

Decentralisation and Local Economic Development in Zambia

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Abstract: Local economic development is about the involvement of all key stakeholders from the local community in resolving the socio-economic challenges faced in the local areas in order to improve the livelihoods of the local community members. Decentralised government systems are more effective in tackling poverty levels in localities since local authorities are closer to the community members as such, they are more likely to conceive and implement pro-poor policies. However, implementation of decentralisation policies to facilitate local economic development has not been without challenges. This paper therefore, aims at assessing the status of the implementation of the national decentralisation programmes in Zambia and evaluating the extent to which decentralisation has served as a vehicle for local economic development. Resting on a constructivist research paradigm, this study employed a qualitative research approach with a sample size of 20 (n=20) key informants that were purposively selected from ten (20) local authorities in Zambia. Semi-structured interviews were conducted with the key informants. The primary data was complemented by the secondary data from various sources. Data collected was thematically analysed. The findings of this study revealed that although Zambia had made headways in implementing administrative decentralisation programmes, it still faced glaring challenges in implementing fiscal decentralisation as a result, development did not cascade to the local community levels. This study, recommends the imperative need for Zambia to accelerate the full implementation of its national decentralisation programmes with a special focus on fiscal decentralisation. It further recommends that the Constituency Development Fund (CDF) Act No. 11 of 2018 should be revised to reduce powers of the area members of parliament in deciding the fate of their electorates. Furthermore, the paper recommends that Zambia should adopt the Kenyan model of disbursing the CDF funds based on the poverty indexes of the constituencies as opposed of disbursing equal amounts of funds per constituency.

Keywords: Decentralisation, Local authorities, Local economic development, Municipalities

1. Introduction

Decentralisation is the process of transferring decision-making authority and responsibilities from the central government to the local authorities (Gumboh, 2012; Gedvilaite, Novotny & Slavinskaite, 2020). Empirical studies show that countries with decentralised government systems have heightened economic activities in their local municipalities that ultimately, spur local economic development (Rodríguez-Pose & Gill, 2004). It can be asserted that by failing to implement decentralisation programmes, local economic development (LED) would be far-fetched. LED allows the local community members to shape and define the future of their own territories. It is about the involvement of all key stakeholders from the local community in resolving the socio-economic challenges faced in the local areas in order to improve the livelihoods of the local community (Rodríguez-Pose & Tijmstra, 2009). Better livelihoods in the locality are created through provision of job opportunities and better service delivery. Decentralised

government systems more effective in tackling poverty levels in local areas as local authorities are closer to the community members as such, they are more likely to conceive and implement pro-poor policies (Gedvilaite et al., 2020). Jutting, Corsi, Kauffmann, McDonnell, Osterrieder, Pinaud and Wegner (2005) added to this assertion and contended that poverty levels were lower in regions where government systems are decentralised as decentralised government systems are more responsive to the needs of the poor than centralised government systems.

Implementation of decentralisation policies to facilitate local economic development has not been without challenges. Developing countries were still struggling to implement their decentralisation strategies. Adejumo-Ayibiowu (2020) pointed out that African countries such as Ethiopia, Guinea, Mozambique, Zambia, and Zimbabwe faced impediments in implementing their decentralisation policies. He posited that these countries' decentralisation process was highly political and constrained

by financial resources. Other studies (Gumboh, 2012; ZIPAR, 2015; Resnick, 2019) astutely corroborated Adejumo-Ayibiowu's assertion and specifically cited Zambia to have failed to effectively implement its decentralisation policy. Zambia's failure to advance its decentralisation process has incapacitated the local authorities insofar as driving the LED process was concerned and thus failing to meet local community needs.

This paper therefore, aims at assessing the status of the implementation of national decentralisation programmes in Zambia and evaluate the extent to which decentralisation has served as a vehicle for local economic development. Resting on a constructivist research paradigm, this study employed a qualitative research approach research. A constructivist paradigm enables the researcher to gain deeper understanding of the world through experience (Creswell, 2014). This research required interaction with experienced people working directly in the local authorities in order to gain a deeper understanding on how they were driving the decentralisation agenda of the country and what challenges they encountered. The qualitative research approach was employed as the researcher focused on discovering new insights from the "horse's mouth". The research was based on the data collected between October, 2020 and September, 2021 through telephonic interviews and face-to face in-depth semi-structured interviews. Telephonic interviews were mainly used to collect data from local authorities located in far flung areas – the rural areas of Zambia. A sample size of 20 ($n = 20$) individuals were purposively selected from 20 local authorities from a population of 116 local authorities in Zambia. The non-probability sampling was selected based on the ability of the participants to inform research questions and enhance the understanding on decentralisation and LED. The idea was to collect data from one participant from each of the 20 local authorities. The collection of data was spread across the county i.e., two local authorities per province (region). Semi-structured interviews were conducted with the 20 key informants using a standardised interview guide. The goal of this type of methodology was to attain saturation of data. The saturation was reached after interviewing the fifteenth key informant. Data collected from the key informant interviews (KIIs) was recorded as field notes for analysis. The study also relied on secondary data from government policy documents and journals. Data collected was

thematically analysed. Thematic analysis enables research to understand the meaning of the data by way of identifying themes (Braun & Clark, 2006). This analysis looks for patterns, such as similarities, common and different experiences that emerge from the data. Ethical issues to do with anonymity and confidentiality of the data provided was duly adhered to.

2. Problem Statement

Zambia is faced with high poverty levels and is classified as one of the poorest countries in the world (World Bank, 2018). Despite its impressive economic growth from the 2006 to 2015 averaging seven percent, poverty has remained high hovering over 54.4 per cent nationally and 76.6 percent in rural areas (CSO, 2018; World Bank, 2018). The lack of improvement of the living standards in local areas and high poverty levels have been attributed to the colonial-type of centrally governance system that Zambia adopted at independence in 1964 which alienates local participation (EAZ, 2011; Gumboh, 2012; EFZ, 2013; ZIPAR, 2015; Phiri, 2016; National Assembly of Zambia, 2019). The local government system in Zambia has failed to perform effectively on its service delivery obligations (GRZ, 2017). Despite government's attempts to implement the decentralisation programmes i.e. by creating new districts, deconcentrating human resource away from the central government, developing a decentralisation policy and its implementation plan, and even enshrining the decentralisation implementation in its Constitution and the local government act, Zambia still faced with challenges of fully implementing the decentralisation programmes (Bertelsmann Stiftung (BTI), 2012; Gumboh, 2012; Resnick, 2019). It can be argued that Zambia's failure to fully implement its decentralisation policy has contributed to the poor quality of service delivery at a local level resulting in a chronic high level of poverty incidence. It is therefore, critical to assess the extent the decentralisation programmes have been implemented and the impact if any, they have had on the improvement of service delivery and hence the local economic development.

3. Decentralisation and Local Economic Development

A plethora of studies on decentralisation in Zambia have been undertaken (Chisala, 2021a; Adejumo-Ayibiowu, 2020; Resnick, 2019; Resnick, Siame,

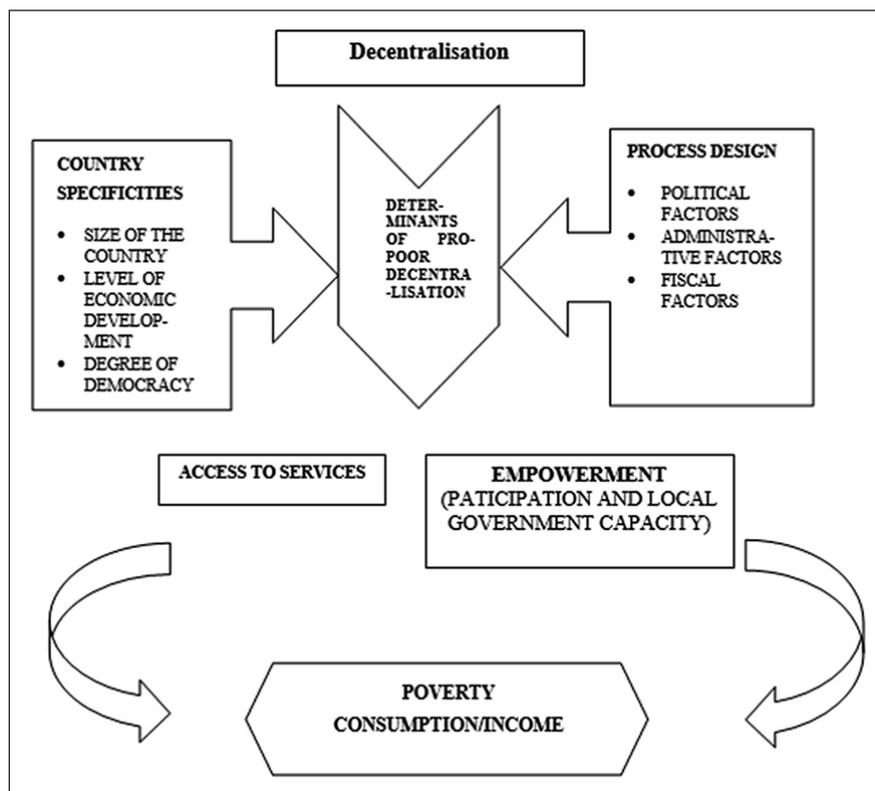
Mulambia, Ndhlovu, Sicilenge, & Sivasubramanian, 2019; Ashraf, Bandiera & Blum, 2016; BIT, 2012; Gumboh, 2012). Whilst these studies provided a strong base and gauged the state of the decentralisation process in Zambia, this study goes beyond this and links decentralisation to local economic development (LED).

3.1 Decentralisation

Wallace E. Oates, an American economist, developed the decentralisation theory in 1972 (Oates, 2006). The theory argues that central governments are incapable of effectively implementing public policy on regional and local areas as such it advocates for devolution of power and authority to the lower ranks of governance (Oates, 2006). The theory was a build-up on the early academic discourse of scholars (Tiebout, 1956; Musgrave, 1959; Olson, 1969) on fiscal federalism / fiscal decentralisation promoted sharing of responsibilities and fiscal power within the public sector. The decentralisation theory makes an assumption that sub-national governments were best placed to develop local communities. A copious of researchers (Song, 2013; Sacchi & Salotti, 2014; Kyriacou, Muinelo-Gallo & Roca-Sagalés, 2017; Rodríguez-Pose, 2009) have recently used the decentralisation theory to analyse and evaluate regional inequalities or regional discrepancies in income. The International Monetary Fund (IMF), the World Bank and the Organisation for Economic Cooperation and Development (OECD) have also recently propagated the fiscal decentralisation policies in their studies of regional economic development (Gedvilaite et al., 2020).

Decentralisation occurs at three distinct levels which are: political, administrative and fiscal decentralisation (Reid, 2019). The redistribution of powers and responsibility through devolution and delegation to the local authorities can be said to be political decentralisation (Smoke, 2017). When local authorities have the authority to decide on the administrative decisions without seeking approval from the central government then they are said to be administratively decentralised (Reid, 2019). Administrative decisions could mean formulating of by-laws and regulating them and also performing human resource management functions. Fiscal decentralisation is giving full revenue autonomy to the local authorities including liberty to spend their revenues and contract loans without

seeking permission from the central government (Reid, 2019). In the OECD countries where the local authorities have the autonomy on their revenues, local areas are more developed than in countries that are not fiscally decentralised (Chisala, 2021a). Studies show that countries with fiscally decentralised governance system have a higher gross domestic product (GDP) (Reid, 2019). The World Bank in its study of fiscal decentralisation confirms this assertion that economic activity is stronger in countries where governance systems are decentralised (Reid, 2019). Further, Blöchliger (2013), in his study to test the correlation between GDP of different OECD countries and decentralisation, found that a 10 percent increase in the level of decentralisation was significantly associated with an increase of the GDP per capita by 0.3 percent, on average. In the Blöchliger (2013) study, the proxy used for decentralisation the share of total public expenditure allocated by subnational government (i.e. spending decentralisation). While the author agrees with this finding, other studies found different results depending on the proxy used for decentralisation. For example, Baskaran and Feld (2009) and Thornton (2007) used "tax discretion" as an indicator for fiscal decentralisation and found no relationship between fiscal decentralisation and growth. The more appropriate proxy used by many scholars is the expenditure share. The local authority expenditure share would also be the appropriate signal for decentralisation for developing countries such as Zambia. Furthermore, the study by Reid (2019) found a positive correlation between decentralisation and voter apathy in local government elections. Reid (2019) argued that the less fiscal decentralised countries attracted fewer voters during the local government elections because the electorates tend to lose interest in local governance when their standards of living did not improve even after participating in previous elections. Jutting et al., (2005) looked at how decentralisation impact poverty levels. Here, the scholars focused on poverty reduction aspects such as empowerment and facilitation of access to social services as aspects influenced directly by decentralisation. Empowerment in the form of participation of the poor in decision making of local programmes and policies. Decentralisation should ideally enhance local participation and eliminate barriers in decision that are inherent in centrally planned governance systems (Jutting et al., 2005). Figure 1 on the next page depicts the impact decentralisation would have on local poverty.

Figure 1: Decentralisation and Poverty


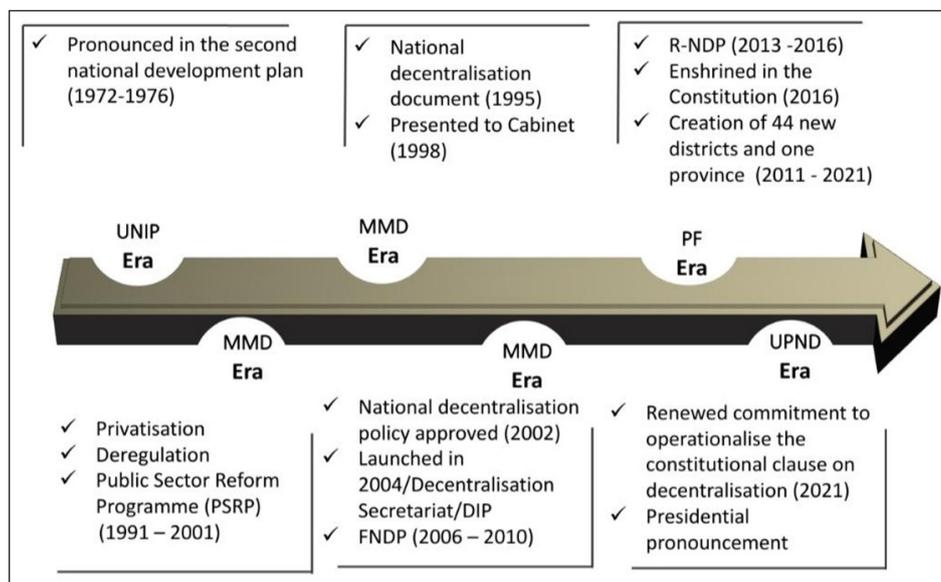
Source: Jutting et al., (2005)

As shown in Figure 1, there are two sets of conditions which are critical determinants to realise effective pro-poor decentralisation policies. These are the country specificities and the design of the process of decentralisation. The process design involves political factors – the political will and policy coherence, administrative factors such as measures on anti-corruption, capacity building, and fiscal factors concerning devolution of fiscal resources. The political factor interacts with the country specificities to create full empowerment of the local people and facilitates access to services that in turn reduce poverty levels in the community through increased consumption and income levels of the local citizens (Jutting et al., 2005). Enhanced efficiency in service delivery could have a direct impact on poor people's welfare and improve their access to education, health, water, sewage, and electricity – LED (Jutting et al., 2005). However, decentralisation should avoid the creation of regional disparities as such, careful implementation of the policies in a balanced way needs to be adopted (Namano, 2014; Jutting et al., 2005). Furthermore, measures need to be put in place to ensure that a few elites do not capture the decentralisation process to use it to their own benefit. The decentralisation process has however,

registered success stories. In Africa, for example, Ghana, Kenya and South Africa are countries where their robust decentralisation processes have visible impact on poverty and LED (Jutting et al., 2005). Most African countries embarked on decentralisation policies after the structural adjustment programmes (SAP) propagated by the World Bank and IMF failed to deliver low level of poverty (Adejumo-Ayibiowu, 2020). The SAP were centrally planned interventions aimed at promoting a free market system, private sector development by privatising of state-owned companies, deregulating exchange controls, and removing government subsidies (Chisala, 2021b). Local economic development (LED) was thereafter, placed at the centre of the decentralisation policies and programmes (Ashraf et al., 2016).

3.2 History of the Decentralisation Process in Zambia

At independence, Zambia inherited a disjointed colonial administrative structure without a dynamic local government framework (Phiri, 2016). From the post-independence era, the Zambian government made a number of policy pronouncements on the need to undertake a robust decentralisation

Figure 2: The History of Decentralisation Process in Zambia


Source: Author

programme but without action. Gumboh (2012) attributed the failure to implement the decentralisation programme in Zambia to lack of political will. He asserted that successive governments feared to concede political power to lower levels of governance. This assertion was supported by Bertelsmann Stiftung (BTI) (2012), who contended that the politicians in Zambia were reluctant to advance the decentralisation agenda because some councils fell under the opposition strongholds. BIT (2012) concluded that decentralisation in Zambia was seen as transferring power to the political rivals that would weaken the governing party's political strength. Figure 2 depicts the post-independence history of the decentralisation process in Zambia from the founding first government, United National Independence Party (UNIP) to the current one, the United Party for National Development (UPND).

Figure 2 above gives a post-independence history of the decentralisation process in Zambia. The pronouncements for the need to decentralise government responsibilities began as far back as 1972, when the UNIP-led government of Dr. Kenneth David Kaunda, Zambia's founding president, developed its second development plan (GRZ, 1972). Nonetheless, the UNIP-led government implemented the most centralised governance system in a one-party state where decisions were made by the central committee of the party (Chisala, 2021a). The change of government from UNIP to President Frederick Titus Jacob Chiluba of the Movement for Multi-party

Democracy (MMD) in 1991 provided an impetus of the need to begin implementing decentralisation policies. This was proposed through one of the reforms: the Public Service Reform Programme (PSRP) which had three components, namely: Public Sector Management (PSM), Public Expenditure Management and Financial Accountability (PEMFA) and Decentralisation and Strengthening of Local Government (DSLGL) (Gumboh, 2012). The MMD era of 1991 also implemented the privatisation and deregulation policies that paved way to private sector development.

In 1995, Zambia formulated its national decentralisation document and in 1998, the decentralisation document was presented to cabinet (Resnick et al., 2019; Gumboh, 2012). The document became a national decentralisation policy and was enacted in 2002. The launch was delayed by two years and in 2004 the government of President Levy Patrick Mwanawasa launched the policy. This followed by the establishment of the decentralisation implementation plan (DIP) the same year and the decentralisation secretariat, a unit that was tasked to coordinate the implementation of the decentralisation programmes in Zambia (Resnick et al., 2019). The decentralisation policy envisioned to empower people by increasing their participation in the running of local affairs: "the vision of the government is to achieve a fully decentralised and democratically elected system of governance characterised by open, predictable and transparent policy making

and implementation processes at all levels of the public service, effective local community participation in decision making and development and administration of their local affairs while maintaining sufficient linkage between central and local government" (GRZ, 2002:18). The decentralisation programme was re-echoed in the country's fifth national development plan (FNDP) in 2006 (GRZ, 2006).

Since the national decentralisation policy was launched in Zambia there has been no tangible progress in implementation (Resnick et al., 2019; Ashraf et al., 2016; Gumboh, 2012; LGAZ, 2017; Mukwena, 2014). Binwell Mpundu, the former district commissioner for Kitwe, one of the provincial cities in Zambia, corroborated this assertion. He argued that the failure to implement the decentralisation policy in Zambia had adverse effects on the local economic development agenda (Mpundu, 2020).

In 2011 when the MMD lost power to the Patriotic Front (PF) of President Michael Chilufya Sata, the PF-led government ignited the discourse on decentralisation. The PF government revised the national development plan, the revised sixth national development plan (R-SNDP) that prioritised the decentralisation process in Zambia (GRZ, 2013). The PF government created 44 more districts in an attempt to what they described as taking development closer to the people (Chisala, 2021a). The PF-led government also created one more administrative province (region). Despite these interventions, poverty at the local levels have remained high and the impact on the improvement of local livelihoods has remained insignificant (LGAZ, 2018). In 2016, the PF-led government enshrined the implementation of the decentralisation in the Zambian Constitution (GRZ, 2016). Despite including this clause on decentralisation in the Constitution, the implementation of the decentralisation process has only remained on paper.

The change of government in 2021 from the PF to the United Party of National Development (UPND) of President Hakainde Hichilema has provided a new momentum to the decentralisation process in the country. The UPND government has prioritised the devolution of power to the lower organs. In their party manifesto, the UPND has committed to actualise the provisions of the Zambian Constitution by ensuring that decentralisation is implemented, improve capacities of the local authorities to make

decisions and deliver services to the local people and enhance local participation in governance (UPND, 2021). The UPND-led government dubbed the "New Dawn administration" seeks to operationalise the constitutional clause on decentralisation through the devolution of power and resources to the lower organs of government, the local authorities.

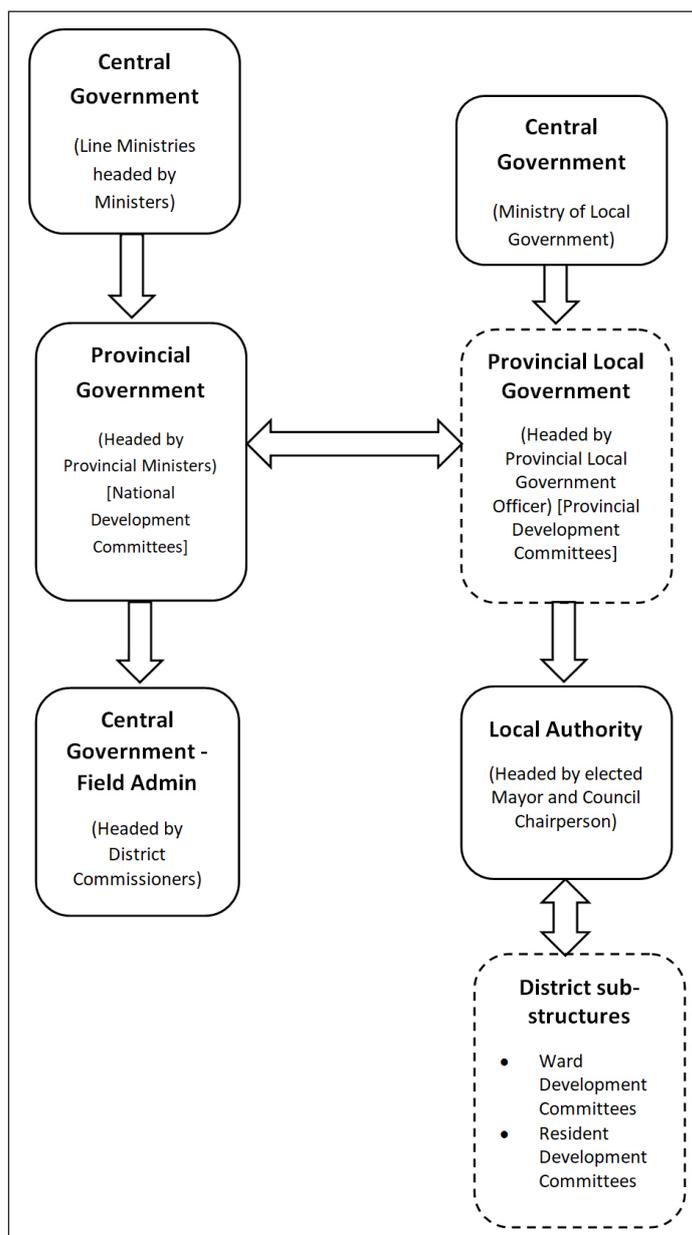
3.3 The Local Government System in Zambia

The 2016 Constitution of Zambia, article 151 provides for the establishment of a system of local government where functions, responsibilities and resources from the national government and provincial administration are transferred to local authorities in a coordinated manner (GRZ, 2016). Zambia is divided into 10 provinces, each one led by a provincial minister. Zambia's local government system is at three levels, i.e., the central, the provincial and the districts. The districts are at the grassroots level of government and the main conduit of delivering services to the local people. The districts have dual administrations, i.e. the field administration headed by the District Commissioner is represented by respective line ministries such as health, education, agriculture and community development ministries (Chisala, 2021a). These officers in the field administration however, answerable to their respective ministries from the central government. On the one hand, the councils headed by the Mayors or the Council Chairpersons who in turn report to the Ministry of Local Government – headquarters (Chisala, 2012a).

The local government has a single-tier system comprising three types of councils: city, municipal and district/town councils making up 116 local authorities countrywide (Chisala, 2021a; Resnick et al., 2019). The councils are composed of the city mayors, council chairpersons, councillors, and members of parliament of respective districts. Two representatives from the chiefs are also included in the councils (Chisala, 2021a). Figure 3 shows the local government system in Zambia.

As shown in Figure 3, the local government system is comprised the provincial and district coordinating committees. These committees coordinate development programmes and activities in provinces and districts. The provincial development coordinating committees (PDCC) are responsible for provincial development plans based on the input from the district development coordinating committees (DDCC)

Figure 3: Local Government System in Zambia



Source: Author's own compilation.

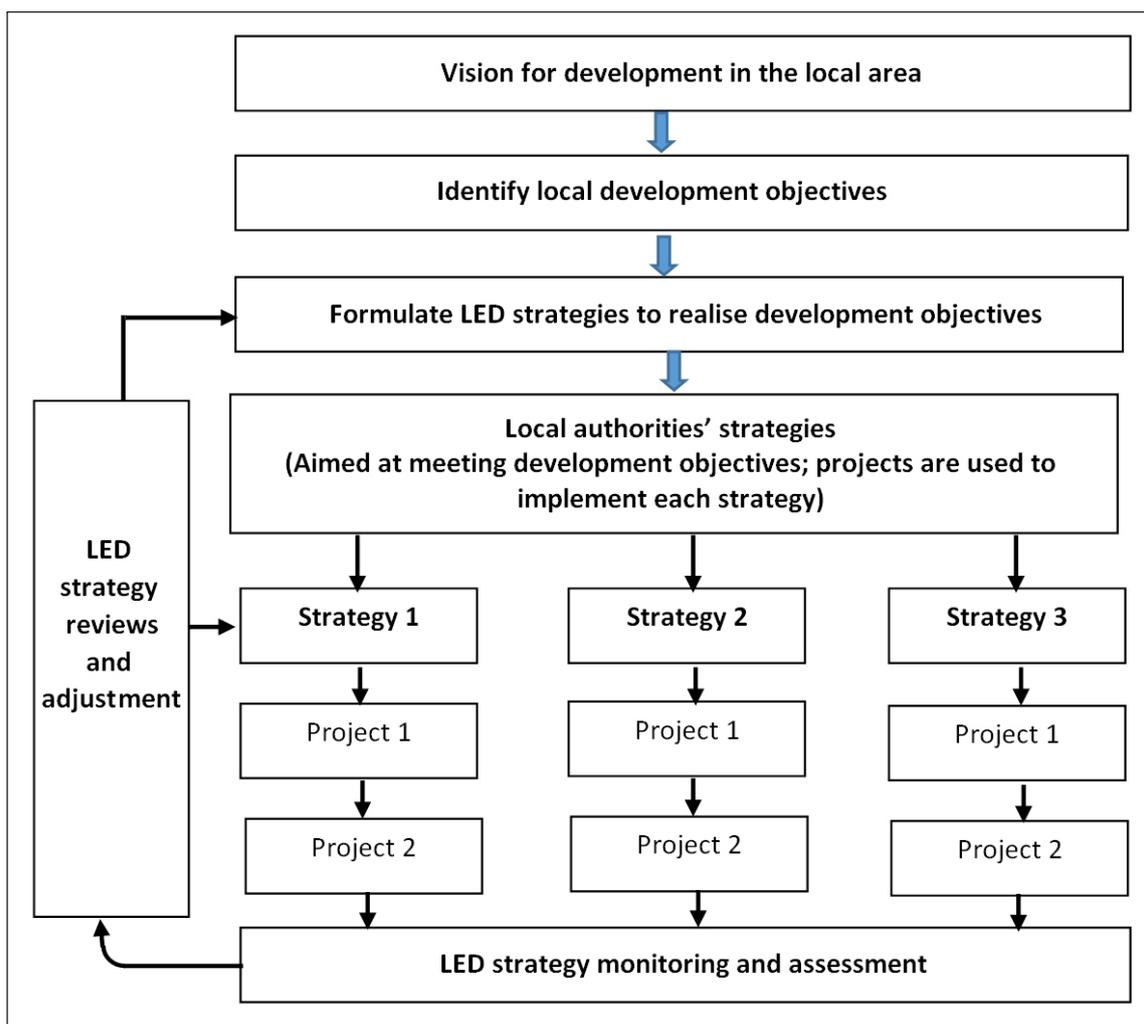
and transmit the development plans to the National Development Coordinating Committee in charge of formulating the national development plans for the country.

The ward development committees (WDCs) and the resident development committees (RDCs) are at the tail end of the local governance. Their main role is to facilitate community participation in the local economic development process and to monitor service delivery projects in their communities. The WDCs are formed by the ward councillors while the RDCs are formed by the local residents.

3.4 Local Economic Development

Local economic development strategies were first practised first by the high-income countries in the 1960s with a specific objective to resolve socio-economic problems in relation to cases of economic regeneration (Rogerson, 2015; Swinburn, Goga & Murphy, 2006). The LED strategies came into being as a response by the local government authorities to deter mobility of businesses and capital between different locations to gain competitive advantage (Swinburn et al., 2006). The LED approaches have become popular because of what has been

Figure 4: LED Strategic Planning Process



Source: Adopted and modified from Auriacombe and Van der Waldt, 2020.

perceived as a failure of top-down strategies to address local economic needs, problems and challenges (Rodríguez-Pose & Palavicini-Corona, 2013). Successful LED demands the devolution of fiscal and political responsibilities to the local authorities (Auriacombe & Van der Waldt, 2020). The local authorities, being at the centre of LED, need to involve and cooperate with key stakeholders in the locality to make impactful LED policies that would lift its people out of poverty, improve their quality of life, and create job opportunities for them. The LED approach ensures that poverty is alleviated among the poorest of the poor people in the country.

The LED process starts with formulating a strategy. The LED strategy should be a part of a broader community-wide strategic plan. The strategy is implemented through annual action plans. Auriacombe and Van der Waldt (2020) recommend

that local authorities should adopt an integrated strategy that responds to the socio-economic needs of the locality. They contended that these strategies should consider an analysis of the internal functioning of the local authority and the environment in which it operates (i.e., SWOT analysis); develop a vision and long-term objectives for the local authorities; design macro and micro strategies to implement or operationalise the local authorities' obligations and functions; monitor and evaluate its impact; and make necessary adjustments where necessary. Figure 4 depicts a LED strategic planning process.

In implementing the LED strategy, local authorities require financial resources and human capacity. The failure to fiscally decentralise the governance system in most developing countries hinders the successful implementation of the LED strategy.

Zambia has attempted to use what it calls the Constituency Development Fund (CDF) as means to fund the local projects. The CDF was created in 1995 as a financing tool to for the micro community-based projects that contributes to poverty reduction at a constituency level (GRZ, 2018). The projects have to be in line with the local communities' priorities. The CDF was designed to empower the local communities in the 156 constituencies in Zambia to participate in the decision-making processes of LED. However, a plethora of studies (EAZ, 2011; EFZ, 2013; ZIPAR, 2015; Phiri, 2016; LGAZ, 2018) that assessed the impact of the CDF revealed that the CDF did not involve the local community in project development decisions and hence it negated the concept of the LED approach. The studies found that the CDF was personalised by the area member of parliament who utilised the funds according to his or her preference and that in most cases the CDF was misused and misappropriated (EFZ, 2013; Phiri, 2016; ZIPAR, 2015). As a result, the CDF projects lacked ownership of the local community members (Musenge, 2013).

Nonetheless, the ideal process of the CDF disbursement process begins by calling for project proposals from the local community members at the beginning of each year. Committees known as the Constituency Development Committees (CDCs) call for these project proposals for funding from the local communities represented by the Ward Development Committees (WDCs). The CDCs thereafter receive the project list of proposals, deliberates on them, selects the successful ones and transmits them to the planning sub-committee of the District Development Coordinating Committees (DDCCs) for appraisal. The DDCCs then make recommendations of the selected proposals to the council for approval. Once the council approves the proposals, they are submitted to the minister in charge of local government for the final approval. The selected approved projects are then funded by the CDF depending on the availability of resources. The release of the CDF to the local authorities has however, been erratic. For example, in 2015 and 2016, 34.7 percent and only 0.7 percent respectively, of the budgeted CDF were released, making it impossible for the constituencies to implement local projects earmarked for those years (National Assembly of Zambia, 2019).

The Local Government Act, No. 2 of 2019 provides for the local government equalisation fund (LGEF), a supplementary funding to the local authorities.

The Act also stipulates that 20 percent of the LGEF should be used for infrastructural projects in the local areas (GRZ, 2019). However, the local authorities have faced challenges in building infrastructural projects as the LGEF is inadequate and in most cases disbursed late (National Assembly of Zambia, 2019).

4. Results and Discussion

The literature review reveals that Zambia still faces challenges in rolling out its decentralisation programme. So far, the country has been seen to undertake decongestion measures where new provinces, new districts and new offices have been created without matching resources. The failure by government to fully implement the decentralisation policy has been viewed by key informants as a great betrayal on the part of the government as such it has adversely affected meaningful development in the local areas. One of the emerging themes that came out from the interviews was that CDF was used as a tool for decentralisation and LED, however, the local community was alienated from fully participating in the local development process. A key informant revealed that: *"the decentralisation process was captured by the political leadership who had a final say on the projects to be funded under the CDF despite it being inadequate to meet their needs"*. In corroboration, another key informant mentioned: *"The politicians select [selected] projects that served their personal interest at the expense of the communities' preferences. All we see here are projects being undertaken which the community never proposed nor contributed"*.

The CDF Committee that superintends the approval of CDF projects is highly skewed to the serving area member of parliament. In fact, the Constituency Development Fund Act of No. 11 of 2018 empowers the area member of parliament (MP) to directly appoint six (including herself) out of ten representatives to sit on the CDF Committee. This arrangement by and large favours the interest of the MP and nullifies the effectiveness of the entire consultation process. Put differently, the process alienates the local community members from participating in the decision-making process as the selected community representatives on the CDF Committee are answerable to the area member of parliament as opposed to the community they represent. The author agrees with Mukwena (2014) that the development process in the local areas in Zambia was not owned by the local community members. This lack of ownership

by the local community members is evidenced by the high level of vandalism on community projects and also under-utilisation of the CDF facilities (National Assembly, 2020).

Another key informant revealed that: *"in some cases where the member of parliament and the council chairperson/mayor were from the different political parties, the project implementation process was extremely difficult as the political leaders were often at loggerheads with each other at the expense of project implementation"*. This is a challenging phenomenon that would need to be ironed out and ensure that political leaders put the interest of the local community development first.

The Zambian government introduced the CDF amounting to 1.6 million Zambian kwacha (USD73,000) per year per constituency as a way of supporting locally driven projects (National Assembly, 2020). The CDF is allocated to each constituency equally despite of its area size and poverty incidence. One of the key informants attested that: *"we have the CDF that we receive from the central government, but this is just a drop in the ocean. It is very inadequate to meet all the problems in the community as such there are instances where most CDF projects remain unfinished because of lack of funds"*. Another key informant was of the view that: *"the CDF and the LGEF were insignificant in resolving the challenges of the local areas"*. These findings corroborate other scholars' assertions on the ineffectiveness of the CDF to contributing to LED (EAZ, 2011; EFZ, 2013; Musenge, 2013; ZIPAR, 2015; Phiri, 2016). To address the regional imbalances as advised by Jutting et al., (2005) and ensure that a fair share of the CDF is allocated to constituencies, Kenya adopted an approach where 75 percent of the CDF is equally distributed amongst its 290 constituencies and the remainder, 25 percent is allocated based on the poverty index of the constituency (Namano, 2014). This disbursement approach ensures that constituencies with higher poverty incidence receive more funds than other constituencies with less incidence of poverty i.e., those located in the cities.

Another emerging theme from the interviews was on the impact of the creation of new districts. A key informant mentioned that: *"the creation of districts did not have any meaningful impact on the local living standards as they still faced financial challenges to implement LED strategies in the newly created districts"*. This paper argues that the creation of districts only devolved power of the central government to

the district level rather than to the lower levels such as, the local authorities did not significantly improve the service delivery to the local people. Therefore, the creation of new districts did not lead to local economic development (LED) in the municipalities. In fact, Green (2013) found similar results in his study of the rise and fall of decentralisation in Uganda. The Ugandan government has created more districts from 56 in 2000 to 112 in 2010. Green (2013) found no correlation between the creation of new districts and improved service delivery of the local authorities in Uganda. He averred that the creation of new districts in Uganda just led to severe funding problems. Resnick et al. (2019), in their study of deepening decentralisation in Zambia coheres with Green's findings and contended that the council proliferation merely created pressure on the local government service commission to move staff around more frequently and resulted in poorly resourced councils that lack the capacity to fulfill their set objectives. The creation of districts in Zambia was not backed by scientific reasons but were a mere political undertaking. Pal (2015) contended that delimitation of boundaries and wards needed to be executed by an independent body in order to insulate the restructuring exercise from political interference. This was not the case for Zambia as such, despite the increase of districts in Zambia by the PF-led government, participants interviewed bemoaned the challenges in service delivery in the municipalities coupled with deep state of poverty levels especially in rural areas.

The other emerging theme was on the failure by government to fully implement the decentralisation programmes. A key informant submitted that: *"the decision-making process by the local authorities was a lengthy one as we need to get approval from the Capital"*. Another key informant cohered this assertion that: *"people [government] only speak about decentralisation however, it has only remained on paper and we have not seen it here as you may be aware, there are high poverty levels in this district"*. The key informants believed that many parts of the country would have developed, had the power and responsibilities been devolved to the lower organs of governance allowing more citizens to participate in governance issues at the local level. To the contrary, the Local Government Act No. 2 of 2019 gives powers to the Minister in charge of local government to approve decisions and proposals such as by-laws to impose a levy on businesses, disposal, letting or buying of property, acquisition of loans,

entering into contract with third parties, among others, before the local authorities can pursue them (GRZ, 2019). The lack of implementation of a decentralised system of governance in Zambia is attested by BIT (2012), Gumboh (2012), Resnick (2019) and Resnick et al. (2019).

When asked to rank the main functions carried out by the municipality (1 to 5; 5 being the highest) from the list: day-to-day operations; implement development projects; maintenance of local infrastructure; improve human settlement or others, 70 percent of the participants indicated that the main functions carried out by the councils were to do with day-to-day administration. It can be argued that despite the Local Government Act No. 2 of 2019 (Schedule two) giving over 88 scheduled functions to the councils, which include among others community development, the provision of services such as water supply, sewerage, health, feeder and district roads, education and housing, the local authorities in Zambia were preoccupied with mainly administrative works. This could explain the reason why most key informants responded that they did not have a separate comprehensive LED policy framework but relied on the integrated development plans (IDPs), as dictated by the Urban and Regional Planning Act No. 3 of 2015 and the National Budgeting and Planning Policy of 2014 (GRZ, 2015; GRZ, 2014). The IDPs seemed to have a component of LED. The IDP is one of the key tools used by municipalities to address their developmental challenges. Malefane and Mashakoe (2008) clearly enunciated in their study of the link between IDP and LED that although the IDP may incorporate some aspects of LED, IDP is not LED and LED is not IDP. Therefore, the absence of a comprehensive LED policy framework makes it unclear for the local authorities to implement specific income generation activities that would support the promotion of economic development targeting the impoverished people.

5. Conclusion and Recommendations

This aim of this paper was to assess the status of the implementation of the national decentralisation programmes in Zambia and evaluate the extent to which decentralisation has served as a vehicle for local economic development. The findings of this study have shown that fiscal, administrative and political decentralisation enhances LED through empowerment and better livelihoods. Local authorities are in a better position spatially to promote LED

as they are closer to the development action spots and closer to the challenges various local areas were facing under their control. While Zambia has made headways in implementing administrative decentralisation programmes, it still faced glaring challenges in implementing fiscal decentralisation as a result, development did not cascade to the local community levels in improving their livelihoods. The under-implementation of full decentralisation in the county has hindered the ability of local authorities to effectively promote LED especially in rural areas.

Disparities in the poverty levels in Zambia suggest that interventions to fight poverty need to be tailored at local government levels. This study, recommends the imperative need for Zambia to accelerate the full implementation of its national decentralisation programmes with a special focus on fiscal decentralisation, if the country was to spur any meaningful and impactful local economic development in its municipalities. It further recommends that the CDF Act No. 11 of 2018 should be revised to reduce powers of the area members of parliament in deciding the fate of their electorates. Further, the paper recommends that Zambia should adopt the Kenyan model of disbursing the CDF funds based on the poverty indexes of the constituencies as opposed to disbursing equal amounts per constituency. This will address the hitherto regional imbalances in the country.

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