedback loops might improve organizational cohesion.

• *One Head of Department Said:*

“Timely information flow is lacking. Updates or changes in the policy sometimes come late, and that makes an impact on the way we operate.”

Kipilimba (2018) showed in this research how silos in communication across departments create operational inefficiencies. As Shaban (2022) observed, the adoption of technology does not yield better results unless aligned with

reforms in communication methods. John (2021) tracked how communication failures caused revenue opportunities not to be taken, whereas Njogela et al. (2022) present operational models of integrated communication systems for mobile applications. Thus, these earlier studies insisted that there was a need for technological infrastructure alongside a culture of sharing information for effective communication in revenue systems.

➤ *Resource Provision*

With only 12.2% of respondents expressing strong agreement and 21.4% saying they agreed that there were adequate resources provided by the council, the overall positivity on the adequacy of resources for revenue mobilization stood at a dismal 33.6%. On the contrary, 29.0% disagreed, and another 14.5% strongly disagreed, making it, in total, 43.5% who perceive the unavailability of the resources. As further evidence, 22.9% remained neutral, which probably alludes to an uneven distribution of resources. The above factors were evidence of technological, logistical, and infrastructural hindrances that may be imposed on staff effectiveness in overall revenue productivity. The council, therefore, has to dispense more resources and ensure their distribution to enhance operational efficiencies.

Chronic underfunding of revenue departments was what perpetuated cycles of poor performance, as argued by Malangalila (2019). Among other critical gaps in ICT infrastructure and maintenance was established by Shaban (2022). Njogela et al. (2022) demonstrated that there are measurable improvements in revenue systems targeted especially in mobile revenue systems investment. Proposed a resource allocation framework by Msenga (2021). This sets priorities for high-potential revenue streams. These studies thus support the claim that resource adequacy with sound strategic deployment is critical for revenue success.

➤ *Distribution Responsibilities*

It was also perceived as a challenge for how revenue mobilization responsibilities are being distributed among the different parties. Only 13.7% strongly agreed and 26% agreed that responsibilities are being distributed evenly, which gives a total of 39.7% in support; however, 28.2% disagreed and 12.2% strongly disagreed, which gives a total of 40.4% perceiving some form of distributional imbalance. Another 19.8% of the respondents remained undecided, which indicates that varying experiences exist across departments. All these results point towards the existence of imbalances that would create inefficiencies, fatigue, and thus low morale among staff. Correcting the allocation of tasks in accordance with the capabilities of individuals along performance metrics is likely to result in gains for both revenues and staff satisfaction.

• *One Head of Department Mentioned:*

“There are people who have a lot of work on their plates, while others have almost nothing on their plates. It is not an issue of laziness, but of poor task distribution.”

• *Another Head of Department Mentioned:*

“Without a fair workload, we cannot expect consistent results. There needs to be a system that matches tasks with people’s actual strengths and availability.”

As stated by Dada et al. (2017), task imbalances ultimately result in reduced income and, in some cases, loss of employees. Unequal distribution of burden hurts teamwork in revenue-generating units, as stressed by Kawesa (2019). Msenga (2021) further advocated for the place of worthiness in routing operational performance with employee satisfaction as aligned. These studies, therefore, underscored the fact that allocation of tasks would need data and consideration of the farm capabilities of the individual staff, as well as being a method of continuous monitoring and adjustment.

V. CONCLUSION

The research concluded that revenue mobilization at MMC is fraught with institutionally challenging bureaucratic procedures, insufficient training, staffing shortages, unrealistic revenue targets, weak internal communication, limited resources, and uneven distribution of responsibilities. These combine to minimize efficiency and constrain revenue mobilization. These obstacles must be addressed so as to improve performance in accountability and service delivery.

RECOMMENDATIONS

Improving revenue mobilization at MMC should include streamlining and simplifying bureaucratic procedures to eliminate bottlenecks and redirect focus toward efficient performance. Contextual training and mentorship programs for revenue staff are vital to strengthening skills and performance in revenue mobilization. Proper staff levels need to be instituted, and responsibilities equitably assigned to ensure workable loads and operational efficiency. Revenue targets must be realistic and participatory, aligned with the resource envelope, to enthuse staff with motivation for better performance.

Internal systems of communication should be revitalized, involving a technological approach for the speedy and effective flow of information. Government resources must be increased and properly channeled to enhance infrastructure for revenue mobilization and operational efficiency. The unified force of all these factors will indeed counteract institutional challenges and create an environment of improved revenue performance.

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