FACTORS AFFECTING THE COLLECTION OF REVENUES AS PERCEIVED BY THE EMPLOYEES OF LOCAL ADMINISTRATION IN JORDAN

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Abstract

Municipalities are facing financial challenges and problems mainly in the collection of revenues.The purpose of this descriptive study was to investigate the attitudes of a random sample of the employees (376)working in the revenues department in the Jordanian municipalities about the main factors affecting the collection of revenues using a questionnaire survey. Findings revealed that the most important factors affecting revenues collection were organizational, social and personal, legal, and economic respectively.Participants reported that mayors and municipality council are lenient in forcing the administrative process of revenues collection for re-electability purposes. In addition, results showed that the lack of allocated human, financial, and technical resources are crucial obstacle in collecting revenuesin the Jordanian municipalities.Findings indicate that tribe and family relations with the employees of the municipality were considered crucial in not forcing taxpayers to fulfill their financial dues. The evidence of this study will help policy makers, mayors, and financial managers to consider the key factors to improve and enhance revenues collection aiming to sustain highly quality local services.

Keywords:revenues collection, financial challenges, local administration, Jordan.

1. INTRODUCTION

Local administration units all over the world play an increasingly crucial role in the delivery of basic public goods and services. There has been a clear pattern of the modern governments to increase citizens' involvement in running their local needs. Accordingly, citizens have the right to elect their representatives in the board of municipality in order to ensure the provision and delivery of high quality and efficient local services. Nonetheless, municipalities are experiencing several challenges and problems in the collection of revenues, predominantly in terms of taxes and fees. The fundamental problem confronting most local authorities is the widening gap between spending needs and the availability of financial resources (UN Report, 2105; Chauke, 2016). Furthermore, local authorities across the developing countries depend heavily on the central government transfers and face the near-impossible task of funding the infrastructure and services required to meet the basic needs of growing urban population (UN Report, 2105). Such these fiscal challenges and obstacles have urged

and forced local governments to seek approaches to stabilize revenues and to maintain high quality of service provision.

Overall, local revenues are recognized as being the outcome of an effective tax base and rate. Many local authorities have adequate revenue bases to finance the current level of services, although collection levels are often low (Mercy, 2013). Improvement and enhancement of revenues collection in local administration is the crucial key to meeting their financial obligations leading to realization of their mandate to provide time-efficient and high quality services among their communities, even when demand is seen to surpass the availability of resources.

In Jordan, the key local administration unit is the municipalities, which, in this context are no different in consideration to revenue collection problems (Batarseh, 2004). Importantly, the total financial deficit of the Jordanian Municipalities was about 140 million US dollar in 2013 (Ministry of Municipalities Affairs Report, 2014). Such fiscal challenges urged municipalities to seek ways to expand or at least stabilize revenues and sustain best service provision levels. Following, municipalities have started diversifying their revenue structures away from property taxation into other tax and non-tax revenue sources (Carroll, 2009). In this vein, Jordanian municipalities are clearly having limited capacity to collect revenues (Batarseh, 2004; Masaedeh and Shaikaly, 2001). In line with a literature review, there is little evidence generated from developing countries to suggest what are the main factors influencing revenues collection of local authorities. Accordingly, this study aims to explore the attitudes of a sample of employees working in municipalities in Jordan regarding the main factors influencing revenues collection. Previous work has examined analyzed the budgets of municipalities in Jordan (Mryan, 1988; Batarseh, 2004; Mashaqbih 2008; Yaghi, 2008);nonetheless, this work represents the first research to examine the factors influencing revenues collection in municipalities in Jordan by investigating the perception of employees working in the revenues departments. This research will therefore help policy makers and the elected mayors and those who are in charge of revenues collection to strengthen revenue collection process and to identify the main factors that should be considered when establishing successful revenue policy. In the following an overview of municipalities in Jordan is presented.

2. AN OVERVIEW OF MUNICIPALITIES IN JORDAN

According to the legal framework of local administration of Jordan (Municipalities Law 41 of 2015), the municipality is a civic juridical institution with financial and administrative independence. Its boundaries, functions and powers are established, cancelled and designated in accordance with the provision of Municipalities Law 41 of 2015. Importantly, the municipality is managed by an elected council composed of the mayor and at least seven members for a four-year period. In addition to central administration, the administrative and governmental structure consists of two infra-national systems of institutions and authorities: (1) a decentralized system of

administration with institutions representing and acting on behalf of the government at four successive territorial levels: governorates, districts, sub-districts, and chief town; (2) a municipal system which was, until 2000, made of three types of local institutions: the municipalities which managed the cities and the relatively important, in terms of number of inhabitants, localities which had, in theory, their autonomy, their own legal personality and their own budget; (3) the councils of village which managed the small villages of the rural areas and which had, in comparison to the municipalities, less autonomy and less financial resources. The Councils of Joint Services grouped several closed municipalities belonging to the same district in order to carry out common projects and services.

In 2001, a major reform decision was made by the Jordanian central government resulted in dissolution of the councils of villages and merging municipalities by reducing the number from 328 to 99 municipalities. According to financial analysis, merging would have had two significant financial effects on the new municipalities (The World Bank, 2005): a reduction in their self-revenues, and a significant increase of the per capita amount of the governmental transfers for the majority of municipalities. In their study, Abo Faris and Almani (2006) reported a significant statistical relationship between Jordanian municipalities merging and administrative and financial effectiveness.

Regardless of the key principle of autonomy of the municipal institution and irrespective of the need for decentralization by the government, the municipalities are deprived of their political and institutional autonomy and are still under the authority and the control of the Government (The World Bank, 2005). Even though, the Jordanian municipalities have a fair degree of autonomy from the central government. Mayor and members of the municipality council are elected by local voters, rather than appointed by provincial or central authorities.

According to the article 10 of the Law 41 of 2015, municipalities in Jordan are classified into the following three classes:

Class One: Municipalities of the governorate centers and any other municipality with a population exceeding 100,000.

Class Two: Municipalities of the centers of "liwa" and municipalities with a population exceeding 15,000 and not exceeding 100,000.

Class Three: any other municipality not assigned to the other two classes.

Regarding the financial resources, article 16 of the Law 41 of 2015 stated that municipality revenues in Jordan consist of the following: 1. Taxes, fees and any other funds levied in accordance with this Law and any regulations issued pursuant to it, or any other law or regulation that stipulates the collection of taxes or fees for the municipalities. 2. The returns of investment projects. 3. Self-revenues. 4. Aids and grants, on condition that they are approved by the Council of Ministers if they are from a non-Jordanian source. In addition, 40% of the

collected fees under the Traffic Law for vehicle ownership licenses shall be deducted and transferred to the municipalities. The tax on property (Land and Building tax) is a local tax on which is generally collected by the Ministry of Finance on behalf of the municipalities. Taxes, fees and any other funds imposed in the interest of the municipality shall be collected by the council, local council, government, or contractors or agents that are contracted for this purpose according to provisions of the Law 41 of 2015. Local administration may also levy, charge and collect local taxes, fees, fines, penalties, user charges, and licenses, revenue from exchange transaction and other own revenues.

According to article 15-b, municipality funds are considered to be public funds for the purposes of collection in the same way governmental funds are collected or in the same manner municipal funds are collected as stipulated in this Law. In fact, according to article 6 of the law of 2015, the municipality in Jordan is in charge of executing 30 different functions, which vary from city planning to hygiene and public health and safety. The total revenues of all municipalities in Jordan was US430 million, while the value of capital projects was US170 million. Importantly, when breaking down the revenues, almost half (49%) were assigned to salaries, which made up 41% of all budgets (Jordan Times, 2016). In reality, the weakness of the technical and financial capabilities makes the municipalities unable to carry out their operations, which ultimately mean responsibility for city planning is then transferred to the central government (The World Bank, 2005). A presentation of the literature review is presented next.

3. LITERATURE REVIEW

Existing theory explains revenue collection performance as a function of political, socio-economic, and cultural factors (Petrovsky and Avellaneda, 2014). As highlighted by the UN Report (2015), local financial management frequently suffers from lacking technological infrastructure and capacity, and opportunities for revenue generation are often restricted by inadequate regulatory framework or disadvantageous political structure. Previous research such as those carried out by Ndyamuhaki (2013) and Kajumbula (2003) explain several factors affecting revenue collections such as administrative inefficiency, political interference, corruptions, and poor plans and budgeting and government policies. In the Kenyan context, Mecy (2013) found that Local Authority Information Financial and Operations Management Systems (LAIFOMS) was picked by most (27%) respondents as the factor with the highest influence on revenue collection of local administration units. Moreover, 24% of the study participants recognized government policies as being the least influential on the collection of revenues. Regression analysis revealed that LAIFOMS (sig. = 0.017) and employee skills (sig. =0.038) explained up to 27% of local authority revenues collection. Furthermore, the study concluded that information technology has a crucial role in facilitating effective revenues collection, while the availability and accessibility was reported as a hindrance to an effective financial system implementation.

In their study of the Colombian local governments, Petrovsky and Avellaneda (2014) found that organizational capacity, as represented by managers' human capital, could explain variation in local tax collection performance. Moreover, Besley and Persson (2011) argue that weak and inadequate enforcement constrains local revenues collection in developing countries. Over the last two decades, some municipalities started using SARAs (Semi-Autonomous Revenue Agencies) as a key element of public administration reform by improving revenue mobilization and stabilize state–taxpayer relations. Presenting the results of a panel analysis of local tax collection in Peru between 1998 and 2011, Haldenwang et al. (2014) found that municipalities with SARAs collect more revenue than those with conventional tax administrations. Findings also indicate that local revenue is more stable in municipalities with SARAs, which is good for budget policy and financial planning. In general, municipalities are granted by laws to run business-type activities to get financial independence from the central government as well as to improve their financial performance. As an example, Arapis (2013) reported that net business-type activities transfers increase own-source revenues whilst decrease governmental expenditures in 100 Georgia cities.

Politicians also have an influence on the process of revenue collections. There is a body of literature that politicians tend to abuse some financial functions, including revenue collections, to maximize their reelectability (Grossman, 1994; Johansson, 2003). The significant adoption of technology also has influenced the revenues collection in local administration. For example, Bruce and Fox (2001) found that the sales tax base for state and local government is shrinking due to growth of remote sales including those made through e-commerce (Internet), the telephone and catalogs. In 2001, e-commerce reduced the total state and local government revenue loss of $13.3 billion. By 2006, the loss was more than triple to $45.2 billion and in 2011; the loss was $54.8 billion.

In Indonesia, Alfirman (2003) estimated the tax potential of two sources of revenue for local governments: local taxes and property tax. Findings emphasized that none of the local governments' sources have maximized their tax potential. Accordingly, local governments should improve their tax collection performance in terms of efficiency through reducing tax evasion, mostly through decreasing corruption. Using a questionnaire, Nuluva (2015) found that 63.8% of participants (Revenue Collectors, Planning Officers, Accountants, District Treasurers and Trade Officers) agreed that local government authorities in Tanzania charges low revenue collection rates while 60% of the participants agreed that weather condition is among the factor affecting revenue collection. Furthermore, 77.5% of the subjects agreed that revenue outsourcing has an impact on revenue performance and 60% agreed that there is ineffective implementation of bylaws. The study concluded that the use of local government authorities' manpower to collect revenue would provide one of the strategies for improving revenues collection. In another study conducted in Uganda, Ndyamuhaki (2013) found that the factors affecting revenues collection in local government were: administrative inefficiencies, political interference, corruption, tax evasion,

and absence of enough relevant information about taxes, lack of auditing of tax revenue returns and drafts and lack of enough tax education.

In Ghana, Fosu and Ashiagbor (2012) found that the collection rate of local revenues is very low due to the following reasons: inadequate data on all economic activities in the district, misclassification of properties and business, inappropriate tax assessment basis, and lack of realistic means of accessing the revenue potentials due to lack of accurate data. In the Algerian context, Jbari and Olami (2015) reported that municipalities had insufficient collected revenues to finance their expenditures due to excessive debts, management inefficacy, and unfairness of the central government in reallocating local revenues. Alsoqaier (2014) reported that the revenues collection system in the Algerian local administration is ineffective owing to lack of skills and education among collectors, lack of financial appropriations, and taxpayers evasion, More recently, Yama showed that budget deficits are apparent across all municipalities in Algeria despite the diversity of financial resources (2017). Accordingly, mayors are forced to ask for governmental subsidies.

Several studies were conducted in the Jordanian municipalities' context. For example, Al-Mashaqbih (2008) reported that financial performance of Jordanian municipalities is highly influenced by legal and organizational factors; mainly work specialization, "putting the right person in the right place", and the lack of authority granted to departments and sections of the municipality. On the other hand the study concluded that behavioral, financial surveillance of the Audit Bureau, and the merger of municipalities had relatively low influence on the financial performance. In another study, Jordanian citizens report unfavorable evaluation of governments' performance in handling financial matters and in the ability of local officials to fulfill their campaign promises (Yaghi, 2008).

In 2004, Batarseh outlined that the main reasons for financial problems in Jordanian municipalities are: population growth, debt accumulation, high financial dependence on central government, lack of business-type activities, public money abuse, tax evasion, and over-employment. Another Jordanian study mentioned that tribal and electoral are crucial factors forcing mayors and municipality board members to override laws and regulations and carless behavior in collecting revenues (Al-Momay, 1982).

Moreover, Alwesha et al. (2014) found that cost control and rationalizing expenditures are not crucial priorities in the Jordanian municipalities. Importantly, the Jordanian Cities and Villages Development Bank found that most municipalities are suffering from the financial deficit (1997), and in maximum revenues cover about 82% of expenditures, and the case has not been changed later.

Based on the above discussed literature, this study raises the following main questions:

1. What are the main factors affecting revenues collection as perceived by the employees of local administration in Jordan?

2. What is the impact of occupational variables on the respondents' attitudes toward the factors affecting revenues collection in the Jordanian municipalities?

The next section presents the methodology used in conducting this research. Included in the section are a description of the proposed research design, study population and sample, and data collection method, procedures, and data analysis techniques.

4. METHODOLOGY AND PROCEDURES

4.1. Population and Sample

The total number of municipalities in Jordan is 99. A simple random sample of 55 municipalities from all the governorates in Jordan were selected, making up over half (55%) of the population. A total of 433 questionnaires were distributed only to employees working in the revenues department in each municipality. The subjects were asked to participate in the study because they are more able to answer the questions, have in-depth information about the financial status of their municipality, and interact in a daily basis with the taxpayers. A total of 376 usable questionnaires were returned with a response rate of 87%. Eleven questionnaires were excluded owing to being incomplete.

4.2. Variables and Measurements

This study is based on primary data. First hand data was obtained directly from the participants by using self-administered questionnaire to investigate the main factors influencing the collection of revenues in the Jordanian municipalities. The questionnaire sought to gather information related to demographic and occupational variable of the participants, economic factors (4 items), social and personal factors (5 items), organizational factors (21 items), and legal factors (7 items). Participants were assured about their anonymity and the findings will be presented in aggregate. Eight experts in the area of public administration and economics measured the face validity of the questionnaire. The experts showed a high level of agreement about the four main dimensions of the study, but asked for minor modification and suggested additional items and rephrasing others. In addition to that, Cronbach's Alpha test was conducted to measure popular inter-item consistency and reliability (Sekaran and Bougie 2013). The values of the economic, social and personal, organizational, and legal factors were 0.78, 0.76, 0.85, and 0.74 respectively, indicating an acceptance of research testing (Nunnally and Bersnstein, 1994). The participants were asked to assess the importance of each item based on a five-point scale ranging from strongly disagree (1) to strongly agree (5). Data was extracted using SPSS version 20 software package. Three main levels of satisfaction were proposed (high, moderate, low) to examine the respondents' assessment toward the four main factors influencing revenues collection in the Jordanian municipalities. Since the highest point of satisfaction measured in the questionnaire is 5, this number was divided by 3 (levels of satisfaction) in order to

judge about the mean value, as follows: 5 (maximum agreement)/3 (levels of agreement: low, moderate, high), the ranges are: 0-1.67 (low agreement), 1.68-3.33 (moderate low agreement), 3.34-5 (high agreement).

5. DATA ANALYSIS AND FINDINGS

In this part, the results of the data analysis are presented in line with the research objectives and main questions. Data analysis shows that almost one-third (35%) of the participants are holding managerial positions (manager, assistant manager, head of department, and branch manager). Moreover, about (43%) of the respondents have more than 11 years of experience across the municipality. The majority of the respondents (83%) are holding managerial job compared with 17% who are holding technical jobs. The percentage of the participants working in municipalities that are classified as first category, second category, and third category are 53%, 32%, and 15% respectively.

Descriptive statistical techniques were conducted in an effort to highlight and classify the most important structure and features of the population. Mean, standard deviation, and percentage were used. In addition, T-test and F-test were used to examine the statistical differences of participants' assessment toward the main factors influencing the collection of revenues in the Jordanian municipalities. Scheffe test was conducted to compare the statistical differences of means of respondents toward the four dimensions of the study.

TABLE 1 - DESCRIPTIVE STATISTICS AND CORRELATION (N= 376)

Factors	Mean	SD	1	2	3
1- Economic	2.27	.84			
2- Social and Personal	2.81	.80	0.17*		
3- Organizational	3.02	.59	0.27*	0.45*	
4- Legal	2.75	.67	0.15*	0.30*	0.40*

SD: Standard Deviation
* Correlation is significant at the 0.01 level (2-tailed).

Table 1 shows that respondents reported the key factors affecting the collection of revenues in the Jordanian local administration in sequence were organizational, social and personal, legal, and economic. It is apparent that organizational factors were assessed as the most important (3.02) in terms of their effect on the collection of revenues, where as the lowest was found to be economic factors (mean=2.27). Respondents' assessment was close to the mean for each factor as the standard deviation values indicate (close to 1). Pearson correlation values between the factors affecting the collection of revenues in the Jordanian municipalities are significant and positive at the 0.01 level. Furthermore, the strongest correlation was between the organizational factors and the social and personal ones with a value of 0.45; on the other hand, the weakest was identified between economic and the legal factors (0.15).

Table 2 shows that the participants' assessment of the influence of economic factors on the collection of revenues were found to be moderate with a mean value of (2.27). The order of the economic factors was

recognized as follows: high unemployment rate, low income of taxpayers, high burden of taxes and fees, and recession. Each of these was found to be assessed moderately.

TABLE 2 - RESPONDENTS' ASSESSMENT OF THE INFLUENCE OF ECONOMIC FACTORS ON REVENUES COLLECTION (N= 376)

Taxpayers do not pay dues because of:	Mean	SD	Assessment level
1- High unemployment rate in the economy	2.52	1.16	Moderate
2-Low income	2.27	1.15	Moderate
3-Too many imposed taxes and fees	2.19	1.11	Moderate
4- Recession in the Jordanian economy	2.11	0.96	Moderate
Total	2.27		Moderate

In regard to the influence of social and personal factors on the collection of revenues, table 3 shows it is apparent that the re-election issue is the prime factor makes mayor and the municipality council members not to put maximum effort in collecting revenues from their electors (mean=3.06). Tribe and family relations with the employees of the municipality were the second factor in sequence that make taxpayers not paying their financial dues to the municipality. Lack of national loyalty was the final factor that dissuades people from paying their financial dues to the municipality (mean=2.55), with a moderate level of assessment.

TABLE 3 - RESPONDENTS' ASSESSMENT OF THE INFLUENCE OF SOCIAL AND PERSONAL FACTORS ON REVENUES COLLECTION (N= 376)

Taxpayers do not pay dues because of:	Mean	SD	Assessment level
1-Mayor and municipality council try to maximize their reelection	3.06	1.30	Moderate
2- tribe and family relation with the employees of the municipality	3.06	1.35	Moderate
3- Unfair distribution of municipality services	2.73	1.18	Moderate
4- Lack of their public and community interest	2.69	1.20	Moderate
5-Lack of their national loyalty	2.55	1.05	Moderate
Total	2.81		Moderate

The respondents' assessment about the items of the organizational factor is reported in table 4. The subjects identified that mayor and municipality council leniency in forcing the administrative process as the most important in influencing the collection of revenues (mean=3.41). Furthermore, lack number of revenue collectors and high dependence on government transfers were considered as the second in their importance amongst organizational factors that make taxpayers not to pay their dues to the municipality. The table also shows that lack of incentives to employees in order to collect revenues and lack of incentives of the central government for the most revenue-producing municipalities were the least two organizational factors that discourage people from paying their dues (mean=2.40, 2.37). All the values of the standard deviation were slightly not close to the mean.

TABLE 4 - RESPONDENTS' ASSESSMENT OF THE INFLUENCE OF ORGANIZATIONAL FACTORS ON REVENUES COLLECTION (N= 376)

Taxpayers do not pay dues because of:	Mean	SD	Assessment level
1- Mayor and municipality council are lenient in forcing the administrative process of revenues collection	3.41	1.13	Moderate
2- Lack number of the revenue collection employees	3.39	1.35	Moderate
3- High dependence and reliance on government transfers	3.35	1.07	Moderate
4- The municipality has several sources of money borrowing	3.26	1.10	Moderate
5- Low skills and abilities of the employees working in the finance department	3.25	1.25	Moderate
6- Weak internal and external financial control mechanisms	3.21	1.27	Moderate
7- High cost of revenues collection	3.17	1.11	Moderate
8- Lack of installment system in paying the dues	3.17	1.26	Moderate
9- Lack of accuracy in estimating the taxes and fees	3.14	1.17	Moderate
10-Lack of information about the property	3.02	1.22	Moderate
11-Lack of specialized training related to revenues collection	2.86	1.19	Moderate
12-Unaviailibity of transportation and other facilities to revenue collectors	2.79	1.23	Moderate
13- The provided services are very weak compared to the imposed value of taxes and fees	2.75	1.13	Moderate
14-Lack of incentives and discounts on the amount due	2.72	1.12	Moderate
15- Lack of incentives to employees in order to collect revenues	2.40	1.28	Moderate
16-Lack of incentives of the central government for the most revenue-producing municipalities	2.37	1.12	Moderate
Total	3.02		Moderate

Table 5 reports the respondents' assessment of the influence of legal factors on revenues collection of the Jordanian municipalities. It was mentioned that the items of "laws are unable to account for those who are behind payment" and "the ignorance of the mayors of municipalities in the municipal law" as the main two crucial factors underpinning why taxpayers do not pay their financial dues to the municipality (mean=2.96, 2.91).

TABLE 5 - RESPONDENTS' ASSESSMENT OF THE INFLUENCE OF LEGAL FACTORS ON REVENUES COLLECTION (N= 376)

Taxpayers do not pay dues because of:	Mean	SD	Assessment level
1- Laws are unable to account for those who are behind payment	2.96	1.23	Moderate
2- The ignorance of the mayors of municipalities in the municipal law	2.91	1.19	Moderate
3-Limited authorities provided to municipalities in order to collect revenues	2.91	1.04	Moderate
4- Gaps in legislation related to revenue collection	2.80	1.09	Moderate
5- Lack of legal articles that grant most revenue collectors bonus	2.67	1.12	Moderate
6- legal items of revenues are not updated regularly	2.65	1.01	Moderate
7- Lack of legal articles that specify when the dues should be paid	2.60	1.14	Moderate
8- There are no deterrent legal penalties for those who do not pay	2.48	1.15	Weak
Total	2.75		Moderate

Participants stated that the two least dominant legal factors behind people not paying their taxes to the municipality were lack of legal elements outlining payment deadline and the lack of legal penalties with mean values of 2.60 (moderate) and 2.48 (weak) respectively.

T-test and F-test were conducted to examine the impact of occupational variables on the respondents' attitudes toward the factors affecting the collection of revenues in the Jordanian municipalities. Table 6 shows significant statistical differences of the respondents' attitudes toward the economic factors affecting revenues collection in the Jordanian municipalities due to their job title, nature of job, and municipality class.

TABLE 6 - ANOVA ANALYSIS (N=376)

Factors	Job Title	Experience	Nature of Job	Municipality class
1- Economic	5.32*	2.46	4.55*	3.69*
2- Social and Personal	.067	1.04	.470	1.61
3- Organizational	2.53*	.379	.998	1.62
4- Legal	.042	.559	952.	.070

Schefee test revealed that respondents with a higher managerial position (manager, assistant manager, head of department), those responsible for technical roles, and those work in higher municipality class were found to report more influence of the economic factors on the collection of revenues compared with respondents who do not hold any managerial positions or perform managerial/clerical job, and or those work in lower municipality class. Furthermore, significant statistical differences of the respondents' attitudes toward the influence of the organizational factors on the collection of revenues in the Jordanian municipalities were reported due to their job title. Schefee test revealed that respondents who hold higher managerial position (manager, assistant manager, head of department) reported more influence of the organizational factors on the collection of revenues compared with respondents who do not hold any managerial position.

The table shows no significant statistical differences of the respondents' attitudes toward the social and personal and legal factors affecting the collection of revenues due to their job title, experience, nature of job, and municipality class. This indicates that participants have relatively similar assessment and attitude toward the influence of these factors regardless of the aforementioned variables.

6. DISCUSSIONS

This study examined the main factors affecting the collection of revenues in municipalities. A random sample of 376 employees working in the revenues departments in 55 Jordanian municipalities was surveyed. Findings of this study revealed that the most important factors affecting revenues collection were organizational, social and personal, legal, and economic respectively. The participants reported that mayors and municipality council demonstrated leniency in forcing the administrative process of the collection of revenues. A very strong explanation to this point is the re-electability purposes and gaining political popularity that force mayor and

municipality council members to avoid and ignore any pressure on taxpayers to pay their dues. This reason was similarly noted by previous research (Grossman, 1994; Johansson, 2003).

Findings showed that the allocated human, financial, and technical resources of the Jordanian municipalities are insufficient and unsatisfactory which makes it a crucial obstacle in collecting revenues. Furthermore, participants reported a shortage of the number of employees assigned for revenues collection; in addition employees do not have the required skills and abilities. In 2014, the Ministry of Municipalities Affairs held 83 different training programs and the percentage of participants from municipalities was 83% (Ministry of Municipalities Affairs Report, 2014).

Participants reported a high reliance on governmental transfers by the investigated municipalities which is recognized as a main rationale for the inefficient of the collection of revenues. Government transfers include fuel allocations, trucks, bulldozers, dump trucks, road working, etc. For example, the Jordanian government transferred about 200 millions US dollar as fuel revenues to municipalities in 2014 (Ministry of Municipalities Affairs Report, 2014). In addition, the Jordanian government provided municipalities with 400 trucks, loaders, rollers, and waste bins with a value of 525 million US dollar for the same year.

Incentives are fundamental factor for both employees and municipalities in order to collect more revenues. Employees reported that lack of incentives will restrain them from putting extra efforts in order to collect more revenues. They also mentioned that lack of incentives of the central government for the most revenue-producing municipalities is another main factor not to collect more revenues. The Municipalities Law 41 of 2015 does not mention any incentive to either employees or municipalities that encourage collecting more revenues. Actually, the municipality has the privilege to offer discount to taxpayers if dues are paid on January and February of each year.

The social and personal factor was reported by participants to be the second in importance in affecting the collection of revenues in the Jordanian municipalities. The analysis showed that the re-election purpose of mayors and municipality council members is the crucial aspect of not forcing taxpayers to pay their dues. The Jordanian culture enhances the tribe collectivistic relationship between people. The tribe leader (Sheik) is considered as the protector and godfather for the tribe members. The tribe leader has a clear influence on the tribe members that he has the right to give orders and the members have to obey that. Tribe members often seek guidance of their leaders based on either fear or respect and charisma. Accordingly, tribe leaders are more likely to support specific municipality candidate against others, which in turn force the tribe members to vote for that supported candidate by the tribe leader. Some tribes resorted to what is known as the tribal consensus on the candidate to avoid any conflicts within the clan. Eiadat (2006) found that the most crucial factors in the Jordanian electoral process are tribe and family, qualifications and personality of the candidate, the candidate program, and political affiliation. In order to get the re-election support of tribe leader and his followers, mayors and municipality

council members will avoid any pressure to force taxpayers to fulfill their dues. For example, they discourage citizens from complying with local taxes and other charges in order to gain political popularity. For the same purpose, mayors and municipality council members will provide more and better services to the areas that have supported their re-election compared to the areas of the competitor candidates (AlHossainy, 2014).

The legal factor was reported as the third in its significance in affecting the collection of revenues in the Jordanian municipalities. Participants mentioned that a need for rigorous law reinforcement is crucial in maximizing revenues collection since taxpayers feel there is leniency in applying laws and regulations of the municipality. As mentioned by the respondents, the analysis showed an ignorance of mayors regarding their authorities of revenues collection would retain the collection process significantly. In addition, gaps and lack of articles in the municipality law plays a clear role in motivating revenues collectors in maximizing efforts to collect more revenues.

The economic factor was reported as the least in affecting the collection of revenues in the Jordanian municipalities. Participants view unemployment in the Jordanian economy has a significant impact on the collection of revenues by municipalities. The higher the unemployment rate means the lower the income that will in turn retain taxpayers from paying their dues to municipalities. The unemployment rate and average individual income were 18.2% and 4100 US dollar in Jordan in 2017 respectively (Department of Statistics Report, 2017). The Jordanian economy has one of the highest rates of taxes in the world mainly on clothes and footwear, telecommunication, cigarettes. About two-third of local revenues in Jordan are generated by taxes and customs (Department of Statistics Report, 2016). According to all these economic challenges, the Jordanian citizens are more likely to retain paying their financial dues to the municipalities.

To conclude, it is apparent that re-election purposes have been cited as one of the major impediments of the collection of revenues in the Jordanian municipalities. These include leniency in forcing the administrative process of revenues collection and avoiding any pressure to force taxpayers to pay their dues for re-election purposes. Law reinforcement also was reported as a crucial aspect in maximizing revenues collection.

Findings revealed significant statistical differences of the respondents' attitudes toward the economic factors affecting revenues collection in the Jordanian municipalities due to their job title, nature of job, and municipality class. An interpretation to these findings can be referred that managers are more exposed to information and reports about the economic conditions in the country that makes them more aware of the economic situations facing citizens, which might influence the motive in paying the financial dues to the municipality. Furthermore, respondents who hold technical jobs are frequently performing field work that also makes them more exposed to deal with citizens in their normal life and be more informative of their economic conditions. Moreover, respondents who work in higher class municipality reported more impact of the economic factors in the collection of revenues. Higher class municipalities often have more population and resources that expand their financial

capacity. Accordingly, the economic conditions are critical since any slight change in the population size will influence taxpayers' ability to pay of the dues to the municipality.

ANOVA analysis revealed that respondents who hold higher managerial position reported more influence of the organizational factors on revenues collection compared with respondents who do not hold any managerial positions. An interpretation to this finding can be referred to that managers are familiar with all the rules and procedures of collecting revenues in their municipalities that help them to identify key steps to accomplish tasks, ultimately will lead to maximize revenue collection from taxpayers.

7. CONCLUSIONS, LIMITATIONS AND FUTURE RESEARCH

The purpose of the current research is to examine the attitudes of the employees working in the revenues department in the Jordanian municipalities regarding the main factors influencing the collection of revenues. Local government authorities should be aware clearly of the factors influencing revenue collection. Analysis revealed that the most important factors affecting revenues collection were organizational, social and personal, legal, and economic factors respectively. It was found that the strongest positive correlation was between the organizational factors and the social and personal factors. Participants reported that mayors and municipality council are lenient in forcing the administrative process of the collection of revenues for re-electability purposes and gaining political popularity. Findings showed that the lack of allocated human, financial, and technical resources is crucial obstacle and impediment in collecting revenues in the Jordanian municipalities. Tribe and family relations with the employees of the municipality were considered crucial in not forcing taxpayers to fulfill their financial dues.

Accordingly, a need for rigorous law reinforcement is crucial in maximizing revenues collection since taxpayers believe there is leniency in applying laws and regulations of the municipality because of the re-election purposes and tribe affiliation pressure. Because of the excessive reliance on governmental transfers, the Jordanian central government should apply new rules for financial transfers to municipalities. Rules should offer higher financial transfers for the most revenue-producing municipalities to motivate employees in maximizing efforts in collecting revenues. In addition, the Jordanian municipalities should not depend on single source of revenues. Since the Jordanian Municipalities Law grants municipality to invest, it is highly recommend having business activities and financial portfolios to diversify income and reduce reliance on the central government.

Future research should examine the efficiency of outsourcing the collection of revenues (Haldenwang et al., 2014). If this idea is adopted, the role of municipality mayor and the council members should focus on setting financial targets, monitoring and regulating the collection process. Furthermore, political and tribe leaders should be educated and regularly reminded of the significance of their helpful and supportive roles in maximizing the revenue collection in the Jordanian municipalities. Conducting regular awareness campaigns are also important

to educate citizens of applicable local taxes and fees, rates, due dates, and benefits of paying their financial dues and consequences of not fulfilling that. Mayor along with the council's members and employees would educate citizens of all these issue by conducting regular general meetings, distribution of brochures, and television and radio programs.

This study surveyed only the employees of municipalities in Jordan. Citizens' opinion is also a crucial in order to have a deeper understanding of the factors influencing the collection of revenues in theses municipalities. Furthermore, the current study used only a questionnaire to collect data. Secondary data such as the yearly total amount of revenues, percentage of each revenues type (tax, fees, user charges, etc) to total revenues, percentage of revenues to expenditures are crucial in understanding the reality of revenues collection process.

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