Effectiveness of Public Private Partnership in Tanzanian LGAs' Revenue Collection: A Case of Dodoma Municipality

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Abstract
The study aims to assess the effectiveness of Public Private Partnership in revenue collection in LGAs in Tanzania a case of Dodoma Municipality. Cross sectional research design was used. Purposive, convinience and simple random sampling techniques were applied to obtain the overall 184 sample size who participated in the study. Data were collected through Questionnaire, Interview, Focus group discussion, observation and documentary review method. The data were analyzed using Statistical Packages of Social Science (SPSS) software. The findings of this study reveal that respondents who believed on being trustful in revenue collection through private agents were 4 times (AOR=4.32, CI: 1.20-15.58) more likely to report high performance of revenue collectors. Similarly, respondents who said the level of income of the taxpayers was definitely important in determining the amount of tax to be paid were nearly 4 times (AOR=3.76, CI: 1.87-7.58) more likely to report high performance of revenue collectors. The rest of the studied variables such as existance of various laws and regulations, presence of competent staff, taxpayer' willingness to pay tax, knowledge of taxpayers on paying levy and level of education, were less associated with performance of revenue collectors. Therefore, it is recommended that the DMC and other stakeholders should review their PPP in tax collection and find measures, including tax education, to promote and improve the performance of tax collectors.
Key Words: *Effectiveness, Public Private Partnership, Revenue Collection, Tanzania*

I. Introduction

The system of revenue collection by LGA in Tanzania was one of the most important components of Local Government Reforms aimed at transfering key functions, responsibilities, power and resources from the Central Government to the Local Government Authorities (URT, 2005). Prior to the LGRP 1998, the system was associated with different challenges including collection, monitoring, managing technical problems and highly administrative costs (Ngowi, 2009). Immediately after implementation of LGRP, LGAs were mandated to collect revenues directly from taxpayers through Council's revenue collectors. According to Fjelstad, Katera and Ngalewa, (2008), the system resulted into poor and unfair tax assessments and manipulations between taxpayers and collectors for exemption or less pay, and it was closely linked to corruption and all kinds of negligence at the collection points. Generally, the system was not effective in raising revenue to LGAs (Richard, 2009).

In an attempt to rectify the situation, measures taken by LGAs and other stakeholders include introduction of Public Sector to work in Partnership with Private sector popularly known as Public Private Partnership (PPP) (Ngowi, 2005). Local Governments agreed to work in partnership with private (Agents) firms and taxpayers in revenue collection on a temporary contractual basis and reportedly there has been some improvement in revenue collection (Fjelstad, Katera and Ngalewa, 2008). Despite the adoption and implementation of PPP strategy in tax collection in Dodoma Municipality, it remains unclear and debatable whether PPP has any notable effect in improving collection of revenues in LGA. Moreover, there is paucity of scientific evidence as to what has contributed to improvement in revenue collection in LGAs. Therefore, the purpose of this study is to find out whether the PPP (LGA, Private Agent and Taxpayers) has been a major drive-in revenue collection in Dodoma Municipality.

1.1 Research Objectives
1.1.1 Overall Objectives of the study
The main objective of this study is to assess the effectiveness of public private partnership in improving revenue collection in Local Government Authorities taking a case of Dodoma Municipal Council.

1.1.2 Specific Objectives
The specific objectives of the study are as follows;
  i. To examine the supervisory role of LGA in tax collection in Dodoma Municipal Council.
 ii. To assess the strategies and techniques used, and challenges faced by revenue collectors in Dodoma Municipal Council.
iii. To examine taxpayers' knowledge, attitude and willingness of paying levy through a private agent in Dodoma Municipal Council.
 iv. To find out the relationship between PPP and improvement in revenue collection in Dodoma Municipa Council.

1.2 Research questions
In the course of this research the study was led by the following key questions that closely linked to the objectives. The key study questions included:
  i. Are there any supervisory roles of LGA in tax collection in Dodoma Municipal Council?
 ii. What are the strategies and techniques used, and challenges faced by revenue collectors in collecting levy in Dodoma Municipal Council?
iii. Are taxpayers knowledgeable of what are required to pay through a private agent in Dodoma Municipal Council?
 iv. What is the relationship between PPP and improvement in revenue collection in Dodoma Municipa Council?

II.   Literature Review
2.1 Theoretical Review
2.1.1 Principal Agent Theory
        Principal Agent Theory is a theory which addresses the relationship between two or more parts in a contract. The first part known as Principal in the contract engage another part known as the agent to perform some service. The agent performs some activities or service on behalf of principal. The relationship involves delegating some decisions and authorites to the agent (Jensen & Meckling, 1976). In this case the principal is the Dodoma Municipal (LGA) who has entered in a contract with private agent to collect taxes from the tax payers. The principal performs a supervisory role to agents and taxpayers while the agent implements the issue of revenue collection and submit the amount of revenue collected to LGA (Dodoma Municipal) as stated in their contract.

        Principal Agent (or Contract) theory provides analytical and conceptual framework to the study tax collection systems (Inversen, 2006). Indeed, contractual perspectives illustrate the two core problems in bureaucratic collection, namely corruption at collection point and the scope for ascertaining the tax base of activity sensitive taxes (Fjelstad, Katera and Ngalewa, 2008). Using a principal-agent approach to the relationship between the principal that is the Local Government Authority, and the collection agent; the principal's challenge is to design the agreement that reconciles the conflicts of interest between the two parties.

        In local tax collection, the contractual choices may be interpreted as a function of control or monitoring capacity of the local Government administrations with bureaucratic, intermediate, and full-pledged tax farming as the main contractual alternatives. Contractual shifts would then result from the change in the underlying monitoring problem (Fjelstad, Katera and Ngalewa, 2008).

        Uncertainty about the size of the revenue base is a key aspect of the monitoring problem. Forexample a stable revenue base reduces the difficulty of the monitoring problem and enables the principal to more accurately predict revenue flows. This makes the verification of the performance of government-employed revenue easier. Many tax bases in poor countries are however distinctly sensitive to economic fluctuation. This applies in a particular, to agriculturally based revenue bases where the principal will need to distinguish a poor performance by the bureaucratic from collusion and corruption between bureaucratic and taxpayers, and a poor collection result due to a local recession (Fjelstad, Katera and Ngalewa, 2008). It follows those private contractors not only have a greater personal stake in controlling the collectors, but also will be better placed to penalize underperforming collectors.

2.1.2 The Benefits-Received Theory
        Benefit received theory: Is a theory of income tax of fairness that says people should pay taxes based on the benefits they receive from the government. For this case the provider of service is the one had a contract with the LGA and the reciver of those benefits is the taxpayers (Abdulkaridi, 2010).
        This theory comes with an assumption that there is an exchange or contractual relationship between taxpayers and the LGA. The LGA provide a certain goods and services to members of society and they contribute to these supplies in proportion to the benefits received. Here a market relationship is established

between the two and therefore, what the taxpayers pay is the fees, the prises and not the taxes in strict sense of the term. Tax refers to a compulsory payment without *liqur pro quo* (sometimes given or taken as equivalent to another), and this condition are not satisfied in this case. Several problems arise to apply this theory in practise. Since tax burden is to be distributed between taxpayers in proportion to the benefits received by them from LGA activities, the Authorities have to identify the beneficieries and measure the benefits derived by them, this however is not an easy task (Bhatia, 2008).

Taxpayers are likely to be willing to pay local taxes where the amounts they contribute can be related more directly to service received (Livingstone and Charlton, 1998). Taxes however may not be the better mechanism to obtain a better relationship between the demand and supply of public services. In principle, user charges can only link the amount paid directly to what a taxpayer benefit.

Positive benefits may increase the probability that taxpayers will comply voluntarily without coercion. Without material benefits, willingness to pay tax become less assured. Although most taxpayers may not assess the actual value of what they receive from government in return for taxes paid, they have general impressions about their terms of trade (Abdulkaridi, 2010). Taxpayers' behavior is therefore affected by their satisfaction or lack of satisfaction with the terms of trade. If the system is perceived as unjust, tax evasion may be considered as an attempt to adjust the terms of trade with government (Fjelstad and Semboja, 2001). Based on this consise review, it shows that satisfaction and fairness motivate taxpayer's willingness to pay taxes.

Therefore, among the two selected theories, the first one which is Principal Agency Theory is the best choice to be applicable in the study. It shows good relationship between the LGA who are the Principal and the Agent which is Private Company in the PPP in revenue collection.

2.2 Empirical Literature Review
2.2.1 Supervisory Role of LGAs in Tax Collection
According to Kargbo, (2009) from Sierra Leone point out that LGA plays the supervisory role to empower private agents to collect revenue from various sources including property taxes, licences and market fees and charges. However, there is a critical lack of clarity between the law and other legal and regulatory instrument that constraints the effective collection of local revenues.

Study from Masasi DC by Muyoga & Chikongoye, (2011) reported that LGA is responsible to set their own revenue policy within the limits set by central government in which the LGA is responsible to ensure that private agents follow the organization's policies and procedures.

Training and development is another role where by the LGAs are responsible to ensure that private agents and tax collectors have enough expertise to carry out their activities of revenue collection. Futhermore, LGAs provide enough guidance to private agents, often in the form of ongoing coaching and counselling.

Performance management, LGAs are responsible to ensure that the contract descriptions accurately record the primary responsibilities, qualifications and terms for each contract role. Also, LGA set performance standards for tasks, jobs, and roles of their private collecting firm. In additional, LGAs provide ongoing feedback about the private agents' performance. LGAs conduct performance appraisal on regular basis, including assessing how the private agent has performed and what they can do to improve their jobs. Futhermore, supervisors provide rewards for private agents' accomplishments.

2.2.2 Strategies and technique used by revenue collectors in collecting levy
Muyoga & Chikongoye, (2011) reported from Southern Tanzania that tax collectors should create a climate for tax compliance strategy which refers to the activities designed to encourage voluntary compliance with the requirements of revenue laws and bylaws set by the LGA, such a strategy forms an intergral part of any effective compliance part and enforcement.

Fjelstad (2003) argues that there are key elements of an effective tax compliance strategy which include providing education and technical assistance to taxpayers, Building public support and Publicizing success stories.

Building public support, this strategy can be a powerful in promoting tax compliance by supporting the creation of a tax ethics culture (Muyoga & Chikongoye, 2011). Futhermore the public can serve as watchdogs that alert officials to non compliance and to foster this, the taxpayers should be educated to conceive the act of paying tax as being one's contribution to public goods. In addition, willingness to cooperate has been found to depend on various variables including effective communication between tax collectors, taxpayers and group identity. It cans therefore being argued that the extent of knowledge among taxpayers about the use of contribution and provision of public is a relevant factor determining voluntary compliance.
However, the previous reseracher does not indicate the strategies like transparency, fairness, negociation, motivations and honest, and how can be exercised to ensure that they obtain the required amount of revenue from the taxpayers at the right moment.

2.2.3 Taxpayers Knowledge of paying tax through Private Agents
Sohail et al, (2003) reports that the PPPs concept is still new and in this relative infancy stage of development in Tanzania. This leads to a number of challenges when it comes to the use of the concept public private partnership. They include proper understanding of the concept and its operationisation by those in various positions in the public and private sector, lack of the needed knowledge, readiness to change and depart from the Orthodox ways of doing things (Ngowi, 2009). It is noted that due to infancy level of knowledge of taxpayers in the PPP may leads to the use of the concept and when it is applied it may be wrongly applied and hence failures.

2.2.4 Taxpayers Attitude Towards Paying Tax Through Private Agents
Fallan (1999) in the study conducted in Nigeria with sample size of 110 respondents, 54.5% explained that if taxpayers are negative about taxation, this can influence their attitude towards paying taxes and Private Agent together with LGA might loose not only revenue but also electorate. Branes (1998) argues that although majority of respondents did not feel it is unfair to pay tax, all of the respondents were of the opinion that waste and corruption in private agent is high. In addition, the majority of the respondents felt that taxes are used by government for meaningless purposes and that the private agents and LGA does not provide enough information about how they utilize taxpayers' money. The respondents therefore felt that tax rates are too high so it should be reduced**.**

2.2.5 Taxpayers Willingness to pay tax to Private Agents
Malima, (2013) on his report conducted in Tanzania with sample size of 115 respondents, 69 which is equal to 60% of all respondents argee that in order to improve revenue collection LGA should develop the settings that raises the attentiveness and readiness of taxpayers toward returning taxes voluntarily. By considering this result, it shows that 60% of all respondents agreeed that there are some measures taken by the government to improve voluntary tax compliance. This signifies the assertion put forward by Malima (2013) and its evidently that the LGA has taken some efforts to motivate taxpayers in voluntary paying their tax liability in order for its to improve revenue collections.

2.2.6 Relationship between PPP and improvement in revenue collection
A report by Prest (1992) in Kenya noted that the relationship between taxpayers, tax collectors and LGA in PPP plays an important role in determining the level of revenue collected. There is a need for mutual respect between the taxpayers and tax collectors if taxes are to be collected efficiently and effectivelly. It was also found out that taxes in most developing countries is more dependent on the cooperation between taxpayers, private agents and LGA which shows the presence of mutual respect between them and resulted into improved tax compliance and increase revenue collection.

In Uganda, political interference has had an impact on revenue collection. In a study on fiscal decentralization in Uganda, it was found out that, PPP in revenue collection is not improving due to some politicians who tend to grant informal tax hoildays before elections (MoLG, 2000). This lowers revenue collection to the respective local authority.

Futhermore, in assessing the success of PPP in improvement in revenue collection, it has been argued that although PPP does not offer a quick-fix interms of increasing revenue and easing administration in general, revenue from adopted PPP sources did actually increase with significant improvement in predictability as well (Fjelstad, Katera and Ngalewa, 2008).

III. Research Methodology

3.1 Research Design
This study used descriptive Cross sectional research design using a Dodoma Municipal Council as a case study. A case study research design is the design that uses specific subjects with common characteristics enough to represent the rest other than studying the entire population (Patton, 2001). Dodoma Municipal Council is used as a case study instead of studying all Municipal Councils in Tanzania. The study design was adopted because it will enable the researcher to dwell on the information from Dodoma Municipality from deduction and generalization over revenue collection in other Municipal Council in Tanzania which apply the same PPP. The research design will adopt both Quantitative and Qualitative data collection methods.

3.2 Population of the study
The target population for the study data comprises of District Commissioner, Members of the Council, private revenue collectors/contractors, ward Councellor, market officer, market officer and male and female taxpayers who are conducting their commercial activities at majengo market. It excludes those with less than 18

years and those above 80 years. The target population is defined as the group of the informants where by a researcher collect the information and obtained data (Borg & Gall, 1989).

3.3 Sampling procedures/Technique
The researcher key informants were Purpossively selected. The key informants in this category include: One area resident District Commissionner due to the reason that is the overall incharge of the political and economic affairs of the district, two members of the council who are Municipal Mayor and Majengo Ward Councillor who are representing the political will of the people, two Municipal Officials include Municipal Director and Revenue Accountant from revenue department in Dodoma Municipal Council. All these are involved in day-to-day activities of planing and budgeting of the municipal. Also, the study includes market master and market office because they are the market leaders representing taxpayers to the management.

On the other hand, taxpayers were selected using convinience sampling technique due to the reason that it relies on data collection from population members who are conviniently available to participate in study. This sampling method involves getting respondents whenever you can find them and typically whenever is convinient. All taxpayers available were invited to participate to the study where by researcher can stand in one corner of the market and all registered taxpayers are invited to participate in the contest without any discrimination (Winter, 2000).

The simple random sampling technique was used in the selection of private tax collectors. Under this technique, respondents were obtained by using the list of registered names from administrative unit of Private Agent. All names were put in a box shaked well and randomly one name of tax collector was picked after another until the required number of nine (9) was obtained. This technique was used because it had advantages of creating equal chances for all respondents to be selected and to avoid biases (Richard, 2009).

3.4 Sample size
According to Saleemi, (2007), Sample size is the number of observations for calculating estimates of a given population. The overall sample size of 184 key informants and respondents were included in the study. A Convinient sample of 167 respondents was included in the study from the total number of taxpayers from Majengo market. The sample size was retrieved from **Cochran"s** formula for determining the sample size.
Where p = the sample proportion (the percentage of taxpayers who were involved in the study and $q = 1 - p$ (those who were not involved). The value of p equal to 0.5 which gave the optimal value of the sample size was adopted. N represents the total number of taxpayers from Majengo market. $Z\alpha/2$ is a constant associated with the confidence level that is being used. The level of significance is 5%; e is the margin of error which is 5%.

$$n = \frac{NZ_{\alpha/2}^{2} \, pq}{(N-1)e^{2} + pqZ_{\alpha/2}^{2}}$$

$$n = \frac{245 \times 1.96^{2} \times 0.5 \times 0.5}{(245-1)0.05^{2} + \left(0.5 \times 0.5 \times 1.96^{2}\right)} = 150$$

A minimum response rate of 90% was assumed in this study, which implies a non-response rate of at least 10%. Taking on board this response rate, the adjusted sample size *na* was:

$$n_{a} = \frac{150}{0.90} = 167$$

3.5 Data Collection
The researcher used questionnaires, interviews, focus group discussion, observations and documentary reviews. This study used mixed methods wich lead to the collection of quantitative and qualitative data. According to Fisher (2004), multiple methods of data collection have advantage of improving reliability and validity of the study findings.

IV.   Presentation of the Study Findinds
4.1 Supervisory Role of LGA in Tax Collection
Supervisory role of LGA is considered to be a fundamental in tax collection. In soliciting information on the objective number one, the supervisory role of LGA in this study were tax education exercised by LGA and setting the amount to be paid by taxpayers. Others were to set procedures, regulation and ensure rules are adhered. The respondents were asked to choose the most appropriate correct option which indicates whether they agree or disagree with the supervisory role of LGA in revenue collection.

4.1.1 Sensitization programs by LGA tax Officials
Based on the findings from respondents as shown in table 1 on the supervisory role of LGA in tax collection, the response shows that 155 (92.8%) most respondents agreed and supported the sensatization programs provided while 12 (7.2%) are not supporting the sensitization programs.

Table 1. Distridution of respondents on sensitization programs by LGA tax Officials

Response	Frequency (n)	Percentage (%)
Disagree	12	7.2
Agree	155	92.8
Total	167	100

4.1.2 Setting of the amount to be paid by LGA
The response from the respondents shows that slightly over half (53.3%) agreed with the amount which is set by LGA while 68 (40.7) strongly agree. The remaining 10 (6.0%) do not agree with the amount set by the LGA to be paid as shown in table (2).

Table 2. Distribution of respondents according to whether they agree or disagree with the amount of tax set by LGA

Response	Frequency (n)	Percentage (%)
Disagree	10	6.0
Strongly agree	68	40.7
Agree	89	53.3
Total	167	100

Interview findings from revenue accountant and municipal director said that based on the amount set, the agents is required to adhere to the operating standards within the PPP agreement. In additional the amount to be paid is usually predetermined after conducting a feasibility study so as to be assured on the value /amount to be paid to the outsourced activities so that value for money can be achieved by the private agents in the PPP in revenue collection.

4.1.3 Setting of revenue collection procedures / regulations by the LGA
The findings as shown in table 3 shows that nearly three quarter of the respondents 125 (74.9%) agree and are supporting the procedures / regulations set by the LGA while 36 (21.6%) respondents disagree. The remaining 6 (3.6%) disagree.

Table 3. Distribution of respondents on whether they agree or diagree with regulation / procedures of LGA

Response	Frequency (n)	Percentage (%)
Disagree	6	3.6
Strongly agree	36	21.6
Agree	125	74.9
Total	167	100

FGD findings were in support with the findings gathered from questionnaies. They even said that LGA they provide them with bylaws and there are qualified personnel who exercise those bylaws and when they have properly followed by taxpayers leads to influence the level of revenue collected by the private agents
4.1.4 Compliance with rules, procedures and regulation of paying market levy
The findings indicated in table 4, shows that nearly 58% which is 57.5% of the respondents agreed and are in compliance with the rules, regulation and procedures while 57 (34.1%) strongly agree and are compling with rules, regulation and procedures of paying market levy. The remaining 14 (8.4%) they disagreed.

Table 4. Distribution of respondents based on whether they agree or disagree with rules, procedures and regulations of paying market levy.

Response	Frequency (n)	Percentage (%)
Disagree	14	8.4
Strongly agree	57	34.1
Agree	96	57.5
Total	167	100

Interview findings from Ward Councillor at majengo market who was a key informant stated that the Municipal Council always cooperates very closely with the market leaders in facilitating the revenue collection process by the private agents.

4.2 Strategies/Techniques used and by tax collectors in collecting market levy

In attempting to respond to objective two, a questionnaire was used to gather various information from taxpayers. Additional information was obtained through interview to LGAs who were the key informants to the study and FGD with the private agent and tax collectors from the study area.

4.2.1 Creation of relationship with taxpayers

Table 5 shows that over three quarter (86.8%) of the research participants affirmed the strategies and techniques used by revenue collectors while others which were (13.2%) gave a No response. Accepted by majority that there is good relationship between tax collectors and taxpayers.

Table 5. Distribution of respondents based on whether there is relationship between tax collectors and taxpayers

Response	Frequency (n)	Percentages (%)
Yes	145	86.8
No	22	13.2
Total	167	100

Based on findings from FGD with tax collectors and private agent supported that revenue collectors use negotiation technique, guidance and training to deal with taxpayers during collecting market levy which help to create a good relationship between them.

4.2.2 Opinions on whether revenue collectors are honest

Table 6 represents the findings from the respondents on the opinion of revenue collectors if they are honest. The results indicated that 147 (88.0%) affirmed that revenue collectors are not honest while 20 (12.0%) of the respondents said that revenue collectors are honest.

Table 6. Distribution of respondents on whether revenue collectors are honest or not

Response	Frequency (n)	Percentage (%)
Yes	20	12
No	147	88
Total	167	100

Basing on the findings that were generated by using the FGD they were congruent to the information that was generated by questionnaire method. In addition, one participant said that *'...revenue collectors are not honest and sometimes they did not submit the required amounts of revenue to private agent according to portion allocated to collect the market levy...'* Source: Field Interview.

4.2.3 Checking whether tax collectors are competent or not

Based on the finding from respondents slightly over half 56.3% strongly agreed that revenue collectors are competent and are effectively capable in monitoring and controlling revenue collection while nearly 39 that is (38.9%) agreed. The rest 8(4.8%) disagree revenue collectors are not competent. Table 7 shows the results obtained.

Table 7. Distribution of responded based on whether they agree or disagree that tax collectors are competent

Response	Frequency (n)	Percentages (%)
Disagree	8	4.8
Agree	65	38.9
Strongly agree	94	56.3
Total	167	100

4.3 Taxpayers Knowledge, Attitude and Willingness of Paying Levy

4.3.1 Opinions on whether they know the Importance of paying tax?

Table 8 shows that majority of the respondents (90.4%) affirmed that they had knowledge on the importance of paying market levy while the remaining 16 (9.6%) had no knowledge on the importance of paying market levy.

Table 8. Distribution of respondents on whether they know the importance of paying market levy

Response	Frequency (n)	Percentage (%)
Yes	151	90.4
No	16	9.6
Total	167	100

From Interviewed key informants, one interviewer reported that majority of the respondents at majengo market seems to know the importance of paying market levy due to the facts that they are not only sources of

income to LGA but also, they contribute to the provision of public goods and services of a community as a whole. In addition, Personal communication with one taxpayer said that on paying market levy through private agent the benefits received is together with keeping the area clean and immediately removing the waste collected at the dumping area and other places so as to make the environment conducive for taxpayers running their daily activities.

4.3.2 Satisfaction with tax Collection System
Based on the findings in table 9, response shows that 155 (92.8%) were satisfied with the tax collection system while the remaining 12 (7.2%) were dissatisfied.

Table 9. Distribution of respondents based on whether they are satisfied or dissatisfied with tax collection system

Response	Frequency (n)	Percentages (%)
Satisfied	155	92.8
Dissatisfied	12	7.2
Total	167	100

Based on the findings from interviewed market officer and market secretary said that they are satisfied to work with the private agents entrusted to collect market levy rather than the municipal council. It revealed that private agents are more effective in controlling tax collectors and taxpayers thereby improving the amount of tax collected. In additional they said that private agents are good managers and in case there is any problem they quickly found for the way forward to solve it.

4.3.3 Taxpayers percention on the daily / monthly amount charged for their business
Based on the findings from the respondents, as shown in table 10, that 70 (41.9%) perceived the amount to be extremly high while 78 (46.7%) affirmed and said they had positive attitude toward the amount they paid daily/monthly and is fair. The remaining respondents 19 (11.4%) said it is unfair. The majority of taxpayers seem to be comfortable with the amount of levy charged everyday.

They said that incase they are running business in that day they are subjected to pay market levy but incase they are not having business in any days and are present or not present at the market place they are not subjected to pay. This is due to the facts that other types of items in their business activities are seasonal. So, you might find a day without any items to sell due to scarcity and other circumstances.

Table 10. Distribution of respondents on the fairness of the amount of levy Paid daily/monthly

Perception	Frequency (n)	Percentages (%)
Extremely high	70	41.9
Unfair	19	11.4
Fair	78	46.7
Total	167	100

Based on the findings that were collected by using FGD, tax collectors said that the amounts charged to taxpayers are set by the LGA and the receipts are provided once the payments are made. The charged amount per day is 200 Tshs to every taxpayer who were conducting his/her business there, but incase taxpayers were buying items for sale from the producer/distributor or suppliers each item basing on the quantity are charged different amounts depend on the size of the luggage.

4.3.4 Extent of satisfaction with the amount of levy paid
The findings from respondents as in table 11 shows that most respondents (90.4%) were satisfied with the amounts of levy charged daily/monthly and were comfortable to continue paying it for improvement of social services and developmental activities while 16 (9.6%) were not satisfied with the amount charged.

Table 11: Distribution of the respondents on Extent of Satisfaction

Level of satisfaction	Frequency (n)	Percentages (%)
Satisfied	151	90.4
Dissatisfied	16	9.6
Total	167	100

4.3.5 Level of Income of Taxpayers
The findings shows that nearly 59% which is (58.7%) of the respondents reported that level of income of taxpayers is extremely important in determining the amount of revenue collection, where by 69 (41.3%)) said

it is definitely important showing that, they are sure. The study affirmed that income is a most important factor when earned by taxpayers so as to be in a position of paying the amount charged as a market levy. Table 12 depicts the results found.

Table 1: Distribution of respondents based on level Income of Taxpayers

Response	Frequency (n)	Percentages (%)
Definitely important	69	41.3
Extremely important	98	58.7
Total	167	100

Based on the finding from FGD, the participants said that level of income of taxpayers is a very important factor in determining the amount of revenue collection. Also interviewed market secretary said that if the taxpayers' sales turnover is stable or increasing, the tax payers would be in a position to pay market levy everyday.

4.3.6 Willingness of taxpayers
The findings as presented in table 13 shows that nearly 57% which is (56.9%) of the respondents were definitely important meaning that they are voluntarily willingly to pay market levy charged while 47 (28.1%) were extremely important to pay the charged. The remaining 25 (15.0%) said it is important. This implies that taxpayers are voluntarily willing to pay the required amount without any inconvinieces.

Table 2: Distribution of respondents showing the Willingness of taxpayers

Response	Frequency (n)	Percentages (%)
Important	47	28.1
Extremely important	25	15
Definitely important	95	56.9
Total	167	100

Findings from FGD supported the findings gathered from questionnaires indicated that majority of taxpayers are voluntarily willing to pay market levy if and only if there is any benefits received upon their contributions.

4.3.7 Level of tax Administration
The finding from the respondents shows that 73 (43.7%) affirmed that level of administration is definitely important factor to determine the amount of revenue collection while 72 (43.1%) said it is important. The remaining 22 (13.2%) affirmed to be extremely important as the table 14.

Table 3: Distribution of respondents based on the level of administration

Response	Frequency (n)	Percentage (%)
Important	72	43.1
Extremely important	22	13.2
Definitely important	73	43.7
Total	167	100

Based on the finding from the interview with Councillor it was found that administration involves level of management which is an extremely important factor to determine the amount of revenue collection due to the facts that you might end up budgeting without considering how to manage the sources of the revenue which give the municipal an income.

4.4 Relationship between PPP and Revenue Collection
This statement was set from objective number four in order to solicit the information on the existance of relationship between PPP and improvement in revenue.

4.4.1 Opinion on whether PPP has improved accountability, efficiency and effectiveness in revenue collection
Table 15 shows that slightly over 40% of respondents reported highly improved relationship while 44 (26.3%) reported very highly improved relationship. The remaining 56 (33.5%) observed improved accountability, efficiency and effectiveness of PPP in revenue collection.

Table 4: Distribution of respondents on whether PPP has improved accountability, efficiency and effectiveness in revenue collection

Response	Frequency (n)	Percentage (%)
Very highly improved	44	26.3
Highly improved	67	40.1
Improved	56	33.5
Total	167	100

The finding from the interviewer at DMC reported that the improvement in the amount of revenue collected through PPP is not so good because other Private agents do not pay in time hence difficult in running the council.

4.4.2 Sensitization programs exercised by PPP Officials
The findings from respondents in table 16 shows that slightly over 91% agreed and supported the programs provided while 14 (8.4%) disagreed and have not seen any sensitization exercised by PPP officials.

Table 5: Distribution of respondents on sensitization programs exercised by PPP officials

Response	Frequency (n)	Frequency (%)
Disagreed	14	8.4
Agreed	153	91.6
Total	167	100

V.   Discussion, Conclusion and Recommendations
5.1 Discussion of the Findings
The findings affirmed that LGA has a greater involvement in PPP concerning the issue of revenue collection. It also indicated that supervisory role performed by LGA has an effect on overall revenue performance; something that made the respondents rate the question of sensitization programs like tax education, the amount set by LGA to be paid by taxpayers, procedures/regulation which greatly influence revenue collected and rules on paying market levy showed agreed and strongly agreed to abide with them. It was found out that revenue collection through PPP is always increasing as a result of rules, regulations, procedures, fair amount charged and sensitization program always exercised by LGA in PPP.

The findings were compared with the results of a study of Jackrine (2012) in Kenya that used the simple random sampling with sample size of 35 respondents. The study has been supported by half of the respondents that review programs on benefit of paying tax which had been exercised by LGA tax officials helped taxpayers to be aware and cooperate very closely with tax collectors so as to easen their work of revenue collection.

Despites the findings from respondents showed that LGA plays a big role in PPP in revenue collection, the statistical analysis depicts only one dependent variable (Revenue collectors' performance) which shows the association between the independent variables (LGA set the amount to be paid by taxpayers). However, due to sampling techniques adopted, variations can partly be contributed by social, cultural and economic-environmental areas where by the study was conducted.

It was found that the strategies and techniques which are mostly used by tax collectors in collecting market levy are creation of good relationship, element of transparency and honest, negoceported by Savas (2000) who found out that 85% of the respondents noted that the techniques of bad work ethics, poor human relations and low education background of some revenue collectors including poor communication skills with taxpayers in relation to revenue collection.

Therefore, in order for the efficiency and effectiveness in revenue collection, there is a need to use EFDs strategies in collecting revenue through PPP so as to minimize the uncertainty such as dishonest of some revenue collectors and corruption.

The findings affirmed that taxpayers have knowledge, positive attitude and are voluntarily willing to pay market levy through private agent in the PPP in revenue collection. It has been noted that taxpayers are aware on the importance of paying market levy and they are satisfied with the tax collection system. Also amount charged daily are extremely fair and level of income, willingness of taxpayers and level of tax administration are definetely important factors that determine the amount of revenue collection.

On top of that Bahiigwa et al (2006) in Uganda reported that most of the respondents in his study were strongly satisfied with the process of collecting tax through private agents due to the reason that private company are the good manager in monitoring, control and allocation of the resources.

Richard (2009) in his study conducted in Uganda point out that the positive benefits received by taxpayers may increase the probability of voluntarily compliance without any coercion.

Furthermore, the findings by Aljazen (1993) from South Africa reported that attitude are generally assumed by most of the respondents at 69% to influence compliance behaviour because they signify respondents' tendency to respond positively to a situation of revenue collection through private agent.

The findings of this study are constrained with the report by ALAT (2012), who explained that the knowledge of taxpayers on PPP in revenue collection is very low. They argue that taxpayers lack sufficient knowledge on what type of products/ business are subject to local taxes and the overall administration of the taxes concerned.

Therefore, in future research there is a need to look for other approaches or to learn from other countries the things which lead to taxpayers' compliance in paying tax without any coercion.

5.2 Conclusion

Basing on the study findings it can be concluded that no much improvement has been attained by PPP in promoting and improving revenue collection in DMC. This suggests that sensitization should be done to taxpayers to understand the need of involving private agents in revenue collection. Also, the LGA should make sure that all private agents are following rules and regulations required for revenue collection.

On the other hand, this can party be due to lack of knowledge and motivation to tax collectors, negative attitude against tax, enadequate knowledge on regulation and policies of taxation and poor accountability from the government.

5.3 Recommendations

   i. Because this study was conducted in Dodoma municipal Council, the findings may be less representation. Hence there is a need to conduct further research in a more representative study.
  ii. To provide adequate knowledge about tax collection
 iii. To motivate tax collectors through good salaries, training, bonuses and incentives since revenue collection is a tempting job.
  iv. To advocates for Public Private Partnership (PPP) in tax collection
   v. LGA should provide proper accountability for the tax revenue collected.

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