STRATEGIES OF REVENUE GENERATION AND RURAL DEVELOPMENT IN BAYELSA STATE, NIGERIA

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ABTRACT

The study was designed to identify the strategies of revenue generation and rural development in Bayelsa State. In order to achieve the specific objectives of this study, two hypotheses were formulated and tested. The general system theory was adopted as a theoretical framework of this study. Sample size of 400 inhabitants was randomly selected from the population of this study. The multiple-stage samplings of stratified and purposive sampling techniques were utilized in the study. The data obtained were analyzed using descriptive statistics of simple percentage and chi-square. The analysis of data revealed that revenue generation strategies adopted by the local governments has not yield any significant impact on the development of the rural area and the sources of revenue generation such as statutory allocation from Federal government and internally generated revenue has being mismanaged and diverted to personal gains by political leaders in the selected local government areas. The study recommends among others that the industrialization strategy for revenue generation in the rural areas in Bayelsa State should be strengthens and encourage for more robust revenue generation. The study contribute to knowledge that lack of commitment and corrupt tendencies of local government chairmen and state government encroachment in local government finance contributed to the underdevelopment of rural areas in Bayelsa State

KEYWORDS: Local Government, Revenue Generation, Development, Rural Development.

1. INTRODUCTION

Development of people and their locality is centered on adequate finance. Funding is one of the most important activities of government. Development, from its inception, is a kind of totalistic movement and rural development is not an exception. Therefore, rural development is a multi-dimensional process by which the productivity, income and welfare, in terms of health, nutrition, education and other features of satisfactory life of rural people can be improved upon or transformed (Sokoh, 2013). Governments units at all levels, such as National, State and Local governments are engaged in the production and distribution of public goods and services in areas such as agricultural extension, education, healthcare, social welfare and security, all of which involve huge amounts of money (Ikelegbe and Augustine 2020). The mobilization of the financial resources to meet the diverse needs of the people has in effect become an important responsibility which governmental authorities have to shoulder, this responsibility not only includes the generation of revenue but also its allocation among competing needs of the locality (Abubakar, 2021). Development is extremely linked with funds, much revenue is required to plan, implement and preserve infrastructures and facilities at the local government level. The feasibility for the formation of local government in the world stems from the need to facilitate progress at the grassroots.

The importance of local government is a function of its capacity to generate sense of belonging, wellbeing and contentment among its populace (Fatile, 2019). All forms of government or political system have ensured the attainment of this goal. Such approach for ensuring national administrative development and political efficacy is found in the concept and practice of local government (Bello-Imam, 2021). According to Abe and Omotosho (2020), Local Government can be seen as the level of government with constitutionally defined rights and duties to regulate and manage public affairs which are also constitutionally defined for the exclusive interest of the local population. Local government is a semi-autonomous territorial unit created by the functions within specified geographical area. Agbakoba (2019), also perceived local government as a political and administrative unit that is empowered by law to administer a specified locality.

A development oriented local government system is therefore expected to be a vehicle for the provision of goods and services which are necessary prerequisites for sustained development. According to Emezi and Oni, (2020), Local Government as a third tier of government are organized to maintain law and order provide social amenities and encourage cooperation and participation of inhabitants in improving their living conditions at the grassroots level. Every local jurisdiction has its unique economic, social and physical characteristics and its historical tradition which are better understood by its people. Hence, local governments are created to provide services which the federal and state governments cannot easily undertake due to their remoteness in rural areas (Uhunmwuangho and Epelle, 2020).

One aspect of local government that can bring development to the people is the ability and freedom of the local government to generate revenue to address some of its developmental problems. The structure of local government

revenue is one of the focal points of public finance discourse in Nigeria. It deals with the generation of revenue in order to bring the impact of government to the people at the grassroots. Revenue generation is a major concern of government especially in the third world countries where development still crawls. Taxation is geared toward revenue generation for public purposes (sokoh, 2018). An effective Local government administration rest on the availability of adequate resources which the Nation could mobilize for rural development (Oseni, 2019). Local government revenue is indispensable in helping government to transform the lives of local communities through the provision of social services and rural infrastructures, such as construction and maintenance of roads, drainages, culverts, markets, schools and healthcare centres. (Adenugba and Chike, 2021). Thus, local government cannot embark, implement and possibly carryout the maintenance of these projects and other responsibilities without adequate revenue generation.

Ola and Tonwe (2019), noted that, the dearth of finance had always been one of the major problems that hinder local governments in performance of its constitutional functions in Nigeria. Although, the 1976 local government reform does not only streamline local government functions, but also clearly stated the functions and provision for ensuring adequate human and financial resources. The revenue that accrues to local governments in Nigeria according to Olaoye (2019) is derived from two broad source, namely, (a) External and (b) Internal sources. Uhunmwauangho and Aibieye (2020) noted that the bad financial condition of local government revenue generation is further aggravated by the prevailing inflationary situation in the country which erodes the value of funds available to render essential services to the people in the rural areas. Local government as an instrument of rural development in Bayelsa State and Nigeria at large has attracted serious attention both nationally and internationally since the local government reform of 1976. Local governments exists in a federal system due to the infrastructural, resources distribution, human resources development and employment deficit gap between the rural and urban areas which has made rural development imperative (Zakari ya'u, 2021). This imbalance has subjected the rural areas in Bayelsa State to more disadvantaged economic position. It has induced rural – urban migration, thereby, increasing unemployment situation in the urban areas mostly in such places as Southern Ijaw, Kolokuma/Opokuma, Brass, Sagbama, Ekeremor among others, while, simultaneously depriving the rural areas of their agricultural workforce (Dickson, 2019).

The present situation where the people could not have access to basic needs of life such as potable water, health care, power supply, roads, housing etc, especially when most government officials and top politician display wealth, is enough dis-incentive for tax compliance (Sokoh, 2018). The reality of governance in Bayelsa State, demonstrates a situation where government keep on extracting from the people without any commitment to the development and welfare of the society and people, no doubt provides veritable ground for refusing to pay taxes among the citizens (Sokoh, 2018).

Therefore, the realization of rural development by Local Governments in Bayelsa State becomes frustrated since it depends largely on the capacity to which each of these internal sources of finances as well as the external sources of revenue (which chiefly is the statutory allocation from the federation account) contributes to the overall finance available to the Local Government at any given period. In the midst of these teething problems are dishonesty and mismanagement of the Local Government revenue among most revenue officers and sometimes the machinery put in place for the collection of revenue is inadequate, leading to paucity of funds for rural development. It thus follows that Local Government inability to effectively and efficiently dispense their rural development objectives in Nigeria and more specifically in Bayelsa State is off-set by challenges to Local Government finances. This study therefore examines the c.

2. STATEMENT OF THE PROBLEM

It is a well known fact that "the extent to which Local Governments in Nigeria can accomplish their goals of rural development depends largely on their finance base (Olusola, 2019). The problem in Bayelsa State, however, is that. The lack of political will to raise collorary finances to complement their statutory allocations from the Federation Account (FACC) as required by the fiscal federalism which Nigeria operates. In fact, fiscal federalism as pertaining to Local Government entails clearly demarcated functions in both revenue generation and expenditures. Kizito and Fedila (2021) rightly stated that, it is evident that the Local Governments in Bayelsa State are aptly empowered by legislature to generate revenue for the effective and efficient administration to achieve the goals and objectives which serves as pointers to their establishment, including rural development. Sadly the continued decline in Local Government revenue since the dawn of democracy in Bayelsa State and poor rural development index across the 8 Local Governments in the State does not portray the meaningful definition of fiscal federalism as it pertains to the Local Government system in the State (Dickson 2019). More recently, the Governor Douye Diri administration, noticing the inability of local governments under the previous administrations to use the funds at their disposal to effectively develop their jurisdictions, with the help of the state assembly, restructured the local administrative system

in the state, such that the appointment of local government caretaker chairmen for a consecutive period of two years, after which, these are replaced by new individuals became the system in practice in the state. Moreover, these local government caretaker chairmen (who are unelected officials) are supported by appointed Rural Development Area (RDA) chairmen appointed by the governor for each clan or kingdom in the state.

Yet inspite of these meaningful administrative arrangements, the revenue accruing to the local government as could be seen from the poor state of rural development and quality of life across the eight local governments in the state, remains extremely poor. This is so because, despite the annual budgetary provisions by both the federal and state governments for the eight local government councils in the state, the local governments have continued to report not only dwindling allocations, but also poor IGR to the dissatisfaction of the grassroots populace. Therefore this work examines revenue generation and rural development in Bayelsa State

3. OBJECTIVES OF THE STUDY

The general objective of this study is to examine the Strategies of Revenue Generation and Rural Development in Selected Local Government Areas in Bayelsa State. The specific objectives of this study are to identify:

- The Strategies of Revenue Generation and Rural development in Bayelsa State.
- The Challenges of Revenue Generation and Rural development in Bayelsa State.

HYPOTHESES

The following research hypotheses were formulated to guide the study:

- There is no significant relationship between the strategies of revenue generation and rural development in Bayelsa State
- There is no significant relationship between the challenges of revenue generation and rural development in Bayelsa State

4. REVIEW OF RELATED LITERATURE

Strategies of Revenue Generation and Rural Development in Bayelsa State

Local government and strategies of revenue generation in Bayelsa State cannot be over emphasized. Strategies are designed as means of achieving desired goals and objectives. Neil (2020) defined strategy as the mediating force between the organization and the environment. According to Alao and Alao (2021), when linked to the process of management, it is viewed as "organized development of the resources of the functional areas such as revenue service, marketing, manufacturing etc in pursuit of its objectives. From the foregoing, strategy is a means of achieving set objectives; its link to revenue generation require the strategically laying of plans that will move from general to specific with a view to executing the real intent of revenue generation effort particularly in the state and local government system.

Revenue generation is the main source of income to the local government in Bayelsa State. The aim of revenue generation as stipulated by the Federal Government is income generation through personal and income taxes, adverts or bill-board, business premise registration, among others. Alao and Alao, (2021) notes that due to the wideness of the revenue sources, tactical plans are required to get grip of harnessing resources to enable collection, and reduction or elimination of tax avoidance and evasion. The internal revenue department is the income generating organ for the state and is faced with the herculean task of collecting taxes in various forms from the public.

According to Norton and Kaplan (2020), the finance focus is not enough to effectively handle the diverse types of revenue to be collected. Even though the financial health of an organization such as local governments in Bayelsa State is essential, there are other intervening variables which are necessary for goal attainment. Strategic plans aimed at achieving organizational goals therefore should consider the satisfaction of everyone that is concerned or linked to achieving the revenue collection goal. Improving the approach to the task acquires setting of goals, which has to do with the quality of service, income generation mix along with other drivers directed at attaining organizational goals. In line with this, a tool to cater for better measures of the local government's capacities or that will create long term value by identifying relevant key drivers such as customers, financial and operational plans, innovativeness, etc, is the balanced scorecard that should be sought in this dispensation.

Hofer and Schedal (2021), described strategy as a game plan through which aims and objectives of an organizations are achieved. They further defined strategy as revenue generation as the fundamental pattern of present and planned resources department, and environmental interaction that indicate how the organization will achieve its aims and objectives. They added further that it is the skill employed in managing any affairs, which includes the local government affairs especially in the means of generating revenue.

Adeosun (2021) described the strategy of revenue generation as the bed-rock of any local government. The viability of any local government to the level at which the services are rendered and the quality of those services are inextricably linked with the financial resources available to them. He equally believed that if there is fund, then the ability of local government to perform will depend on the quality of staffs and equipment need to be recognized as the third tier of government – as the one which is closer to the people, therefore things at the local level can be easily noticed and perhaps has some impact on the people. If this idea is constantly brought, the consciousness of officer and members of the local government council, then there is tendency for them to act more responsibly and feel accountable to the public. Public enlightenment programmes and campaign that will educate the tax payer on the importance of prompt payment. Adeosun further stated that strategy to generate more revenue should be given an adequate attention in local government system. This is because the federal and state statutory allocations are prone to external influence. However, for local government to perform their statutory functions both the executive and the legislative arms of the local government have to meet and share ideas, opinions, set goals and objectives through which strategies to revenue are developed and enduring the implementation of such strategies so that the targeted revenue are achieved.

The peculiarities of the Local government environment in Bayelsa State were businesses do not flourish because of the aquatic and swampy nature of local government terrain in Bayelsa State coupled with multinational oil companies relocating because of insecurity in the state, revenue generation efforts has been affected. Thus, there need to adopt strategies that would help to improve the revenue generation in local government in Bayelsa State. The strategy employed in revenue generation in Bayelsa State is industrialization of the rural areas for more robust revenue generation to avoid depending on the receipt of the Federation Account and Allocation Committee that comes to the state monthly.

The central aim of this industrialization policy in the rural areas in Bayelsa State is to enhance and strengthen local government in entrepreneurship and create investment opportunities and potentials for both domestic and international investors by so doing contributing massively to the revenues of local government areas in Bayelsa State. The focal point of this industrialization policy is to identify areas that can contribute to accelerated and improved revenue among the 8 local government areas in the state. These areas are power generation in the local government areas. The strengthen the oil and gas industrial activities can boast the revenue base of local government by creating enabling and peaceful environment for multinational oil companies to do business in the rural areas in Bayelsa State.

Also the strategy of strengthened the agricultural activities in the local government areas by way of encouraging farmers and providing adequate funds for their food production. Local government in Bayelsa State, prior to oil exploration was a very big centre for oil palm trees. As a matter of fact, some of the earliest palm oil estates were established in the state way back in 1960s. Government encouraging rural people on this area will equally contribute to the revenue strength of local governments in Bayelsa State. Added to this is the area of rice farming by providing the enabling ground for the production of locally made rice by extension contributing to the revenue of local government in the state.

Challenges of Revenue Generation and Rural Development in Bayelsa State

Local government in Nigeria enjoyed improved revenue from 1976 till date due to reforms introduced by different regimes all aimed at making local government effective and efficient in discharging statutory responsibilities to the people. This was achieved through increased sources of revenue generation. However, Felix and Uno (2018) argued that the poor revenue outing of the local government system in Nigeria which in no small way hinders the provision of public goods to the rural dwellers is not new. According to them, this opinion was held by Adekunle (2020) when he lamented that this problem could be traced to the colonial pattern of personal recruitment into the local government which is largely based on political consideration and this continued in the post colonial Nigeria.

The problem of revenue generation in Bayelsa State are multifarious ranging from over-dependency of local government on statutory allocation of federal and state government, low borrowing capacity, corruption, mismanagement and misappropriation of local government funds, ineffective strategies for enhancing internally generally generated revenue, lack of skilled and technical personnel. However, scholars are of the view that a lot of factors are responsible for poor revenue generation of the Nigerian local governments, especially local governments in Bayelsa State. Some of these factors include: Local government as the grassroots level deserves serious attention from the federal government so as to be able to deliver essential services to the rural communities. It is in recognition of this fact that the 1976 reforms gave local government the constitutional recognition of a third tier of government. Adenugba and Chike (2021), notes that local governments were vested with the power and the responsibilities of providing essential services to the rural communities which would help to make life more meaningful thereby curbing rural-urban migration in Bayelsa State.

Within the Nigerian political system, local government constitutes the most variable instrument for effecting a viable and sustainable rural development. Oseni (2019), however, notes that local governments cannot do this unless they are provided with adequate financial and human resources to effectively discharge their statutorily assigned functions, with improved revenue generation base. Local governments in Bayelsa State would be equipped to provide rural transformation in terms of developmental efforts on road construction and maintenance, provision of potable pipe-bore water, building of health centers and maternity homes, as well as secondary school and vocation training centers (Fatile, 2019). Hence, the following are implications of poor revenue generation on rural development in Bayelsa State:

- Poor revenue generations have been a major problem hindering the efficient performance of the functions of local government and the development of local government areas in Bayelsa State. Due to poor revenue generation, the local government can't afford to provide the rural people with basic social amenities such as provision of clean water, construction of accessible roads for easy movement of transportation, provision of a well-equipped health centers, dispensaries, maternity homes in communities in local governments in Bayelsa State to reduce death rate of people.

- Inadequate revenue has made the local government not to embark on the establishment of small scale industries in Bayelsa State, which could have help in providing employment opportunities for the youths to reduce the level of unemployment in the local government. This problem has attributed to rural-urban migration by the youths, that leave their communities to urban centers for greener pastures (Olusola, 2019).

- There had been inadequate provision and maintenance of primary education which is the sole responsibility of the local government ib Bayelsa State. The local government can't adequately provide the local people with minimum acceptable international standard of education for all children, which could have ensured excellence improvement in the learning process of these children in all the Local Government areas in Bayelsa State.

- Inadequate revenue generation in Bayelsa State had made an insignificant contribution to development of agriculture which could have help to increase agricultural production. Most programmes that were initiated towards improving agriculture had not yielded any positive results.

- Rural electrification extension- An initiative of the local governments in Bayelsa State. The projects had been abandoned for years due to poor revenue generation base.

- In the area of provision of the health care center and several dispensaries. Most communities in Bayelsa State have not been provided with health care services and dispensaries. The building of ultra-modern healthcare centers in all the local government councils has been abandoned due to poor revenue generation. The fund available to the local government by the state government gave 65 percent of the fund, while the local government was meant to provide the remaining 35 percent. The local government was not able to provide their own share due to poor revenue generation base.

- In the area of total elimination of poverty, the local government introduced a youth empowerment programme that will motivate the youths towards self actualization. This initiative of the local governments in Bayelsa State will encourage youths to learn some vocation/trade while on the programme. Local governments have not been able to achieve this objective due to poor revenue generation (Maduako, 2020).

THEORETICAL FRAMEWORK

The study adopted the systems theory which was originally propounded by a biologist in (1951) and was later made popular by a political scientist David Easton (1965), however, the systems theory was later highlighted by Theirauf, et al (1970). This is further explicated by Nwankwo (1980) that a system theory is essentially a set of interrelated parts that form a complex whole or units. It entails a consistent pattern of relationship between the constituent parts of that whole. The system theory therefore, perceives an organization as a unified and purposeful system, composed of interrelated parts. The parts are interdependent and function in cooperation with one another for the achievement of objectives. Instead of dealing separately with the parts of an organization, the systems approach advocates a way of looking at the organization as a unit.

The systems theory is of the view that the activities of any part of organization affect those of every other part. According to Koontz et al (1982) quoted in Ezeani (2016) system theorist avers that "a system is essentially an assemblage of things interconnected or interdependent, so as to form a complex unit" (Igwe, 2017) maintains: "For any object to be considered a system it must possess a level of integrity, within a knowable structure or logically – arranged parts. Such parts or elements must interrelate in a certain law-governed manner to fulfill a purpose or produce an ordered outcome – a result which is far more than the mere sum total of independent elements and all this

in the context of an environment of which it is a subordinate component". A system according to system theorist is "made up of interdependent parts, has permeable boundaries, interacts with its environments by importing inputs, while it exports outputs in order to maintain itself in a permanent state of equilibrium".

Adamolekun, (1983) maintains that when systems theory is applied in the study of public administration, it inputs emphasis on the interaction between a given public administration system and its total environment. Ezeani (2016) holds that "an important element in the systems approach is the emphasis on input-output analysis" shows public administration as a system which receives input of demand from its environment in the form of demands of citizen for the maintenance of law and order and the provision of goods and services. These demands within governmental administration and the result at the end of the processing stage are collectively called the outputs. They consist of the relative orderliness of the society, the quantity and quality of goods and services delivered to the society (Adamolekun, 1983).

Since public administration system needs support from its environment in order to survive. It receives input of support such payment of taxes, bills and rates, and obedience to rules and regulations etc from its environment. Some new inputs are usually generated by the outputs and are fed back into the system through the feedback mechanism. These are again processed and converted to new output. Thus, the system approach is cyclical and requires the administrators to see their problems and operations as a network of interrelated elements with daily interaction between environmental factors (e.g. Political, social, economic, technological, ethnic etc) both external and internal (Ezeani, 2016). The application of the system theory in this study enables us to solve the problems of revenue generation in local government system in Nigeria, using Ekeremor, Brass, Ogbia and Southern Ijaw Local Government Areas in Bayelsa State as a case study. The local government as a system receives inputs from its communities or environments and converts them into output. The communities under Local Government areas in Bayelsa State in this context refers to society as a whole while the input are the demand and support which is been allocated by the federal government and generated by the Internal revenue collectors.

On the other hand, the outputs become the utilization of internal revenue generated from the communities. With this theoretical framework, the researcher was able to detect or solve the problems of revenue generation in the local government system in the selected Local government Areas in Bayelsa State. Local government as an input of both demand and support to the communities in Bayelsa State by effective generation of revenue as well, as proper utilization of it. Also this systems theory enable us to evaluate the encroachment of local government allocations by the state government and skilled and unskilled revenue collectors as an input that is expected to generate further input to increased rural development to enable the later meet up with the output that is expected from it. On the other hand the theory also empower us with the analytical tools to see increase in generating revenue internally as an output from the wards or communities for effective utilization of revenue generated for the development of rural areas in Bayelsa State

5. RESEARCH METHOD

The study used the quantitative research method in which the cross-sectional design was adopted. The cross-sectional design which seeks to elicit data in a cross-sectional study in the existing status of what is being investigated and it also help the researcher to know where the variables are gotten and how the objectives could be achieved. The cross-sectional approach involves data gathering, analysis and interpretations of data so as to explain the underlying factors that surround the problems that triggered the research. The cross-sectional design is suitable for this study because, it enable the researcher to examine the strategies of revenue generation and rural development in selected Local government Areas in Bsyelsa State.

The targeted population of this study was One Million, Two Hundred and Eighty Two Thousand and Five Hundred (1,282,500). This figure is the total sum of the Four Local Governments population according to 2006 population census. The study employed the multi-stage sampling of stratified and purposive sampling techniques. In the first stage, the stratified sampling was used to select four local government areas in Bayelsa State. In the second stage the purposive sampling technique was used to pick 200 persons from each local government areas, making it a total sampled population of 800 inhabitants. These techniques were employed to ensure a fairly equal representation of the variables for this study.

Therefore, out of the Eight Hundred questionnaires distributed to Ekeremor, Brass, Ogbia and Southern Ijaw Local government Areas in Bayelsa State selected for this study, Four Hundred (400) were duly returned which serve as the sample size of the study. The data collected from the questionnaire and other sources were presented in a tabulated form with focus on the major research items in other to enable the researcher determine the results. Data collected was analyzed by simple percentage analysis and the hypotheses were tested using the Chi-Square statistical tool

6. ANALYSIS OF RESULTS

Testing of Hypotheses

Hypothesis 1

Ho$_1$: There is no significant relationship between the strategies of revenue generation and rural development in Bayelsa State

Table 1: A Chi-square (x^2) Summary Table of relationship between strategies of revenue generation and rural development in Bayelsa State

Source of Variation	Responses		Df	X^2-Cal	X^2-Crit.	Alpha Level	Decision
	Observed	Expected					
Agree (A)	660	400					
Strongly Agree (SA)	370	400					
Disagree (D)	240	400		247.5	21.03	0.05	Significant
Strongly Disagree (SD)	330	400					

As presented in the chi-square (x^2) summary Table above, the calculated chi-square (x^2) value of 247.5 is greater than the chi-square (x^2) table value of 21.03. The null hypothesis which stated that there is no significant relationship between the strategies of revenue generation and rural development in selected local government Areas, in Bayelsa State is rejected. This implies that there is a significant relationship between the strategies of revenue generation and rural development in selected local government Areas, in Bayelsa State

Hypothesis 2

Ho$_2$: There is no significant relationship between Challenges of Revenue of Generation and Rural Development in Bayelsea State

Table 2: A Chi-square (x^2) Summary Table of relationship between the Challenges of Revenue Generation and Rural Development in Bayelsea State

Source of Variation	Responses		Df	X^2-Cal	X^2-Crit.	Alpha Level	Decision
	Observed	Expected					
Agree (A)	798	400					
Strongly Agree (SA)	350	400					
Disagree (D)	181	400	12	563.76	21.03	0.05	Significant
Strongly disagree (SD)	271	400					

As presented in the chi-square (x^2) summary Table above, the calculated chi-square (x^2) value of 563.76 is greater than the chi-square (x^2) table value of 21.03. The null hypothesis which stated that there is no significant relationship between Challenges of Revenue of Generation and Rural Development in selected local government Area, in Bayelsea State is rejected. This implies that there is a significant relationship between Challenges of Revenue of Generation and Rural Development in selected local government Area, in Bayelsea State

7. DISCUSSION OF FINDINGS

Based on the analysis of data derived from the respondents, the followings findings were discussed: The study revealed that the revenue generation strategies adopted by the selected local government areas in Bayelsa State has not yield any significant impact on the development of the rural areas. This finding is in collaboration with the study of Ojukwu, Okeke and Obiora (2020), who noted that the strategies adopted in revenue generation in Bayelsa State has

not yield any significant impact on rural development. Also in line with these finding is the study of Ebiteme and Agbanre (2021), who lamented that the industrialization policies of the state government was not given priority attention, most of the oil and gas, palm oil, agricultural farming etc are left in the hands of individuals who boycott tax procedures and refused to pay tax to the revenue collectors in the rural areas.

The study indicated that corruption, mismanagement, diversion of funds, ineffective strategies of revenue generation, unskilled personnel and above all, the encroachment of local government finance by the state government posed significant challenge to rural development in selected local government areas in Bayelsa State. This finding is in line with the study of Obiora et al, (2020) who noted in the local government system, the expenditure to be incurred by the local governments in their bid to generate revenue from a particular source often times higher than the actual revenue to be generated. Also in the work of Bello-Iman (2020), explains that the Joint account posed very serious challenges to the selected local governments during the democratic eight years period of the Fourth Republic as this States government mismanaged the federal allocations to the these local governments. Eme, Izueke and Ewuim (2020), observed that for many years now, local government allocation has been hijacked by the various State governments because of absence of a truly local government system in our practice of democracy. The extent local government allocation has been jostled due to lack of financial autonomy has weakened the councils from carrying out its statutory duty at the grass root level. The lack of independence of the local government is as a result of lack of autonomy which occasioned the duplicity of decentralization and inter-governmental relations in Nigeria.

8. CONCLUSION

The study identified the various strategies and sources of revenue generation as well as the challenges associated with revenue generation in the selected local government areas in Bayelsa state. The four local governments areas were confronted with issues of corruption on the part of revenue collectors and state been in charge of local government funds. In all indications, corruption is the major factor that contributed to the revenue generation in local governments which hampered developmental activities in the selected local government areas in Bayelsa State.

Development in the selected local government areas is not feasible owing to the fact that there are no accessible roads, good schools and infrastructures, no portable water and electricity. Therefore, the study conclude that, federal government should put some measures to curtail the excesses of local government revenue embezzlement by a way of a law to checkmate the state government encroachments and those responsible for revenue collection in local government affairs especially, the funds accruing to local government for developmental purpose.

9. RECOMMENDATIONS

The following recommendations were made:

- Revenue collectors should be checked on regular basis by the internal auditor of the councils in consonance with the provisions of financial regulation and any one found guilty of corrupt practices should be made to face the law
- Local government should embark on the establishment of small and medium scale business which will provide employment opportunities for the youths in rural areas to address problems of rural-urban migration.
- There should be improvement on the agricultural sector which will encourage participation of rural people in both local government areas to improve their standards of living.
- State governors should allow local governments to utilize their allocation and internal generated revenue to develop the rural areas without interfering on it.
- The industrialization strategy for revenue generation in the rural areas in Bayelsa state should be strengthen and encourage for more robust revenue generation

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