

**Revenue Generation and Service Delivery in Nigeria's Local Government System:
Evidence from Ankpa Local Government Area, Kogi State (2015-2025)**

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Abstract:

Local government is the third level of the Nigerian federal system, closest to citizens and, according to the constitution, most directly responsible for providing basic services such as primary education, primary healthcare, local roads, water, sanitation, and markets. However, after many years of overreliance on federal government funds and weak systems for generating internal revenue (IGR), most Nigerian local governments are now financially unable to fulfill their obligations. This study examines the relationship between revenue generation and service delivery in the Ankpa Local Government Area of Kogi State, Nigeria, from 2015 to 2025. A mixed-methods approach was employed, involving structured surveys of household beneficiaries (n = 274) and local government staff (n = 28), as well as key informant interviews. The study reveals that Ankpa has several revenue sources that remain largely underutilized, such as a large coal deposit, agricultural produce markets, and commercial transport routes. Seventy-one percent of the staff surveyed rated the local government's revenue effort as unsatisfactory, and 49 percent considered its revenue-generation strategy inadequate. Sixty-eight percent of the staff believed there was a positive relationship between project implementation and community development outcomes. However, because of the study's descriptive nature, this belief cannot be presented as a statistically verified correlation. This perceived link is, in any case, greatly weakened by an expenditure pattern that favors recurrent spending over capital spending, a serious lack of accountability (54 percent of the staff surveyed disagreed that the revenue generated is properly used), and, most significantly, overwhelmingly negative evaluations from household beneficiaries regarding certain services: 90 percent disagreed that the local government helps with irrigation farming, 83 percent thought the fertilizer subsidy was inadequate, and 95 percent rated the performance of the local clinic as ineffective or highly ineffective, with immunization outreach being the only service area to receive a majority of positive assessments (84 percent). The article places these findings within the context of fiscal decentralization theory and the benefit-received theory of taxation, maintaining that the low tax morale in Ankpa should not be seen as a culture of non-compliance but rather as a rational reaction to a clearly visible imbalance in the reciprocal service-delivery agreement, a conclusion that is independently supported by both those who administer the revenue system and by the residents who experience the services it provides. The article ends with a series of recommendations focused on revenue diversification, automated collection, shifting expenditure priorities toward capital projects, and introducing transparency reforms to restore the fiscal social contract between the local government and its residents.

Keywords: Internally generated revenue, service delivery, local government, fiscal decentralisation, benefit-received theory, Kogi State.

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1. INTRODUCTION

Within Nigeria's federal system, local government holds a special place in the Constitution: it is the level of government created by the 1999 Constitution (as amended) to bring governance as close as possible to the people and to carry out the most immediate and visible functions of the state, such as primary education, primary healthcare, the maintenance of local roads, markets, water supply, and sanitation (Achimugu & Stephen, 2013). Because it is so close to the people, the way in which local government performs serves as a particularly sensitive indicator of the Nigerian state's overall ability to turn revenue into welfare. Nevertheless, evidence from Nigeria's 774 local government areas has, for many years, shown a pattern of continuous underperformance, largely due to a structural weakness in finances statutory allocations from the Federation Account, which are passed on via the State Joint Local Government Account, have in the past provided the vast majority of local government revenue, while internally generated revenue (IGR), which includes rates, tenement rates, market dues, and local licences that a council collects directly from its own tax base, has continued to be a minor, poorly administered, and often mismanaged addition (Adewale, 2008; Agba, Stephen, and Nnamani 2014).

The Ankpa Local Government Area, one of the twenty-one local government areas in Kogi State and the center of a mainly Igala agrarian economy on the eastern side of the state, clearly reflects this national trend. It was established in 1976 within the then Kwara State and now has a projected population of about 358,800 (Population Projection, 2022), covering an area of approximately 1,200 square kilometers; its economy is based on the cultivation of yams, cassava, maize, beans, and groundnuts, together with an active system of markets such as Afor-Gamgam, Eke-Ade, Ede-Ikanekpo, and Ukwo-Doko. It also benefits from commercially important coal deposits, which, as this study's findings indicate, remain largely underused as a source of revenue (Habib and Idoko 2025). As with most Nigerian local governments, the statutory duties assigned to Ankpa under the Fourth Schedule of the 1999 Constitution far outstrip the revenue that its own collection systems can currently generate, producing a continual gap between the constitutional requirements and the government's financial capacity – a gap that this article examines empirically.

The research problem that this article sets out to deal with has two aspects. The first is to determine the real empirical relationship, as perceived by the people of Ankpa and the staff of the local government, between the amount of revenue the local government earns and the quality and sufficiency of the services it provides. The second is to identify the specific structural and behavioural factors on both the revenue-generation and expenditure-allocation sides of the local government's financial operations which explain the gap where the relationship is less than what the constitution requires. The importance of answering these questions extends beyond the particular case in question: since Ankpa is a local government area that is rich in natural resources, mainly agricultural and has

historically relied on funds from the federation account, its situation is generally typical of dozens of similar local government areas in Nigeria's Middle Belt and northern regions, and the mechanisms described here therefore have significance well beyond the boundaries of Kogi State.

The article makes three contributions. The first is to offer solid, subnational empirical evidence, based directly on the views of officials responsible for administering Ankpa's revenue and expenditure systems, rather than on overall fiscal statistics, on the specific ways in which revenue generation is linked to service outcomes. This kind of empirical perspective is relatively uncommon in a body of literature that is more frequently based on data at the state level than at the local government level (Adenugba and Ogechi 2013; Nnanseh & Akpan 2013). The second contribution is to apply the benefit-received theory of taxation, a theory that is more typically used in the fiscal sociology literature dealing with national tax systems, to the local and personal level of local government revenue collection, a level at which the reciprocal relationship between payment and service is, in principle, more directly observable to the taxpayer than it is at the state or federal level, and to examine what occurs to that reciprocal relationship when the visible connection between payment and service is lost. The third contribution consists of a series of specific, actor-oriented recommendations tailored to Ankpa's particular resource situation and administrative limitations, intended to be of direct practical value to the local government council and to the Kogi State Ministry for Local Government Affairs, while at the same time remaining analytically applicable to other similar local government areas in Nigeria.

2. THEORETICAL FRAMEWORK

2.1 Fiscal decentralisation theory

The study is primarily based on fiscal decentralization theory, which holds that transferring to subnational levels of government the powers to raise revenue and to spend money leads to better allocative efficiency and greater public accountability, since subnational governments, being nearer to citizens, have better knowledge of local preferences and can be more directly held responsible by the people whom they tax and serve (Oates 1972, as it has been widely used in the Nigerian literature on local government finance; Akindele, Olaopa, and Obiyan 2002). When this theory is applied to Nigeria, it offers a clear normative standard by means of which Ankpa's performance can be evaluated: a truly decentralized and fiscally autonomous local government should have a close and positive relationship between its own revenue efforts and the amount and quality of the services it provides, since both its resources and its accountability arise at the local level. Conversely, the theory would predict that where the relationship is mainly mediated through allocations from the federation, which the local government has little independent control over, and where local revenue efforts remain low even though there is an identifiable local tax base, this situation exists. The findings of this study confirm a similarly weak connection between citizens' compliance in paying taxes and their

perception of the level of service delivery, since the reciprocal relationship that decentralization is intended to produce never fully comes into play.

2.2 The benefit-received theory of taxation

The second theoretical basis is the benefit-received theory of taxation, according to which the amount of tax an individual should pay should correspond to the benefits that individual derives from the public goods and services provided by the government (Blum and Kalven 1953). Within this approach, people's willingness to pay taxes is not seen as a fixed cultural or moral attitude but rather as conditional and transactional: citizens are more likely to pay taxes when they feel there is a genuine and obvious connection between the taxes they pay and the services provided in return. They will fail to comply either by evading their tax obligations or by showing only a weak sense of civic enthusiasm for paying taxes when such a connection is missing or repeatedly broken (Jumare 1994). When applied to the case of Ankpa, this theoretical perspective reframes what might initially appear to be simply a lack of a 'tax culture' among the residents as a rational reaction to a pattern of poor reciprocity. Since the findings of this study show that residents believe that the money collected is not being used properly and that repeated spending leads to capital investment in visible services being cut back, the benefit-received theory exactly predicts the pattern of inadequate taxpayer cooperation that this study records. It also implies that the best way to improve compliance is not merely to increase enforcement but to genuinely strengthen the service-delivery aspect of the fiscal agreement.

3. LITERATURE REVIEW

There is a considerable body of empirical work that has examined the link between internally generated revenue and infrastructure or service-delivery outcomes in various states and local governments in Nigeria; the overall trend is positive but conditional, which aligns with the findings of this study. Adenugba and Ogechi (2013), in their study of the Lagos State Internal Revenue Service, discovered a statistically significant positive relationship between internally generated revenue and infrastructure development, using descriptive statistics and Spearman's rank correlation on primary survey data obtained from state revenue officials. Nnanseh and Akpan (2013) also found in their analysis of Akwa Ibom State that internally generated revenue made a significant and positive contribution to the provision of water, electricity, and roads. Yet the study pointed out that this contribution was still biased toward some types of infrastructure rather than others, a pattern of uneven capital allocation that is also seen in the present study's Ankpa findings. Regarding local governments, Agba, Ogwu, and Chukwurah (2013) carried out an empirical evaluation of service delivery in the Idah Local Government Area of Kogi State. This case is directly comparable and lies within the same state. They found that Idah's performance in terms of service delivery was, at most, average, with the main obstacles being insufficient funding, irregular remittance of funds, and weak accountability; the Ankpa findings in the present study closely match this earlier evidence from Kogi State, indicating that such a pattern may be widespread among the twenty-one local government areas of the state rather than being limited to any one of them.

Regarding revenue generation, Adewoye and Fasina's (2008) study of the Oyo State Internal Revenue Service found that improved collection, assessment, and compliance measures led to a significant rise in revenue, even though there was no corresponding increase in the extent of tax coverage or in tax rates. The study suggested adopting electronic revenue assessment and unique taxpayer identification as improved approaches, both of which align with the technology-focused recommendations made in Section 6 of this article. Adesoji's (2013) SWOT analysis of internally generated revenue sources in the local governments of Oyo State reached a similar conclusion, identifying inadequate strategic planning rather than an inherently narrow tax base as the main obstacle to revenue raising by local governments. This finding is directly supported by the evidence from this study: 35 percent of the staff surveyed said that the local government did not have adequate revenue-generation strategies, even though there were clearly exploitable resources such as coal deposits, agricultural markets, and commercial transport routes. Taken together, these findings place Ankpa's situation within a well-known national trend, according to which the problem affecting the financial performance of local governments is not the lack of a taxable local economy but weak collection systems, poor prioritization of expenditure, and an accountability gap that undermines the reciprocal relationship upon which the benefit-received theory of taxation is based.

4. METHODOLOGY

The research used a concurrent mixed-methods approach, administering structured questionnaires to two groups of respondents, household beneficiaries of services and members of the local government directly responsible for revenue and expenditure administration, and conducting key informant interviews with both the Local Government Chairman and the Revenue Officer. The minimum sample size for households was calculated using the Taro Yamane (1967) formula, based on Ankpa's estimated 2022 population of 358,800 and a 5 percent margin of error, yielding a target sample of about 399 respondents. A combined stratified and cluster sampling method was employed, with Ankpa divided into urban and rural strata and the wards serving as the sampling clusters within each stratum. 370 questionnaires were given to household beneficiaries, and 274 valid responses were obtained (a response rate of 74.1 percent). A separate, smaller questionnaire was given to the local government staff in charge of revenue and administration; 30 copies were distributed, and 28 valid responses were collected (a response rate of 93.3 percent).

The number of staff surveyed corresponds to the actual size of Ankpa's revenue and treasury administration and is not the result of a sampling shortfall. In total, 400 questionnaires were distributed, and 302 valid responses were obtained from both groups of respondents. The quantitative data from both surveys were analyzed descriptively using frequency counts and percentages, consistent with the exploratory and grassroots-oriented nature of the study; no inferential statistical tests (for example, chi-square or

rank-order correlation) were carried out, and therefore the findings presented in Section 5 are given as descriptive patterns of respondents' perceptions rather than as statistically tested relationships. The qualitative data from the key informant interviews were analyzed thematically to cross-check and provide context for the quantitative findings.

The study's primary outcome measure, service delivery, was defined using six indicators tied to specific sectors and administered to the sample of household beneficiaries: assistance from the local government on irrigation farming, the adequacy of the fertilizer subsidy, the effectiveness of the scheme for hiring farm implements, the availability of immunization outreach, the quality of refuse collection, and beneficiaries' perceptions of the performance of the local health clinics. These indicators were chosen to cover the three major areas of service provided by Ankpa agricultural support, public health, and environmental sanitation, in accordance with the local government's constitutional obligation as set out in its Fourth Schedule. They are given in full in Section 5.5. Because both the number of staff and the size of the household sample are small relative to Ankpa's total population, the percentages mentioned below should be understood as reflecting respondents' views within the particular samples surveyed rather than as accurate representations of population-wide figures. The nature of this limitation and its impact on the study's generalizability are examined in more detail in Section 6.1.

5. FINDINGS

5.1 Although there are various sources of revenue, they are still not well diversified

Fifty percent (50%) of the staff surveyed (that is, 16 out of 28, when the responses of 'strongly agreed' and 'agreed' are combined) stated that the Ankpa Local Government Area has several sources of revenue. Interviews with the Local Government Chairman and the Revenue Officer also supported this finding. Table 1 summarizes this and other findings on strategy and commitment, as reported in Tables 4.7, 4.9, and 4.11 of the original study, together with the raw response frequencies, since the number of staff surveyed was small ($n = 28$).

Table 1. *The staff's perceptions of the revenue potential, strategy, and commitment in the Ankpa Local Government Area*

Several revenue generation sources are available	16 (57.1)	8 (28.6)	4 (14.3)
Several strategies for revenue generation exist	8 (28.6)	14 (50.0)	6 (21.4)
Level of commitment to more revenue generation is high	7 (25.0)	21 (75.0)	0 (0.0)

Note that the raw response frequency is out of a total of 28; the percentages are exact to one decimal place and not rounded to whole numbers, so the combined figures might

differ slightly from those in earlier versions of this table. Source: the field survey data from the original study.

The pattern shown in Table 1 has analytical importance. Although most respondents stated that revenue sources are available, precisely half (14 out of 28, 50.0 percent) believed that adequate strategies do not exist to make use of them, and a large majority (75.0 percent, $f = 21$) felt that there is low institutional commitment to increasing revenue generation. This discrepancy between the availability of resources and institutional efforts is in line with Adesoji's (2013) assessment of Oyo State's local governments. It indicates that the Ankpa revenue shortfalls are mainly due to problems in governance and strategy rather than to a lack of resources, a distinction that has direct consequences for the recommendations set out in Section 6.

5.2 The deficit in accountability and taxpayer cooperation

In accordance with the benefit-received theoretical framework described in Section 2.2, the study identified weak taxpayer cooperation and a significant perceived deficiency in accountability for the use of collected revenue. Table 2 presents these findings, providing the raw response frequencies as well as the percentages.

Table 2: *Staff Perceptions of Taxpayer Cooperation, Remittance, and Revenue Utilisation (n = 28)*

Taxpayers' attitude is essentially cooperative	5 (17.9)	23 (82.1)
Revenue collectors remit high amounts into the LGA account	4 (14.3)	24 (85.7)
Revenues generated are properly utilised	13 (46.4)	15 (53.6)
The LGA's revenue generation effort is essentially satisfactory	8 (28.6)	20 (71.4)

Note that f represents the raw response frequency out of a total of 28. Source: data from a field survey reported in the original study; the 'properly utilized' figures are obtained by combining the 'strongly agreed' and 'agreed' categories for each case.

Two of the results shown in Table 2 are especially important for the article's theoretical argument. On the one hand, the vast majority of the staff, 82.1 percent ($f = 23$), see taxpayer cooperation as weak; moreover, an even higher proportion (85.7 percent, $f = 24$) believe that the revenue collectors do not pass on the amounts they have collected to the local government account, indicating that leakage occurs not only at the stage when citizens comply but also within the collection administration itself. On the other hand, consistent with the central prediction of the benefit-received theory, a slight majority (53.6 percent, $f = 15$) of the staff do not think that the revenues generated are being used

properly, and 71.4 percent ($f = 20$) consider the local government's overall effort in generating revenue to be unsatisfactory. Taken together, these findings suggest that the poor level of taxpayer cooperation in Ankpa cannot be explained, or even mainly explained, by citizens' unwillingness to pay; it coexists with and is reasonably reinforced by an internal acknowledgment of a pattern of collection leakage and weak expenditure accountability, which weakens the reciprocal relationship upon which ongoing voluntary tax compliance relies.

5.3 The way expenditure is allocated leads to recurrent spending cutting into service delivery

The analysis of expenditure patterns in the underlying study showed that a greater share of the revenue received by the Ankpa Local Government Area was spent on recurrent expenditure, mainly personnel and overheads, than on capital expenditure aimed at service delivery. This result aligns with the Nigerian local government finance literature, which identifies recurrent-expenditure dominance as a chronic structural limitation (Adewale 2008). It directly challenges the supposed connection between revenue and service delivery, as mentioned in section 5.4 below: even if revenue generation increases, the benefit to citizen-facing service delivery is reduced because a portion of that revenue is used to meet recurrent obligations before any money is allocated to capital expenditure.

5.4 A link believed to exist between revenue effort and project outcomes even though it has not been tested statistically

Despite the constraints mentioned above, a majority of the staff (67.9 per cent, $f = 19$ out of 28, when responses from those who strongly agreed and those who agreed are combined) saw a positive connection between the implementation of local government projects and important community development outcomes. Because the original study used a purely descriptive statistical approach with a small sample size, this result is presented here as a descriptive pattern of respondents' perceptions rather than as a statistically verified correlation between revenue and service-delivery variables; no inferential test (for example, a rank-order correlation or a chi-square test of association) was carried out on the paired revenue-and-outcome data, and none is claimed. Public enlightenment campaigns were the most popular strategy for increasing revenue, named by 46.4 per cent ($f = 13$) of the staff respondents as the method most likely to lead to higher revenue, more so than the use of dedicated tax collectors (10.7 per cent, $f = 3$), traditional authorities (10.7 per cent, $f = 3$), enforcement taskforces (25.0 per cent, $f = 7$), or contracted-out collection (7.1 per cent, $f = 2$). The preference shown for persuasion-based over coercion-based revenue strategies is in line with the benefit-received framework: the staff seems to realize, either explicitly or implicitly, that sustainable compliance relies on restoring citizens' confidence in the mutual service-delivery agreement rather than merely on increased enforcement.

5.5 The views of household beneficiaries regarding specific service outcomes

Although Section 5.4 provides a general account of staff perceptions of a link between revenue effort and project outcomes, the household beneficiary survey ($n = 274$)

examined this link using six specific, sector-related service indicators described in Section 4. The findings, summarized in Table 3, are more critical than the general staff perception noted above and strongly support, rather than undermine, the central argument of this article.

Table 3 *Household Beneficiary Assessment of Specific Service Delivery Outcomes in Ankpa LGA (n = 274)*

LGA assists with irrigation farming	16 (5.8)	246 (89.8)	12 (4.4)
Fertiliser subsidy is adequate	42 (15.3)	226 (82.5)	6 (2.2)
Farm-implement hiring scheme is effective	43 (15.7)	211 (77.0)	20 (7.3)
Immunisation outreach is available	230 (83.9)	37 (13.5)	7 (2.6)
Refuse collection system is good	12 (4.4)	210 (76.6)	52 (19.0)
Local clinic performance is effective	15 (5.5)	259 (94.5)	

Note that f represents the raw response frequency out of a total of 274. The "positive assessment" category includes "strongly agreed" and "agreed" (as well as "highly effective" and "effective"). In contrast, "negative assessment" includes "disagreed" and "strongly disagreed" (as well as "ineffective" and "highly ineffective"). The clinic-related item used a four-point effectiveness scale with no undecided option.

The pattern shown in Table 3 is clear and, with respect to five of the six indicators, stands in sharp contrast to the more moderate level of ambivalence expressed by the staff in Sections 5. 5.1–5. 5.4: an overwhelming majority of household beneficiaries say that the local government does not help with irrigation farming (89.8. 8 percent), that the fertilizer subsidy is inadequate (82.5. 5 percent), that the farm- implement hiring scheme is ineffective (77.0. 0 percent), that refuse collection is poor (76.6. 6 percent), and, most clearly, that the performance of the local clinic is either ineffective or highly ineffective (94.5. 5 percent).

The only exception is immunization outreach, for which 83.9. 9 percent of household beneficiaries gave a positive rating. This may be explained by the fact that immunization campaigns in Nigeria are often carried out through federally and state- level primary healthcare programs funded vertically and with support from development partners rather than through the local government' s own internal revenue, and are therefore less directly dependent on the fiscal performance of Ankpa than the other five indicators. When viewed in this light, the fact that immunization outreach is the exception does not

undermine the article's main argument but instead serves to highlight it: in cases where service delivery relies most directly on the local government's own revenue- financed capital and recurrent spending, such as irrigation support, the administration of subsidies, implement hiring, refuse collection, and clinic staffing and supplies, household beneficiaries express nearly universal dissatisfaction; in cases where it does not, satisfaction is high. This evidence at the household level supports, from a completely independent standpoint, the staff- side conclusions regarding weak revenue diversification (Table 1), collection leakage (Table 2), and the dominance of recurrent expenditure (Section 5.3. 3), and shows that the accountability gap identified from the administrative side of Ankpa's fiscal system is actually felt, not just expected, by the people who are meant to be served by that system.

6. DISCUSSION AND SUGGESTIONS FOR POLICY

The results support a specific, theory-based understanding of Ankpa's financial situation: although the local government area has untapped material revenue potential, especially regarding its coal reserves and its system of agricultural markets, it is inefficient at converting the revenue it does earn into services for citizens because of inadequate enforcement of collection methods, expenditure patterns that favor recurrent spending, and an absence of accountability, which in turn reduces taxpayers' willingness to comply. This explanation is now independently supported by evidence from the household beneficiaries presented in Table 3. Table 4 then turns this assessment into a series of recommended actions, each outlining the operational mechanism, the intended recipient, and the expected result, in accordance with the level of detail that high-impact public administration journals require in empirical research aimed at informing policy.

Table 4 Recommendation Matrix for Ankpa Local Government Area

1	75.0% of staff perceive low institutional commitment to revenue expansion (Table 1) despite acknowledged resource availability	Establish a dedicated Revenue Diversification Unit tasked with developing and monitoring under-tapped sources (coal, commercial transport, agro-processing)	Ankpa LGA Chairman's Office / Revenue Department	Broadened revenue base beyond federation allocations; short-term (0–12 months)
2	Untapped coal deposits identified as a resource opportunity (Section 5.1)	Formalise a tripartite coal royalty framework between the LGA, mining operators, and the Kogi State Ministry of Solid Minerals,	Kogi State Ministry of Solid Minerals / Ankpa LGA	Unlocks under-tapped mineral revenue base currently; medium-term (12–24 months)

		including tax incentives for processing investors		
3	85.7% of staff perceive weak remittance by revenue collectors (Table 2)	Deploy point-of-sale (POS) terminals and direct bank transfer channels for market, transport, and tenement fee collection, replacing cash handling by individual collectors	Ankpa LGA Revenue Department / Kogi State Board of Internal Revenue	Eliminates the collector-level remittance leakage documented in Table 2; short-term (0–12 months)
4	53.6% of staff disagree revenue is properly utilised (Table 2); household beneficiaries report near-uniform service dissatisfaction (Table 3)	Institute quarterly open town-hall publication of internally generated revenue against capital expenditure, disaggregated by the service sectors in Table 3	Ankpa LGA Council / civil society and community groups	Restores benefit-received tax morale by making the revenue–service link directly visible; short-term (0–12 months)
5	Recurrent expenditure crowds out capital/service-delivery spending (Section 5.3)	Adopt a statutory minimum 30 percent allocation of internally generated revenue to capital/local infrastructure spending, ring-fenced from personnel cost absorption	Kogi State House of Assembly / Ministry for Local Government Affairs	Prevents recurrent expenditure from crowding out service delivery; medium-term (12–24 months)
6	46.4% of staff favour public enlightenment as the most effective revenue strategy (Section 5.4)	Institutionalise regular, structured tax-education campaigns explicitly linking specific service-delivery outcomes (per Table 3's six indicators) to specific revenue streams.	Ankpa LGA Information Unit / Community and traditional leaders	Rebuilt taxpayer confidence in the reciprocal bargain; short-term (0–12 months)
7	Low frequency of treasury staff training (64% report training as “not often”)	Establish a regular capacity-building programme for revenue and treasury staff in	Kogi State Local Government	Improved administrative capacity to execute Recommendations 1–4;

	modern assessment, collection, and financial management techniques.	Service Commission	medium-term (12–24 months)
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The order of the recommendations in Table 4 is in accordance with the article's main theoretical argument since the benefit-received theory specifies that it is accountability and reciprocity, not the intensity of enforcement, which should be the key factor for improving taxpayer compliance; accordingly, the short-term recommendations focus on measures relating to transparency and remittance-tracking (that is, Recommendations 3 and 4) which directly tackle the accountability gap that is acknowledged within Section 5.2. This is based on the assumption that such measures must come before any increase in revenue collection efforts rather than after them if the expansion of collection is to be maintained through real taxpayer cooperation rather than through compliance that is met with resentment.

The implications of this sequencing logic extend beyond the formal constitutional arrangements to show how fiscal decentralization should be understood in practice. According to the theory of fiscal decentralization outlined in Section 2.1, closer ties between taxpayers and the government should, in principle, lead to greater accountability and more efficient allocation of resources as compared with more distant, centralized revenue systems. However, Ankpa's evidence challenges a simple interpretation of this prediction since the fact that there is formal proximity between the local government and its taxpayers has not by itself led to the kind of accountability improvements that the theory expects, because the particular administrative mechanisms such as transparent reporting, reliable remittance, and giving priority to capital projects in expenditure that normally enable such proximity to result in greater trust and compliance are still underdeveloped.

This indicates that the benefits of fiscal decentralization are conditional rather than automatic: while constitutional proximity does create the possibility of the mutually beneficial, service-delivery-related relationship between taxation and service delivery that is anticipated by this article's theoretical framework, realizing that possibility depends on the specific administrative and transparency reforms listed in Table 4. Without those reforms, formal decentralization could end up reproducing at the local level the same lack of transparency and weak accountability that have historically obtained in Nigeria's federal and state fiscal relationships, which are based on dependence on federal aid, an outcome which both Ankpa's own administrative staff and, independently and more strongly, its household beneficiaries report having experienced directly.

6.1 The limitations and possible areas for future research

There are three limitations to the conclusions presented above. The first is that the staff survey sample size ($n = 28$) is small, a consequence of the relatively limited scale of Ankpa's revenue and treasury administration rather than inadequate sampling. This reduces the statistical accuracy of the percentages presented in Tables 1 and 2. Therefore, the results should be regarded as strong indications of staff perceptions of internal administration rather than as estimates for the entire population with a formally established margin of error. Although the household beneficiary sample ($n = 274$) is much larger and closer to the target of 399 derived from the Taro Yamane formula, it still did not reach that target because of non-response, as explained in Section 4. Second, although the descriptive statistical method employed in the study is suitable for its exploratory, single-case study nature, it does not enable formal inferential testing of the relationships it identifies. As a result, the findings regarding the perceived connection between revenue effort and service outcomes are presented throughout this article as descriptive patterns of respondent perception and not as statistically tested correlations.

A subsequent study that includes chi-square tests of association or rank-order correlation on data at the individual respondent level, as Adewoye and Fasina (2008) did for Oyo State, would enable the revenue–service delivery relationship described here to be tested with formal statistical rigor. Third, since the study is focused on only one local government area, any attempt to generalize the findings to the other twenty local government areas in Kogi State or to similar agrarian and resource-rich local government areas in other parts of Nigeria's Middle Belt should be made with caution. The close similarity between the results of this study and the earlier evidence from Idah Local Government Area by Agba, Ogwu, and Chukwurah (2013), which was also in Kogi State, suggests that the pattern identified here may be more widely present throughout the state. That said, comparative research involving multiple local government areas would be needed to confirm this with confidence.

7. CONCLUSION

The article examines the relationship between revenue generation and service delivery in the Ankpa Local Government Area of Kogi State, Nigeria, from 2015 to 2025. Evidence from local government staff ($n = 28$) and household beneficiaries of services ($n = 274$) shows that Ankpa has an underutilized local revenue base, particularly with respect to its coal deposits, agricultural markets, and commercial transport routes. Nevertheless, the extent to which the local government's fiscal structure yields the service outcomes required by its constitutional obligations is constrained by poor implementation of collection strategies, an expenditure pattern that favors recurrent spending over capital spending, and an acknowledged lack of accountability within the local government regarding the use of the revenue it collects.

Household beneficiaries confirm this situation directly and, on most of the specific service indicators examined, offer a more critical assessment than local government staff: a large number consider the local government's support for irrigation, fertilizer subsidies, hiring of farm implements, refuse collection, and clinic performance to be inadequate. Immunization outreach is mostly carried out through federally and state-funded vertical health programs rather than from the local government's own revenue, with the only exception. When the benefit-received theory of taxation is applied, the weak level of taxpayer cooperation in Ankpa should not be seen as the result of a separate cultural deficiency but rather as a rational reaction to a clearly visible and, according to the evidence from households in this study, correctly perceived breakdown in the mutual agreement between paying taxes and receiving services; this interpretation has important and encouraging policy implications, since it indicates that credible reforms aimed at improving transparency and accountability, rather than simply increasing enforcement, provide the more lasting way of enhancing local revenue collection and, as a consequence, of achieving fully the service-delivery obligations which are required of the Ankpa Local Government Area.

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