

FISCAL RESILIENCE IN URBAN GOVERNANCE: HARARE'S REVENUE STRATEGIES DURING ECONOMIC CRISIS

¹Mandipaka Tafadzwa Innocent and ²Nyandoro Kudakwashe Blessing

¹Chairperson Department of Entrepreneurship and Business, Chinhoyi University of Technology (CUT)

²Lecturer Chinhoyi Department of Entrepreneurship and Business, University of Technology (CUT)

DOI: 10.5281/zenodo.15599551

Abstract

The adoption of the Sustainable Development Goals (SDGs) by Zimbabwe marked a commitment to global development priorities centered on human well-being, environmental sustainability, and inclusive governance. The SDG framework offers a strategic opportunity for national alignment across sectors, particularly in promoting efficient public administration and the development of smart cities. Despite Zimbabwe's formal ratification and support for this global agenda, practical implementation within State-Owned Enterprises and public institutions remains limited. Local authorities, such as the Harare City Council, are grappling with severe financial and liquidity constraints that hinder effective service delivery and progress toward SDG targets.

This study explores the dynamics of municipal revenue collection in the context of Harare City Council, assessing the challenges and opportunities within the broader framework of sustainable development. Despite access to a wide range of revenue sources, the Council struggles to generate sufficient income to meet operational and developmental goals. Key issues include administrative inefficiencies, weak enforcement mechanisms, political interference, and lack of technological integration. These constraints undermine not only the financial viability of the municipality but also its ability to contribute meaningfully to Zimbabwe's SDG commitments.

The research calls for strengthened institutional frameworks, innovation in revenue mobilization strategies, and enhanced transparency and accountability. Addressing these factors is crucial for enabling local authorities to perform their mandates and support national development efforts effectively. This case study of Harare City Council highlights the urgent need for systemic reforms to improve local governance and align municipal performance with the objectives of the SDGs.

Keywords: Sustainable Development Goals, Revenue Collection, Harare City Council, Public Administration, Local Governance

INTRODUCTION

The Sustainable Development Goals (SDGs) created a platform for national convergence among a wide range of stakeholders in Zimbabwe under an inclusive and integrated agenda for humanity and the planet. The agenda focuses on improved public administration, Smart cities and provision of efficient services to citizens for economic and social sustainability. Zimbabwe ratified the developmental goals as a way of showing support and solidarity to world -wide initiatives which seek to promote effective and inclusive approaches to the overall well-being of society. However, in

Zimbabwe's State-Owned Enterprises, implementation of these goals remains a difficult task. Public institutions such as local municipalities, have dismally failed to carry out their mandates to the general populace due to a

myriad of factors. Harare City Council is facing financial and liquidity problems despite having great potential to raise more revenue from the various sources at its disposal. This prompted the researcher to carry out an inquiry into revenue collection at Harare City Council.

¹.1 Background

The City of Harare has over the last decade witnessed a mushrooming population as thousands of people migrated from the rural areas to Harare in search of greener pastures. The rapid growth in urban populations exerted more pressure on the demand for public services. It also meant the existing infrastructure could not shoulder the burden of encompassing the growing population, (Organisation for Economic Co-operation and Development, OECD, 2010).

The Zimbabwean Constitution of 2013 amendment number 20 Section 276 (2) (b) and the Urban Councils Act (29:15) gives local government authorities the power to collect revenue from local areas within their jurisdictions. Local Authorities therefore has the discretion and autonomous freedom to collect revenue from excise and sales taxes; business commercial taxes; vehicle and transportation taxes; property taxes; clinic fees; burial charges; residential rates; charges amongst others. However, despite being faced with such opportunities for revenue inflows, the Harare City Council has been struggling to raise adequate revenue for executing its duties the execution and responsibilities. Many loopholes exist in the revenue mobilisation devices, constituting dangerous avenues which can be used to evade payment by clients. The Auditors General (2021) report cited that there is a chance employees may fake billing receipts, such risky activities need to be hedged against. Moreover, there has been reports of tax evasion by many commercial clients and large amounts of debts owed to sub national governments invite criticism of revenue collection strategies that are being used.

Globally, in developing countries, most efforts by local authorities to collect funds are fruitless. Research evidence indicate that most local authorities as a result of failure to raise their own revenues from rates collection, property taxes and service charges end up relying heavily on transfers from their respective central governments. In some jurisdictions, fiscal centralization is still intact with central governments still in control of promising and major sources of revenue which have the capacity to end economic woes for local government authorities, (UN-HABITAT, 2020).

In Africa, most countries adopted the centralized governance approach soon after gaining independence from their former colonies, (Børhaug, 1994). This approach was largely flawed with unpleasant results. Depending solely on centralized government meant new policies such as basic needs, sustainability and accountability, shifted priorities and focus on decentralization to accommodate issues like resource mobilisation, local adjustment, improved accountability, coordination and balance between investment and recurrent costs. Moreover, revenue collection remains deprived in most African countries, raising concerns of negligence on public welfare even though growth of state funds is prioritized, (AFRODAD, 2011: 9).

Harare Metropolitan City has been grouped amongst cities with fastest growing population of 1,558,000 (National Census Report, 2022). This figure illustrates a 1.02% increase from 2021 translating to an annual population growth rate of 2.0 percent during the projected period, (National Census of Zimbabwe 2022). The cited growth rate presents a mismatch or disequilibrium between the current population and resources at the disposal of Harare City Council. To this extent, it is fair to predict that given this background, the struggling local authority will continue failing in the provision of expected services to residents and tax payers. Failure to collect refuse; pay of workers; provide (safe and adequate) water; refurbish road networks and treat sewer is blamed on lack of adequate resources. This puts the reputation, integrity and image of the sub national government authority and central government at large into disrepute as the increased level of education of the general populace resulted in enlightened and lively public that demands prompt delivery of expected goods and services by local authorities. The above scenario is worrying considering Zimbabwe's desperate financial needs in a limited and shrinking fiscal space (Zhou 2012: 156). Even on the global level, every economy is currently financially stressed and unable to rescue Zimbabwe out of this financial mess. Credit facilities are disappearing with renowned financial institutions including the International Monetary Fund (IMF), the World Bank (WB) and the African Development Bank (ADB) which used to advance financial support to governments in need have grown 'too reluctant' to assist Zimbabwe as it owes them large amounts of money which continue to grow due to payment areas, interest and penalty charges (Zhou 2012: 159). This then calls for 'prudent' and 'effective' collection and expenditure of public funds.

Whilst there are concerns over the capacity of sub national government institutions to raise sufficient revenue, this research seeks to assess the sustainability of current revenue mobilisation strategies. Revenue collection at local government level has a bearing on national development. Effective revenue collection is a plus for the state whereas poor revenue mobilisation increases burden on the central government which would allocate more than necessary resources to struggling local government authorities thereby sacrificing national development. This is in sync with Section 301 sub section (2) (e) of the Zimbabwean national constitution which notes that the fiscal capacity and efficiency of provincial and metropolitan councils and local authorities is considered when revenue is being allocated between tiers of government. It is therefore of paramount significance to have sustainable revenue collection strategies employed as we move forward since they have a bearing on national development. The quality-of-service delivery offered by Harare City Council has drastically deteriorated. Ever since the beginning of the new millennium, most Local Authorities in Zimbabwe have been facing a myriad of challenges owing from poor revenue collection from residents and other stakeholders.

The year 2009 saw the introduction of the multi-currency system which somehow stabilized revenue inflows. However, the end of dollarization and the new dispensation presented local authorities with a new challenge which needs immediate intervention before it spills out of control if the City council aims to achieve an upper middle come economy by 2030.

Local authorities get their revenue from payments for service delivered charges to residents. From these collections local authorities are legally obliged by the Urban Councils Act Chapter 29:15 second schedule section 198 paragraph 17, to provide the following services to the community:

- Water;
- Execution of sidewalks;
- Sewerage & Drainage;
- Parking, Omnibuses and other transport services;
- Street lighting;
- Fire services;
- Graveyard and burial grounds;
- Social amenities;
- Valuation and assessment of property for rating;
- Housing;
- Roads; and
- Graveyard and burial grounds.

In order to meet the above service delivery obligations local authorities need to seize the opportunities that are available to them and overcome revenue collection challenges. The effectiveness of revenue collection matched against service delivery obligations, is an area that needs to be assessed. In the past, local authorities used to receive grants from the government but the system has since been replaced by that of self-reliant local authorities. Local authorities are a crucial part of the economy and their proper functioning has a great impact on the economy and the living standards of the people. It is therefore imperative that local authorities be at their best in order to contribute to the growth of the economy. The Local Government, Rural and Urban Development Minister has tried to achieve this at Bindura Municipality by appointing a resuscitation team in 2010 and an Advisory team in 2011 but the town continues to face revenue collection constraints.

1.2 Problem Statement

Harare City Council is failing to maximize on revenue collection despite being compelled to do so by various legislations. Evidence on the ground suggests that revenue mobilisation remains a challenge for the local authority. The council is owed millions in debt by rate payers, Parastatals, private organisations and several government institutions. Failure to maximize revenue collection has negatively hampered any council's prospects to execute its mandate efficiently. Over the years revenue collected significantly declined for example, in 2016 the HCC raised \$281 million (instead of the projected \$343.9 million), 3.8% down from \$292 million the previous year hence registering a deficit of \$76 million in 2016, compared to a surplus of \$43 million in 2015, (HCC Budget 2017: 9). Poor resource mobilisation and revenue collection hinders the sustenance of operational costs, capital investments and service delivery obligations, (CHRA 2014: 14). Previous researches indicate that revenue

mobilization strategies have been developed and implemented before. However, these strategies did not yield the intended results. Therefore, a research gap exists and it is therefore imperative to invent sustainable revenue mobilisation mechanisms which ensure that revenue inflows outweigh expenditures.

1.3 Objectives of the study the research study aims to;

- † To investigate the sustainability of strategies employed by the Harare City Council to mobilise revenue.
- † To identify challenges encountered by local authorities in raising their own revenues using Harare City council as the case under study.
- † To recommend strategies that can be adopted by sub-national governments to enhance revenue mobilisation strategies or replace current ones.

2. LITERATURE REVIEW

2.1 Conceptual Framework



Source: Researcher's Primary Data 2.2 Theoretical Framework

The research study used the Functional Structuralism Theory and the Principal Agent theory which are explained below; **2.2.1 Functional Structuralism Theory**

According to Gabriel and Powell (1988), Structural functionalism posits that the society is a structure with integrated, interconnected and interlinked components. The theory further emphasizes the need for specific roles and functions as pre requisites for the maintenance of the whole systems. Duba (1992) emphasized the growing significance of interdependence amongst the diverse structures within the entire system. He further highlighted that the whole system must be viewed as a unit of analysis. Functional structuralism theory focuses on the value of a unit in maintaining the system in which it operates (Bill, 1973). Therefore, the various components of a local authority must work together to be efficient and effective in-service provision. The failure of one component has

got an impact on the ultimate service delivery provision function. According to Agba, Akwara and Idu (2013), the theory of functional structuralism can be applied to the provision of service delivery by local authorities. Agba et al (2013) posits that, the structure of urban local government in Zimbabwe has implications on how the institution operates and is governed for maximum service delivery. The activities and daily operations of urban local authorities are overseen by the full council which is headed by a ceremonial Mayor who is either elected or appointed, (Chakaipa, 2013). The full council is duly constituted of elected ward councilors and this arm serves as the policy-making organ of all local authority. Chakaipa (2010) emphasizes that the full council must be assisted by several committees. Amongst these mandatory committees is the finance committee, health and housing committee, environmental management committee and audit committee (Chakaipa 2010: 39). However, urban councils are not only limited to the stated committees, they may also additionally create committees they deem fit for the execution of their duties. Committees recommend decisions to full council for resolution. Moreover, Urban Act Chapter (29:15) stipulates that councilors must serve five-year terms which are subjected to renewal after successful re- election. The residence of a city elects councilors of their own choices as representatives responsible for ensuring successful service delivery. The councilors are accountable to residents for successful service delivery and must accept responsibility for such failure. Therefore, residents have a right to seek redress and explanation when service provision deteriorates. The Town Clerk also acts as the Chief Executive Officer of the urban local authorities who is responsible for the implementation of full council resolutions. Head of Departments also assist the Town Clerk in doing his duties and realization of service delivery.

2.2.2 Principal Agent Theory

The Principal Agent theory emanated from the economics discipline and it aims to explain the relationship between the principal and the agent, (Ross, 1973). The theory assumes that the “Principal” is the main part which is responsible for failing to meet its end of the bargain due to certain challenges. On the other hand, an agent is contracted for the sole purpose of accomplishing the principal’s goals at a certain cost. Therefore, this means the Principal Agent Theory focuses on problem identification and solving of issues which may arise between the principal and the agent (Kivisto, 2007).

Using the Principal Agent theory, the Government acts as the agent of its citizens be being tasked and mandated through elections to deliver improved goods and services to the public. However, Kivisto (2007) argues that conflict is inevitable whenever there is an agent, principal relationship. For example, the government may put public funds into jeopardy through misappropriation of funds or embezzlement leading to consumers retaliating by defaulting payments. The principal-agent theory also posits that the agent often enjoys autonomous freedom which calls for the need for economic freedom, political and administrative decentralization a must, (Kivisto, 2007). Decentralization is meant to enhance the constitutional indispensable values like accountability, integrity, honesty, transparency, responsibility and value for revenue collected which is essential for service delivery.

Governments are larger entities thus they end up decentralizing some functions to local authorities who are closely connected to the public for better revenue mobilisation.

2.2.3 Definition Public Revenue

According to Edogbanya et al (2013), Public revenue refers to monies which national governments generate towards financing their activities in a given year. Revenue generation is therefore the generation of revenue for public entities to effectively carry out their mandate. Moreover, Zhou and Madhikeni (2013) postulates that public revenue, refers to the State's funds which comes from taxes, tariffs, duties, sale goods and services, dividends, profits, disposals and so on. According to UN- HABITAT (2012) Public finance incorporates revenue collection, management and conversion of those resources into consumable goods and services for the citizens.

2.2.3 Local Authorities

The Zimbabwe Institute (2005) defines local authorities as participatory and democratically elected structures established specifically to satisfy needs of people at lower-level community setups. Gomme (1987) also highlights that local governments are elements of the entire government which is elected by local people to serve their interests. The two definitions cited above indicate that local authorities are subordinate to national governments despite their managements being democratically elected by local people.

2.2.4 Principles of Public Revenue Mobilisation

Zhou (2012) emphasizes that revenue collection should adhere to universally acknowledged principles of equity, ability to pay, convenience, economic efficiency and certainty. He further argues that balance should be struck between the imperatives of collecting adequate revenue and socioeconomic welfare. An assessment of samples where above principles were implemented revealed that performance in revenue collection has been average or worse for most local authorities (UN-HABITAT, 2015). The report findings revealed that problems sabotaging public revenue mobilisation go beyond the improper use of mainstream principles. There is also an oversight or short-sight on other chief issues including expenditure policies, fiscal transfers, or accountability mechanisms that result in poor revenue mobilisation, (UN-HABITAT 2015:91). Gleaned from this discussion is that best practices are key for successful revenue mobilisation but adhering to them is a challenge that needs to be addressed.

2.3 Sources and Strategies of Mobilising Revenue

The State and its local governments play a pivotal role in providing public services to citizens of a nation. One way of improving spending and revenue authority, is by decentralizing such mandates by matching costs versus benefits of public services closely. Subnational governments should only charge for services where its feasible, but, where such charges are not feasible, spending must be financed directly from local general revenue, loans, or grants from higher levels of government. Residents, ratepayers, government agencies, industries, factories and non-governmental organisations are also crucial components of Local Authorities revenue sources. Harare City

Council obtains its revenue from rates on property and land, fees charged, penalties and fines, license fees, supplementary charges, plan approval and development fees, lease and sale of land and rental fees among others. There are various revenue sources which local authorities can capitalise on such as:

2.3.1 Taxation

Generally, income taxes constitute part of lucrative revenue sources which remain under the management of central governments in several countries. According to ERD (2003), tax income is derived from property, agricultural equipment, motor vehicle taxes among others. However, collecting taxes in Africa remains a difficult task due to weak local tax systems, (UN-HABITAT, 2015). However, revenue can be increased through maintaining updated valuation rolls, greater tax rates, being firm on tax collection, sealing all tax evasion loopholes and giving sub-national governments the autonomy to broaden their tax bases.

2.3.2 Charges, Fines and User Fees

According to the UN HABITAT, (2015), fines are monies charged by Local Authorities for violations on different rules and regulations. Councils also receive payments for services rendered such as vehicle permits, water rates, tax clearance, stamp duties among others. Research evidence in Public Sector Management reveals that, user fees and charges are the most appropriate sources of revenue collection in local governments, (UN-HABITAT 2015).

2.3.3 Grants

Local Authorities also receive grants from various global financial institutions such as the IMF, World Bank, Africa Development Bank among others. These funds are received in aid form. Internally, within any given country, local governments may receive grants from the parent Ministry. Harare City Council receives grants from Ministry of Local Government.

2.3.4 Loans

Local Authorities are also legible to apply for loans from different financial institutions like banks in order to finance their operations. At Harare City Council, Private Partnerships acts as another way of mobilising revenue such as the Easy Park deal which was aimed at providing efficient parking services in Harare.

2.4 Use of Revenue Generated by Local Governments

Revenue collected by local authorities from different sources are used to enhance service delivery and improve the viability of operational functions. Below are some of the public revenue uses;

2.4.1 Running of Public Services

According to Fjeldstad et al (2008) reiterates that, funds collected by public institutions are used for various activities such as maintenance of public schools and provision of drugs and medication in clinics.

2.4.2 Service Delivery

Local governments also provide services to residents in their towns. These services include: facilitation; advice; monitoring; oversight; directing; promotion; and capacity building (Chakaipa 2010: 33).

2.1.5 Challenges associated with Revenue Collection

There is a myriad of challenges which local governments face in their mandates of raising and collecting revenues. Chakaipa (2010) posits that, most sub national governments like local authorities, lack proper policies and procedures which clearly hold defaulters accountable. This makes it difficult for local governments to fulfill their revenue collection mandate.

Furthermore, in developing nations, most sub-national governments struggle to update their valuation rolls making it difficult to tax owners of new properties. This makes local authorities squashy spots for revenue. In addition, informal sectors represent a huge portion which cannot be taxed easily due to their informal nature of operations.

2.6 Empirical Evidence

In a study done by Birungi et al (2000) in Uganda, the study revealed that decentralization process which started in the 1980s in Uganda gave local authorities autonomy in revenue collection from local sources and some have contracted out certain services to private entities in an effort to increase the collection of revenue in order to enhance efficiency in service delivery. This move was a departure from the country's norm where local authorities had no major functions, capital and political freedom (Birungi et al 2000: 27).

In Zambia, Lolojih (2008) carried out a study on revenue collection and the study revealed that property taxes are considered the most lucrative revenue source for Zambian local authorities. The research studies also revealed that, local authorities are struggling to maximize on revenue collection due to their failure to constantly update the valuation roll. The absence of an up-to-date valuation roll makes it illegal to collect taxes from owners of new properties. Despite these challenges, local taxes according to available estimates of income and expenditure documents are highest contributors to revenues of local authorities. Central government transfers are theoretically a major revenue source for councils, (Musukuma, 2016).

In research done by Shah (2006) in Indonesia, the study revealed that Indonesia endured the choking of any developmental prospects of autonomous local government institutions by fiscal and political centralization. This circumstance, limited profits form government projects and reduce accountability. To address above challenges, the Indonesian government embarked on an ambitious decentralization process in 2001 which resulted in improved revenue collection.

3. RESEARCH METHODOLOGY**3.1 Research Approach**

The research utilized both quantitative and qualitative analysis in order to obtain a holistic analysis of revenue collection at City of Harare. Akupe (2017) emphasizes that quantitative data research method quantifies and analyses research variables with the intention of obtaining results. It further analyses numerical data using statistical techniques and formulas to answer questions such as who, how much, what, where, when, how many, and how. The authors note that qualitative research is primarily concerned with understanding human beings'

experiences in a humanistic, interpretive approach. Qualitative research methods on the other hand, (Drummond, Jackson and Camara, 2007). It further allows in depth examination and analysis of unfamiliar or unknown phenomenon, (Strauss and Corbin, 1998). The use of a mixed research approach was justified because it enabled the researcher to understand the perceptions of different stakeholders on how revenue is mobilised at Harare City Council.

3.2 Research Design

According to Sileyew (2019), the research design is aimed at providing an appropriate framework for a study. This research utilized a Case Study research design and Harare City Council was the case study under study for the assessment of revenue collection and mobilisation efforts.

3.3 Sampling and Sample Procedure

Creswell (2009) postulates that research sampling is aimed at identifying and selecting key participants of the research from the whole population. The targeted population for this research study was six thousand (6000) Harare City Council employees, Councilors, residents and finance department employees. The research study then utilized purposive sampling technique to select potential research participants. Marshall (1999) defines purposive sampling technique as the process of selecting a sample that can best answer research questions from the identified population. The use of this sampling technique was advantageous because the study was exploratory in nature. Judgmental sampling was also chosen where only experts in management of public funds and revenue mobilisation practitioners from HCC were selected to respond to technical questions. A sample of 150 employees were chosen for the purposes of this study.

3.4 Data collection methods

These are the means of sourcing data. This research utilized both primary and secondary research methods to collect data. Primary data was gathered using interviews and questionnaires whereas secondary data was gathered using documentary evidence and reports.

3.4.2 Primary Data

Sileyew (2019) highlights that, primary data sources can be qualitative or quantitative in nature. Qualitative primary data sources can be obtained through interviews, field observations, or informal discussions. Quantitative primary data sources include questionnaires, surveys or interviews.

3.4.2.1 In-depth Interviews

In-depth interviews were used in this study. Yin (2009) asserts that in-depth asserts that interviews are advantageous because they permit researchers to probe interviewees further. The researcher, therefore made use of an interview guide to ascertain additional information about revenue collection at HCC. Interviews also allowed the researcher to take note on interviewees' gestures in order to obtain a holistic picture. Gestures were noted because they enhanced or contradicted responses from respondents. The research's key informants were from Civic Societies, Councilors, Ministry of Local Government Finance depart.

3.4.2.2 Questionnaires

Questionnaires were also used to collect data for this research. Questionnaires are advantageous because they can decide on the sample and the types of questions to be asked, (Sileyew, 2019). Respondents were asked to respond to similar list of identical questions which sought to answer research objectives.

3.4.3 Secondary Data

According to Cohen (2005), secondary data does not have a direct physical relationship to the event being studied, it is however used to supplement or complement primary data, (Cohen et al, 2005).

3.4.3.1 Documentary Evidence

According to Sileyew (2019) documentary evidence allows the researcher to systematically analyse written evidence, reports or documents. This allowed the researcher to be acquainted with current legislations, statutory instruments and existing work on Revenue collection at HCC. The research also drew information from the Constitution of Zimbabwe, Urban Council Act Chapter 29:15, HCC budget statements, Zimbabwe Auditor's General, newspapers, articles and journals.

3.5 Data Presentation and Analysis

Data from questionnaires was presented using tables and graphs whilst data from documentary evidence and in-depth interviews was presented using the thematic approach. According to Earby-Smith et al (2012) defines thematic analysis as template analysis of themes which are laid down which reveal existing patterns. Research objectives were used to categorize data into themes in order to get an in-depth understanding of revenue collection at HCC. Lastly, data will be analysed using content analysis. According to Babbie (2010) data analysis is the interpretation of data to draw conclusions aimed at answering research questions.

3.6 Ethical Considerations

The research took into consideration ethics including enlightening participants the objectives of this research to establish informed consent of participants. A brief explanation of essential aspects of the research was conducted before participants and participants took part in the research. Furthermore, the study sought to report the findings accurately, honestly, transparently and not deceive participants in anyway. Anonymity and security of data were also taken into consideration by using pseudonyms for interview reporting

3.8 Validity and Reliability

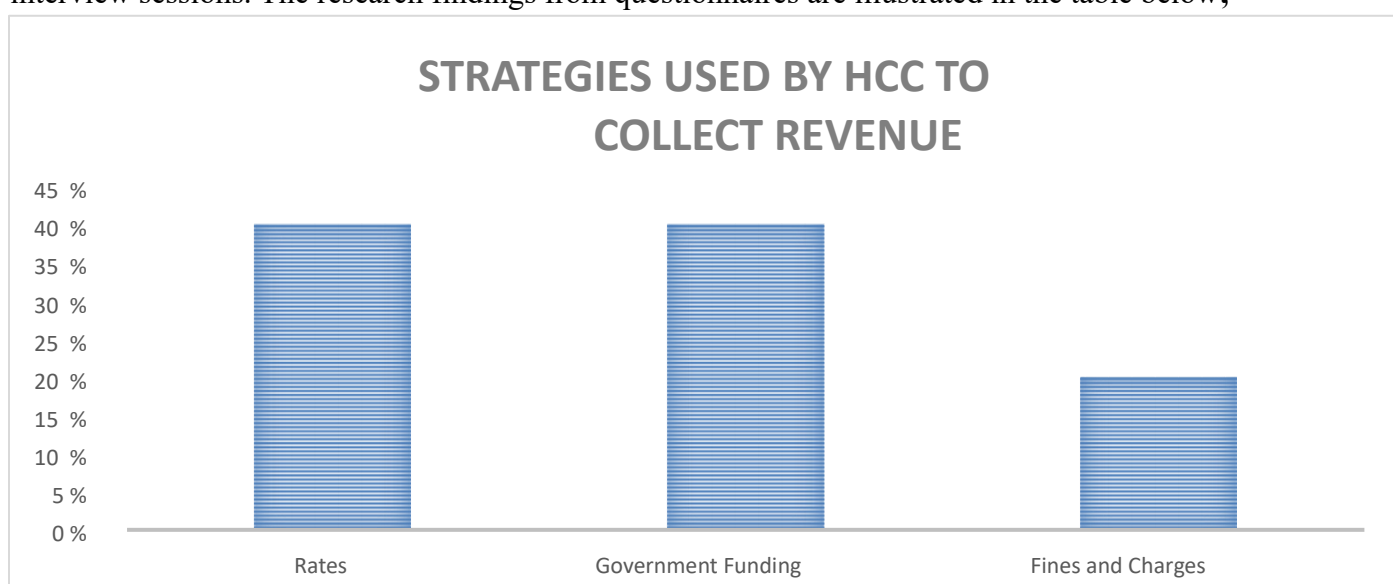
The research also recognized the importance of validity and of research conclusions. Reliability of measurements specifies the extent to which the research is without bias and assures readers of consistent measurement. Neuman (2007) recognizes reliability and validity as dependability, truthfulness and credibility of research conclusions. However, it is difficult to achieve maximum reliability and validity, efforts were made to enhance them such as pilot testing. Also during in-depth interviews, the researcher asked participants if the information they avail captures their views. The interpretive paradigm which views reality as interpreted by how participants perceive it guided this research. Furthermore, verification of primary data was done by comparing them to secondary

sources of data including official reports and Acts of Parliament. All this was intended to enhance data gathering and collection mechanisms.

4. DATA FINDINGS, PRESENTATION AND ANALYSIS

4.1 Research Findings Objective 1: Strategies of revenue mobilisation being used by Harare City Council for Revenue Collection

The research through the use of questionnaires sought to find out the revenue mobilisation strategies which are currently being used by Harare City Council. The same question was also asked to participants during the interview sessions. The research findings from questionnaires are illustrated in the table below;



Source: Primary Data

The data obtained from the interview indicated that 80% of respondents indicated that Harare City Council obtain its funds from rates and government funding. The other 20% revealed that more revenue is obtained from fines and charges.

4.3.1 Strategies of Revenue Mobilisation: Interview responses

The researcher also asked key informants about the strategies which are currently being used by HCC to mobilize revenue. One key informant from Ministry of Local Government juxtaposed that, *“Local governments must have the autonomy to manage their revenues and funds in accordance to their laws and principles without interference. Public institutions on their own without appropriate funding are useless, hence local municipalities must be given the opportunity to mobilise their own resources”*. Another key informant from HCC Finance department highlighted that, *“HCC derives its revenue from various sources as indicated by Section 276 (2) (b) of the*

Zimbabwean Constitution amendment number (20) of 2013 which mandates local urban councils to raise adequate funds from their areas for efficient service delivery”.

Key informant Z from Harare City Council reiterated that, *“Harare City Council currently collects revenue from property tax which is normally done at domestic, industrial and commercial level. The powers to do this are vested in the Urban Councils Act chapter 29: 15 of Zimbabwe which permits councils to levy charges and rates on all properties falling within their jurisdictions”.* Key informant Y stipulated that, *“HCC also collects and mobilise its resources from rates, levying charges and licensing. The council charges for services offered such as water, refuse collection, health services, finance revenue collection, public safety, welfare and education, shop licensing among other things”.* However, some of the highlighted charges are levied on consumption whilst other variables have fixed charges like revenue collection and health services.

Another key informant from the department of Finance indicated that, *HCC also collects its revenue from loans. However, revenue collection through loans have been dwindling for the past five years. HCC also receives its funds from ZINARA but the disbursements of funds to HCC have been haphazard.* Documentary evidence also supported this finding and showed that HCC have enjoyed limited access to credit lined due to inability to pay back. Evidence reveals that there is always political intervention whenever such deals occur, recently council is engaged in an ongoing Pomona gate scandal which the government ratified without councils approval. Previously the US\$144 million from the Chinese Export and Import (EXIM) Bank in 2013 for water plant rehabilitation had caused serious divisions with regards to the disbursement of funds until the RBZ intervened.

Key informant X further indicated that, *according to the law, HCC is supposed to be getting funds from the National government in accordance with Section 301 (3) of the Zimbabwean Constitution of 2013 amendment number (20) which requires government to allocate 5% of Total Revenue to sub national governments yearly.* However, documentary evidence showed that these funds have not been coming for some time now, HCC last received the funds in 2020, such funds are meant for upgrading of major roads and thereby improve service delivery.

Key informant Z also indicated that, *“HCC also raise its revenue through running multiple income generating projects. For example, council has sports clubs like Rufaro Stadium which it rents out at a fee. Furthermore, the local authority has cattle ranching project and Cleveland dam where it charges visitors for recreational facilities”.* However, the study also revealed that these gate-takings are few versus operational costs.

Documentary search evidence revealed that, HCC also collect revenue from different sources like fines and penalties, clamping and towing vehicles, burying deceased clients.

4.4 Challenges Encountered in Mobilising Revenue

This research study unmasked a number of challenges which Harare City Council is currently facing with regards to revenue mobilisation. The research revealed that Harare City Council faces problems emanating from financial

mismanagement, misappropriations and embezzlement. Other challenges are economic in nature, administrative and political.

4.4.1 Poor Public Management Principles

The study sought to assess the challenges faced by HCC in revenue collection, as a result it looked at the extent to which HCC is adhering to Corporate Governance issues. The research study revealed that, the public institution has got laid down standards, policies and procedures which it follows even though adherence to the standards is still very far. Residents bemoaned lack of stakeholder consultancies with regards to budget processes and spending. The study also revealed conflict of interest where HCC was found to have some shareholding in City Park or Easipark Private Limited despite denying the existence of such links. Furthermore, the research revealed that HCC is not being fair in its operations. Residents continue to receive bills for services not rendered especially for water and refuse collection. As a result, they end up defaulting payment and consequently deprive HCC of possible revenue.

4.4.2 Poor Prioritization

The research findings also revealed that Harare City Council is facing the problem of failure to prioritize projects. One interviewee key informant posited that, *“The City of Harare receives enough revenue for the month but fails to channel funds towards priority projects like water treatment and revenue collection.”* Research participants indicated that exorbitant salaries and benefits were being offered to top bosses whilst the majority of employees suffer. Another key informant from the HCC department of finance revealed that, *“HCC raises an average of USD \$30 million per month but fails to meet its financial obligations due to misplaced priorities”*

4.4.3 Lack of Capacity

The research findings also revealed that Harare City Council lacks capacity to adequately collect revenue and mobilise funds. Research participants indicated that the local authority does not have adequate and competent staff to collect revenue from the whole of Harare. The situation is further exacerbated by inadequate or faulty vehicles which reduces mobility. The council also does not have proper communication in place in line with technological trends. One key informant Z had this to say, *“HCC should send text messages to rate payers or emails reminding them of their bills rather than using print media for communication”*. Another key informant opined that, *“HCC outsourced some of its revenue streams to private entities and that is evidence enough that the institution has failed”*. The evidence of this allegation was supported by documentary evidence which revealed that HCC had contracted parking services to City Parking Private Limited. Furthermore, the study revealed that councils lack the capacity to regularly inspect and update its Valuation roll. One key informant X from the department of Finance cited that, *“Councils always troll back with regards to engaging valuers and integrating new properties which are not yet on the valuers roll. All the information revealed by the study pointed to the fact that HCC lacks capacity to collect revenue and is not technologically competent for electronic government system.”*

4.4.4 Lack of Government Funding

The research findings also established that HCC is suffering from lack of government support with regards to funding special projects or activities. This finding contravenes Section 301 (3) of the Zimbabwean Constitution of 2013 (amendment number 20) which makes it mandatory for government to remit 5% of their total revenue to sub national governments. The study revealed that, it was only recently after the coming in of the second dispensation that government ordered RBZ to give HCC funds for water treatment rehabilitation facility at Morton Jeffery.

4.4.5 Economic factors

In addition to the highlighted challenges, HCC is also not spared from the economic pressures which the country currently operates in for the past decade. The research revealed that efforts towards revenue collection are hampered by the volatile economic environment. One key informant indicated that the devaluation of the Zimbabwean dollar poses a major threat to operational issues. Most rate payers pay their services using the Zimbabwe dollar yet purchasing of chemicals requires USD. Hence, this variance will always be difficult to cover. This means HCC's budget is constantly being eroded by inflation as the local RTGs continue to weaken against the USD.

4.4.6 Political Interference

Another challenge which the HCC face in revenue mobilisation in these uncertain times is that of political interference. One key informant, highlighted that, "HCC faces continuous political interference by the Ministry of Local Government which authorizes most operational transactions. Some genuine initiatives are usually thwarted due to political interference since the majority of councilors belong to the opposition. Another participant indicated that, "Council operations are constantly monitored by the Ministry of Local Government, ruling party's youth wing and it is difficult to pass an independent judgement without them being overruled by the ruling party. For example, when the transport issue turned ugly after the City fathers gave a directive banning all Commuter Omnibuses, the Cabinet suddenly over turned the ruling.

4.4.7 Corruption and Nepotism

The research also noted that HCC is rampant with high levels of corruption and nepotism with regards to revenue collection. Residents revealed that HCC is well known for corrupt tendencies like collecting revenue for their own pockets. Key informant Z actually said, "*Everyone knows Harare Metropolitan Police is the most corrupt when dealing with vendors or traffic offenders*". The situation is further worsened by corrupt council officials who maximise their selfish motive ahead of service delivery. These officials also act as land barons who sale land without remitting proceeds to Councils. The study also revealed that those who are related to top council officials are also exempted from paying normal charges.

4.5 RECOMMENDATIONS

The paper makes the following recommendations with regards to revenue collection at Harare City Council;

- Realistic budgeting and planning in line with economic trends
- Adherence to Corporate Governance Principles and Public Finance Principles ➤ Employment of Robust revenue collection measures such as on-line bill payment ➤ Combat corruption and fight nepotism in all revenue collection facets.
- Training employees to enhance competencies and revenue mobilisation skills.
- Improve Service Delivery as a way of motivating rate payers to pay.

REFERENCES

- Apuke, O. D (2017) Quantitative Research Methods A Synopsis Approach. Nigeria
- Agba, M. S., Akwara, A. F., & Idu, A. (2013). Local government and social service delivery in Nigeria: A content analysis. *Academic Journal of Interdisciplinary Studies*, 2(2), 455.
- Babbie, E. (2010). *Research design. The practice of social research*, 12.
- Børhaug, K. (1994). Local government and decentralisation in Sub-Saharan Africa. An annotated bibliography.
- Chatiza, K., Makanza, V., Musekiwa, N., Paradza, G., Chakaipa, S., Mukoto, S., ... & Mushamba, S. (2013). *Capacity Building for Local Government and Service Delivery in Zimbabwe*. Harare: Development Governance Institute.
- Chakaipa, S. (2010). Local government institutions and elections. *Local government reform in Zimbabwe: A policy dialogue*, 31-70.
- Cohen, J. (2005). Deliberation and democratic legitimacy. In *Debates in contemporary political philosophy* (pp. 352-370). Routledge.
- Deol, P., Woodman-Smith, B., & Earby, M. (2021). Squirrelling the patient away. *Emergency Medicine Journal*, 38(11), 829-841.
- Dickinson, D. K., & Neuman, S. B. (Eds.). (2007). *Handbook of early literacy research* (Vol. 2). Guilford Press.
- Duba, M. J. (1992). *The conversion function of the political process in Lebowa until 1990, according to the structural functional analysis of Gabriel A. Almond and G. Bingham Powell, Jr* (Doctoral dissertation).
- Edogbanya, A., & Kamardin, H. (2014). Adoption of international financial reporting standards in Nigeria: Concepts and issues. *Journal of Advanced Management Science*, 2(1), 72-75.

- Fjeldstad, O. H. (2005). 17 Corruption in tax administration: lessons from institutional reforms in Uganda. *International handbook on the economics of corruption*, 484.
- Habitat, U. N. (2019). *The strategic plan 2020-2023*.
- Jackson, R. L., Drummond, D. K., & Camara, S. (2007). What is qualitative research?. *Qualitative research reports in communication*, 8(1), 21-28.
- Kivistö, J. (2007). *Agency theory as a framework for the government-university relationship*. Tampere University Press.
- Marshall, T. F. (1999). *Restorative justice: An overview*. London: Home Office.
- Musukuma, L. M. (2011). *A study of battered women seeking shelter at YWCA since its inception in 1993 to 2003 (Doctoral dissertation)*.
- Organisation for Economic Co-operation and Development (OECD). (2010). *Education at a glance 2010: OECD indicators*. Paris: OECD.
- Powell, M. J. D., Gabriel, J. R., & Johnston, D. F. (1960). Ground-State Splitting for $d^5 s^6$ Ions in a Cubic Field. *Physical Review Letters*, 5(4), 145.
- Riordan, C. M., Gatewood, R. D., & Bill, J. B. (1997). Corporate image: Employee reactions and implications for managing corporate social performance. *Journal of Business ethics*, 16(4), 401-412.
- Sileyew, K. J. (2019). *Research design and methodology (pp. 1-12)*. Rijeka: IntechOpen.
- Shah, S. K. (2006). Motivation, governance, and the viability of hybrid forms in open source software development. *Management science*, 52(7), 1000-1014
- Strauss, A., & Corbin, J. (1998). *Basics of qualitative research techniques*.
- The New Constitution of Zimbabwe and its Implications for Social Workers. *Journal of Social Welfare and Human Rights*, 2(1), 29-40.
- Cronin, C. (2014). Using case study research as a rigorous form of inquiry. *Nurse researcher*, 21(5).

Research Article

- Zhou, G., & Madhikeneni, A. (2013). Systems and Challenges of Public Revenue Collection in Zimbabwe. American Journal of Contemporary Research. pp, 49, 57.
- Zhou, Gideon, and Alois Madhekeneni. "Systems, processes and challenges of public revenue collection in Zimbabwe." (2013).