

Achieving Fiscal Sustainability in Zambia's Local Government: Designing a Local Government Framework

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Abstract: Local authority autonomy is critical for effective and efficient delivery of services to the people. One of the objectives of this study was to design a framework that seeks to address the challenges associated with attainment of local authority autonomy. The purpose of the framework was to support local authorities so that they participate in the implementation of development as per the needs of the people at the local level in Zambia. The study develops a framework for achieving decentralisation as an initiative for supporting public participation and local authority autonomy. The study establishes that local authorities in Zambia primarily financed through a system of intergovernmental transfers or grants, do not have adequate revenue base to guarantee fiscal autonomy and, are bogged down by limitless political interferences and regulations. In order to guarantee autonomy of local government, the study develops a framework through a pragmatic approach. Data is collected using purposive and critical case sampling, through person-to-person interviews, questionnaire interviews as well as secondary data through literature reviews and content analysis of local authority project documents. The sample size for the questionnaire was 103 computed at ninety-five percent confidence level with a five percent confidence interval. The framework was validated by 17 experts in the local government sector; that were involved in the implementation of both grant and locally financed projects. The study argues that the proposed framework could enhance decentralization and improve local authority autonomy in Zambia and the paper suggests that local government should intensify on internal revenue generation.

Keywords: local government finance, local government framework, central government grants, fiscal autonomy, decentralization.

1. INTRODUCTION

Fiscal sustainability has remained a major challenge in Zambia. Zambia's local authorities need to endeavor to achieve a sustainable fiscal system in both revenues and expenditure that refers to strategic, tactical and operational levels rather than being dependent on central government grant system (Chapman 2008; Aristarkhova, Zueva and Zuyeva 2018). Meanwhile, the grant oriented fiscal system is marred with entitlement infrastructure projects that are driven and shaped by political forces. Combined with the current central government fiscal deficits, local authorities make harsh financial adjustments at the time their local revenues are far below their spending patterns (Ward 2012). The local authorities' path to fiscal consolidation requires broadening the revenue base, reducing spending and overdependence on state financing. On the other hand, the basic goal is to establish policies that keep local government sustainable and decentralized with the aim to seeking models of approaches that increase the possibility of leveraging local government financial distress (Maher, et al. 2019).

Fiscal decentralization is an important aspect of local government fiscal sustainability of which the most important indicator is revenue autonomy of local government (Slavinskaite and Ginevičius 2016). Despite the widespread tendency to decentralize in Zambia, local authorities still profoundly depend on central government grants. Psycharis, Zoi and Iliopoulou (2015) offer exceptional evidence that political factors actually do affect the level of local government fiscal autonomy in a country. Dependency on grants is due to a lack of characteristic local authority fiscal competition and limited total fiscal expenditure competition on capital allocation as well as absent internal revenue mobilization strategy (Capuno, et al. 2012). The beliefs that the state grant system to finance local authorities' capital expenditure achieve better development is contradictory since to prevent local government fiscal distress states require local authorities to reduce their expenditure (Coe 2008). Moreover, this approach does not give local authorities control over development projects as opposed to evidence from frameworks underpinning decentralization of local government.

It is clear that local participation brought about by decentralization has the capacity to stimulate positive economic activities and growth. Studies by Onuoha & Ufomba (2019) prove that there is positive correlation and huge impact of local government expenditure and fiscal autonomy on profitability of SMEs. Politically motivated policies diminish the viability of local government institutions and are a major source of risk and vulnerability in the fiscal structure of local government (Odo 2016; Pradhan 2019). Zambia has embarked on the decentralization path in recognition of the role decentralized institutions play in rural development; however, there is still the requirement of defining a way forward by developing an interface between decentralized institutions and local development (Rajasekhar, Devendra-Babu and Manjula 2020). Since Zambian local authorities are dependent on inadequate state grants, they are incapable of providing basic amenities to local communities. This calls for institutional review and redesign of the decentralization agenda to realize the benefits of decentralizing (Jonga 2020).

Implementing decentralization is always a challenge especially in Zambia where centralization tendencies still exist (Msewa 2005). The fact that there exist in Zambia areas that are more socially and economically deprived (like newly created districts) than others weakens the positive decentralization stride required since central government control over local government spending will always be necessary in equalizing fiscal performance in all districts. However, this criticism may not fully counter the necessary fiscal discipline and local government responsiveness that fiscal decentralization entails (Alonso and Andrews 2018). This simply means that decentralization is dependent on the capacity of the local authority, thus, as much as decentralization is a crucial mechanism for development one factor worth consideration is capacity of the local authority to decentralize prior to implementation (Wang 2013). Therefore, the approach of trying to decentralize all local authorities at once is likely to be the single most drawback to fully implementing decentralization in the country.

Local government fiscal sustainability

The increasing emphasize on central guidance and unfavorable environment in which central government's attempts to implement decentralization undermines fiscal autonomy of local government (Curtis 2011). Factors influencing central government funding consists of simple assumptions. On one hand, central government grants promote equality across rich and poor districts; on the other hand, they hamper local prioritizing and tailoring (Liscow 2017). It is difficulty to create a decentralized and financially equitable local government system especially if the fundamental regulation is marred with political compromises (Brezovnik, Finžgar and Oplotnik 2018). Nonetheless, each country must endeavor to attain fiscal autonomy of its local government for efficient and effective provision of municipal services. What model or framework a particular country employs to achieve decentralization and local government fiscal autonomy is purely the preserve of that country's empirical evidence. For instance, in the 1980s China capitalized local government financing vehicles; companies owned and established by local government for raising revenues for municipal infrastructure project (Clarke and Lu 2017).

Grant & Drew (2017) insist that autonomy signifies relations between local government and central government. Local governments face a range of complex issues with respect to their functions and the way to increase the effective work of local government is through decentralization and increased local fiscal autonomy (Korra, Gremi and Gjolenja 2016). Politics in the ongoing fiscal decentralization is the main origin of fiscal illusion leading to poor finances accruing from appropriate local revenue sources (Guziejewska 2016). Delewa (2019) found that central government fiscal grants predicted the state of the fiscal autonomy of local governments with a direct intervening influence as a precursor to local autonomy. This

explains the reason for local governments that have remained heavily reliant on central government grants having achieved so little to no fiscal autonomy (Psycharis, Zoi and Iliopoulou 2015). Negative relations between political parties, political influence and local government contribute to lack of local government fiscal autonomy. Panday (2017) argues that the heavy control of central government weakens the operational capacity of local government.

Local governments with more fiscal autonomy responds to challenges and fiscal stress with more broadened approaches known as pragmatic municipalism. Kim & Warner (2020) explored the concepts of pragmatic municipalism and austerity urbanism in relation to how local governments responded with dissimilar views when trying to open up their services during times of fiscal distress. Fiscal autonomy is simply a local government strength to provide high quality services efficiently using own-revenues (Tembo, et al. 2020). When one focus on decentralization, the indicators of local government fiscal autonomy become apparently clear to include but not limited to a synergy that comprise mostly own-revenue, central government transfers and total revenues (Eroğlu and Serbes 2018). Increasing fiscal autonomy of local governments assists with aligning local expenditure and increase efficiency of municipal service delivery (Boetti, Piacenza and Turati 2010).

2. METHODOLOGY

The study sought to develop a framework for enhancing fiscal autonomy in Zambia's local authorities. The study adopted an exploratory mixed methods approach in unstructured interviews and structured survey questionnaire. The research targeted ten (10) interview participants purposively selected to obtain an in-depth understanding of local government fiscal system in Zambia. The target group for interviews included management of local authorities. A thematic analysis followed the collected data through audio recording and note taking. The interview provided preliminary data that informed formation of survey questionnaire. After successfully testing survey questionnaires, the study adopted a sample size of 116 local authorities of, which 103 questionnaires were completed successfully giving a response rate of 88.9%. The survey questionnaire targeted town clerks, mayors, and directors of finance, directors of engineering and directors of planning in local authorities. The study rated the statements using a Likert scale of 1 to 5. The study, further, analysed the results of the survey questionnaire for descriptive and inferential statistical significance using Statistical Package for Science (SPSS) version 23.

3. RESULTS

Statements attributed to effects or drawbacks of central government grants to local authorities were analysed. The study utilized descriptive statistics in the preliminary stages of analysis (Table 1) and the statements (six statements out of ten) whose mean scores were greater than 3.5 were, tested for significance using the standard t-test (Table 2). It was established that all six (6) statements were statistically significant at $p < 0.05$. The statistical test results are presented in Table 2. The results from this part of the questionnaire were analysed with respect to respondents' experiences on the attempts to encourage, establish and enhance fiscal autonomy of local authorities. The initial stages of the analysis used descriptive statistics and the results are presented in Table 3. The statements whose mean scores were greater than 3.5 on enhancing fiscal autonomy of local authorities were tested for significance using the standard t-test. It was established that eleven (11) statements were statistically significant at $p < 0.05$. The statistical test results are presented in Table 4. The respondents rated statements concerning local government autonomy on a Likert scale of 1 to 5. Twenty-One statements obtained from 10 preliminary interviews and literature review were investigated further in this research.

The statements from respondents were analysed concerning effects of central government grants. The results show that out of ten (10) statements, six (6) had a mean score greater than 3.5. The descriptive statistics are presented in Table 1. The six (6) statements were further analysed in order to identify those that were statistically significant. After taking a standard t-test as shown in Table 2, it was found that all six (6) statements were statistically significant ($p < 0.05$).

The results from the questionnaire were analysed with respect to the need and means of enhancing local fiscal autonomy. Descriptive statistic results are presented in Table 3 and all eleven (11) statements had a mean score greater than 3.5. After taking a standard t-test as shown in Table 4, it was found that all eleven (11) statements were statistically significant ($p < 0.05$).

Table 1: Descriptive statistics of effects of central government grants

Statement	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis		Mean Score > 3.5
	Statistic	Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
3.4 There is need for local authorities to generate own revenues because grants are never sufficient	103	4.631	0.6415	0.412	-2.210	0.238	6.098	0.472	Yes
3.1 Local authorities feel a sense of entitlement towards grants because grants (to councils) are supported by the constitution (legal framework)	103	4.284	0.8603	0.740	-1.730	0.239	3.855	0.474	Yes
3.5 Most local authorities in Zambia cannot sustain their operations without having to rely on grants	103	4.223	0.9795	0.959	-1.422	0.238	1.664	0.472	Yes
3.7 Local authorities are unable to generate own revenues because central government has taken up most revenue streams and replaced them with grants	103	4.059	0.9933	0.987	-0.985	0.239	0.281	0.474	Yes
3.2 Grants contribute to local authority dependency on central government because they constitute a predictable source of income	103	3.598	1.2607	1.589	-0.800	0.239	-0.432	0.474	Yes
3.10 Local Authorities have not yet come up with strategies to respond to government's declining financial resource envelop	103	3.520	1.0784	1.163	-0.631	0.239	-0.463	0.474	Yes
3.8 Government is using grants as a way to centralise authority and decision making	103	3.284	1.2054	1.453	-0.153	0.239	-1.094	0.474	No
3.9 Grants are more successfully addressing central government interests than council interests	103	2.873	1.1404	1.300	0.296	0.239	-1.089	0.474	No
3.3 Grants contribute to local authority reluctance to generate own revenue	103	2.437	1.2341	1.523	0.451	0.238	-1.095	0.472	No
3.6 The reason central government gives grants to local authorities is because of perceptions issues and lack of confidence in Local Authorities	103	1.922	.9361	.876	1.035	0.238	0.717	0.472	No

In these results, there are 103 observations. The mean required to constitute statistical significance is 3.5. The statements from respondents were analysed concerning effects of central government grants. The results show that out of ten (10) statements, six (6) had a mean score greater than 3.5. The descriptive statistics are presented in Table 1.

Table 2: Standard t-test results for effects of central government grants

Statement	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Mean	95% Confidence Interval of the Difference	
						Lower	Upper
Local authorities feel a sense of entitlement towards grants because grants (to councils) are supported by the constitution (legal framework)	50.295	101	0.00	4.2843	0.0852	4.115	4.453
Grants contribute to local authority dependency on central government because they constitute a predictable source of income	28.825	101	0.00	3.5980	0.1248	3.350	3.846
There is need for local authorities to generate own revenues because grants are never sufficient	73.261	102	0.00	4.6311	0.0632	4.506	4.756
Most local authorities in Zambia cannot sustain their operations without having to rely on grants	43.758	102	0.00	4.2233	0.0965	4.032	4.415
Local authorities are unable to generate own revenues because central government has taken up most revenue streams and replaced them with grants	41.269	101	0.00	4.0588	0.0983	3.864	4.254
Local Authorities have not yet come up with strategies to respond to government's declining financial resource envelop	32.962	101	0.00	3.5196	0.1068	3.308	3.731

The six (6) statements were further analysed in order to identify those that were statistically significant. After taking a standard t-test as shown in Table 2, it was found that all six (6) statements were statistically significant ($p < 0.05$).

Table 3: Descriptive statistics on means of enhancing fiscal autonomy in local authorities

Statement	N	Mean	Std. Deviation	Variance	Skewness		Kurtosis		Mean Score > 3.5
		Statistic	Statistic	Statistic	Statistic	Std. Error	Statistic	Std. Error	
6.7 Local government service commission to ensure a qualified and motivated staff at all times	103	4.57	0.62	0.38	-2.17	0.24	9.25	0.47	Yes
6.4 Local authorities to implement electronic revenue collection measures and adopt participatory budgeting approaches	103	4.46	0.64	0.41	-0.99	0.24	1.01	0.47	Yes
6.6 Develop mechanisms to allow local authorities to learn from each other on best practices within 3 years	103	4.37	0.60	0.35	-0.35	0.24	-0.66	0.47	Yes
6.5 Develop flexible systems that enhance public-private-partnerships of local authorities and review valuation roles	103	4.37	0.59	0.35	-0.62	0.24	1.08	0.47	Yes
6.10 Facilitate formation of ward development committees to defend community interests	103	4.35	0.75	0.57	-1.97	0.24	6.67	0.47	Yes
6.8 Transfer staff holding devolved functions to local authorities with their corresponding revenue streams within 5 years	103	4.34	0.70	0.49	-0.94	0.24	1.03	0.47	Yes
6.2 Government to have a strategic plan on how to retain and build capacity of local authority staff	103	4.32	0.79	0.63	-1.84	0.24	5.26	0.47	Yes
6.3 Government to identify local authorities with capacity to attain autonomy and put them on a deliberate programme for 5 years	103	4.13	0.91	0.84	-1.59	0.24	3.09	0.47	Yes
6.1 Reviewing the existing revenue streams to include other key sectors in each district to expand revenue bases	103	4.07	0.84	0.71	-1.13	0.24	1.71	0.47	Yes
6.11 Government to review its grant policy so as to prioritise funding only local authorities that are truly in need and can demonstrate financial vulnerabilities	103	3.94	1.10	1.21	-1.19	0.24	0.82	0.47	Yes
6.9 Delimitate bigger wards into smaller ones to facilitate close administration and champion legislative reforms	103	3.89	1.05	1.10	-1.19	0.24	1.16	0.47	Yes

The results from the questionnaire were analysed with respect to the need and means of enhancing local fiscal autonomy. Descriptive statistic results are presented in Table 3 and all eleven (11) statements had a mean score greater than 3.5.

Table 4: Standard t-test results on means for enhancing fiscal autonomy

Statement	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Mean	95% Confidence Interval of the Difference	
						Lower	Upper
Reviewing the existing revenue streams to include other key sectors in each district to expand revenue bases	48.96	102	0.00	4.07	0.08	3.90	4.23
Government to have a strategic plan on how to retain and build capacity of local authority staff	55.17	102	0.00	4.32	0.08	4.17	4.48
Government to identify local authorities with capacity to attain autonomy and put them on a deliberate programme for 5 years	45.78	102	0.00	4.13	0.09	3.95	4.31
Local authorities to implement electronic revenue collection measures and adopt participatory budgeting approaches	70.86	102	0.00	4.46	0.06	4.33	4.58
Develop flexible systems that enhance public-private-partnerships of local authorities and review valuation roles	74.66	102	0.00	4.37	0.06	4.25	4.49
Develop mechanisms to allow local authorities to learn from each other on best practices within 3 years	74.13	101	0.00	4.37	0.06	4.26	4.49
Local government service commission to ensure a qualified and motivated staff at all times	74.86	102	0.00	4.57	0.06	4.45	4.69
Transfer staff holding devolved functions to local authorities with their corresponding revenue streams within 5 years	62.98	101	0.00	4.34	0.07	4.21	4.48
Delimitate bigger wards into smaller ones to facilitate close administration and champion legislative reforms	37.74	102	0.00	3.89	0.10	3.69	4.10
Facilitate formation of ward development committees to defend community interests	58.37	101	0.00	4.35	0.07	4.21	4.50
Government to review its grant policy so as to prioritise funding only local authorities that are truly in need and can demonstrate financial vulnerabilities	36.33	102	0.00	3.94	0.11	3.73	4.16

After taking a standard t-test as shown in Table 4, it was found that all eleven (11) statements were statistically significant ($p < 0.05$).

4. DISCUSSION

The study identified five major drawbacks of central government grants. The first one relates to insufficiency of local government grants thereby driving the need for local authorities to generate local own-revenues (Martylenko 2019). The need for own-revenue generation was also highlighted by Sari, Muzaki, Faridah, & Prawiranegara (2019) in their study on local own revenue, decentralization and local financial independence. Their findings agreed that generating own revenues positively influenced local fiscal autonomy or financial independence. The other issues relates to insufficiency of government grants. As the demand for grants continues to rise, their disbursement is becoming less and less reliable, whereas grants become inadequate (Tembo and Mwanauomo 2022). The second drawback found was that grants contributed to local authority dependency on central government because they constituted a predictable source of income. Ultimately, this institutes a problem on local government as grants are provided in return for compliance with certain predefined and sometimes undefined conditions (Alibhai, et al. 2020). However, the study also found that local authorities feel a sense of entitlement towards grants because grants (to councils) are supported by the constitution (legal framework).

The study also established the third drawback of central government grants in that local authorities were unable to generate own revenues because central government has taken up most revenue streams and replaced them with grants. This was mainly because it was felt that grants were more sustainable than generating own revenue at the time. However, findings by Meriem, Elhassan & Benatia (2018) from their study on the effects of central government transfers on local own-revenue in Morocco indicate that increasing government grants was bad for the local authorities because it upset their drive to generate own revenues. They also concluded that this effect was more significant in the poorest of the regions. The fourth drawback is filching the local authorities' revenues streams that has resulted in the Zambia's local authorities being unable to sustain their operations without having to rely on grants (Tembo, et al. 2020). This further hinders local authorities ability to generate own revenue in the absence of viable revenue streams. Just like in Zambia, Akbar et al (2019) while assessing local tax contribution to local own revenues in Indonesia found that the contribution from local taxes was very low (below 26% of the total revenues). Their research also found that the target community rejected efforts by local authorities to increase local taxes for revenue generation.

The fifth drawback established that in the era of sustained government debt and diminishing state fiscal resources; local authorities have not yet come up with strategies to leverage and viably respond to government's declining financial resource envelop. Amarullah (2018) studied the relation between fiscal decentralization and economic growth and established similar lack of foresight associated to economic growth by local authorities that correlated to lack of fiscal decentralization and local autonomy. Przybyła, Kachniarz & Ramsey (2020) investigated the investment activity of cities in the context of their administrative status in Poland and established indeed that the investment potential of a locality is to a greater extent determined by putting in place appropriate policies rather than increasing state grants that stifle innovation in local revenue generation. This setup leaves local authorities unprepared for self-survival in an event there are fiscal distresses that may affect the state.

The study found that there is need to review existing revenue streams to include other key sectors to expand revenue base for local authorities. This conform with the findings of Mrutu & Mganga (2016) who established that the expectation is that fiscal autonomy can be attained though an increase in local revenue generation. In addition, Ofiarski (2016) advocated for reforms that will provide local authorities with adequate sources of own-revenues to enable their fiscal autonomy. However, there is need to establish the level of control that local authorities have over their tax revenues and stipulate their ability to introduce taxes and generate revenues without help from the state (Alibegović, Hodzic & Bečić, 2018). Nonetheless, it is almost with guarantee that local authority autonomy occasions many other revenue-maximizing practices at local level. In that respect, this research found that government needed to identify local authorities with capacity to attain autonomy and put them on a deliberate transition programme.

Designing a Local Government Framework

Figure 1 illustrates the relationship that should exist to achieve local authority autonomy. This framework describes the relationships, which aim to develop appropriate intergovernmental fiscal architecture whose objective, inter alia, is to provide clarity on the degree of horizontal inequity across local authorities. The key stakeholders that are involved in this

proposed framework are as follows: The Central Government (and Ministry of Local government), Local Authorities, Commissions, District Committees, Constitutional Court and the People at the local level. The following were important points to note regarding the framework:

1. central government successfully limit its authority;
2. central government retains significant authority over setting policies and standards in the local government administrative areas;
3. primary existence of strong political will and confidence between local and central government officials that facilitate decentralisation and generate strong incentives for local authority performance;
4. central government consciously endeavour to sustainably implement and enforce local authority discretion and accountability;
5. local autonomy as an incentive to respond to local level needs;
6. allocation of autonomy to LAs to design and implement local policies and
7. central government remains committed to devolving power to local authorities

Stages and roles of the stakeholders in the framework

The framework requires the central government transfers essential public service responsibilities to local governments. The central government's role shall include helping poor councils through intergovernmental grants and transfers. The central government shall need to seriously fulfilling its constitutional responsibility to facilitate the transfer of administrative responsibilities to the local authorities. Central government shall have a duty to ensure that the rhetorical commitment to democratic decentralization is characterised by the presence of unity of purpose and proper coordination among central government ministries.

Central government shall need to develop deliberate legal framework to prevent against recentralisation of power and functions by respective line Ministries. Such a legal framework shall need to address unclear and contradictory policies that structures and operationalizes decentralisation. This shall ensure that new local government systems are introduced, and functions and resources are devolved with clear direction. Central government shall have a duty to ensure these systems are functioning in such a way that the politically powerful do not maintain their advantage at the expense of the collective many by creating incentives for people to work together in socially, economically and politically productive ways at the local level. The central government shall need to support local authorities with policy guidance, financial and technical assistance. Central government shall make certain that line ministries have direct links with local authorities only regarding professional and operational issues involved in service delivery.

The Ministry of Local Government and Rural Development (MLGRD) remains charged with the task of ensuring that the transfer of responsibilities is complete and smooth. The framework require that MLGRD facilitate and enforce accounting and auditing standards for all local authorities. The MLGRD shall act as a link between central government and the councils and oversee any other policy and issues affecting all local authorities. The Ministry shall ensure that the central government does not transfer non-essential responsibilities and overwhelm the local authorities with mostly unfunded responsibilities. This will also ensure that important functions do not remain within the influence of central government. MLGRD shall ensure policy enforcement, inspectorate, and establishment of standards, training, curriculum development and international representation of local authorities.

Local authorities must learn to become financially self-dependent by using local revenues to finance local infrastructural investments and delivery of public services. The decentralization process shall give the councils the legal power to make decisions on local government administration and local development. As decentralization progresses, local authorities shall have authority for planning, resource mobilisation, and financial management of locally generated revenue and central government transfers, and delivery of essential and local services.

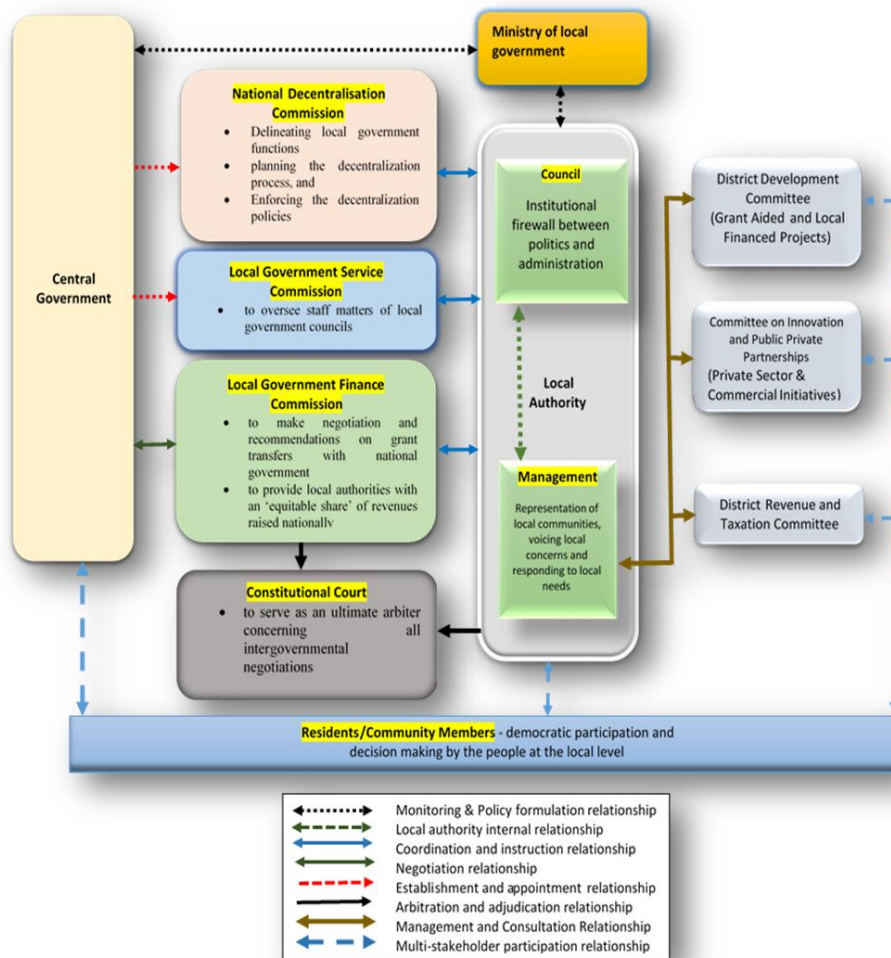


Figure 1: Proposed framework for local government autonomy

These committees will advise the local authorities and recommend on how to raise local revenues effectively. These committees will ensure to raise local revenue for local government effectively and efficiently by analyzing and advising the local authorities concerning finances raised from local sources, such as property rates, ground rent, fees and licenses, commercial undertakings and service charges. These committees will also make recommendations concerning revenue that central government collects on behalf of a respective local authority, such as toll fees, gambling and casino fees, fuel/road levies, motor vehicle registration fees and industrial registration fees, which shall be meant to distribute through agreements arising from negotiations between central government and the Local Government Finance Commission (LGFC).

The distribution of grants shall be done by the LGFC in accordance central government negotiations and consequent formula approved by parliament. The LGFC shall ensure that no intergovernmental grants are a result of political initiative. Currently Community Development fund (CDF) is a fund appropriated by parliament annually for all its members, which is formally managed by Area Members of Parliament (MPs). In practice, MPs treat the CDF as their own monies, and ignore oversight by local councils. This commission shall provide unlimited oversight of financial decisions in local authorities.

The District Development Committee (DDC) shall ensure that projects on which the grants and local revenue are spent are those identified in area development plans in order to fulfil a district development vision. Overall, the DDC shall ensure that all district programmes are in line with the government's objective of strengthening local government and its capacity to meet local needs. The DDC shall also make sure that all district projects undergo a more transparent and accountable processes. Monitoring of the projects shall formerly be undertaken by the DDC. The committee shall also provide local checks on the actions of the district executives on implementation of projects. The DDC shall enhance participatory

development planning process by ensuring that citizen connect with local authority processes. The DDCs shall provide information and consult the local public on a formal basis.

These committees shall aim at improving local authorities' corporate identity. The committee shall foster a culture of public value innovation focus on the importance of design thinking and collaborative problem solving with communities and the private sector. The committee shall foster development of new ideas create and implement new processes, products, services and methods of delivery which result in positive social and economic outcomes for the people at the local level. The committee shall be at the centre of new development ideas by collaborating beyond government and introducing new strategies, which influence directly on the nature of decision-making in the local authority. The committees shall ensure local authority involvement the development of new government products, which have a commercial or private value as well as a public value.

These committees shall make sure that councils are associated with sustainable local development agendas as well as use and adaptation of relevant technologies in the execution of various business agenda. They shall ensure that local authorities are involved in the production of new services, which have public commercial value by solving community problems with other sectors and knowledge bases. The committee shall also enhance ways of achieving local authority economic entrepreneurship to support new market opportunities and social entrepreneurship to ensure community resources are deployed effectively to meet equity challenges.

The National Decentralisation Commission (NDC) shall ensure that decentralization does not result in functional fragmentation, unclear mandates, overlapping jurisdictions and responsibilities, and unduly complex processes. The Commission shall guarantee that the extent of decentralisation does not differ significantly between sectors by ensuring that central government does not retain control of pivotal functions. The Commission shall ensure proper coordination between government agencies and between government and local authorities does exist. The Commission shall address such challenges as policy incoherence, collective action failures, dual administration, complex reporting structures, disjointed planning and the failure of communities to take part in local decision-making. The Commission shall be empowered to provide the necessary coherence and drive to the implementation process and incentivise sector ministries to devolve functions more rapidly.

The commission shall ensure the provision of training to local government staff. This shall either be organized through capacity building grants allocated to local authorities or through standardized countrywide training provisions. The commission shall continue to employ appropriately experienced staff on behalf of local authorities in order to fill capacity gaps. However, this programme should be designed to aim at enhancing local authority ability to target its services to local demand conditions. As council's shift towards a self-financing future the policy incoherence of central government shall begin to impede progress. Hence, the local authorities shall need the constitutional court to act as its arbiter in clarifying roles of central government. The constitutional court being the arbiter for local authorities shall ensure that Government as a policy-maker thinks again about the impact of continuous interference in policy and local authority operations. In bid to prioritise powers to local authorities to plan in a sustainable way and ending reliance on intergovernmental grants there must be legal institutions and frameworks in place that shall protect the standing of local authorities. The framework emphasizes the principle of cooperation requiring central government and local authorities to exhaust all the efforts to resolve any disputes through intergovernmental negotiation through the local government finance commission. This may also include exhausting any other remedies before approaching a court to resolve a dispute. Nevertheless, the framework proposes the Constitutional Court to serve as an ultimate arbiter.

Validation of the Framework

The proposed local government framework was validated using experts in the local government sector. The validation process mainly focused on the practicality and functionality of the framework. The sample for validation was drawn from the target group where the surveys for the questionnaire was drawn. Twenty local government finance experts were purposively sampled for the validation exercise. Responses were received from 17 respondents. The respondents were availed with the explanation on how the framework would for them to conduct their assessment. Figure 2 presents the composition of the respondents who were involved in the validation process. From the results, it shows that the framework was validated by reasonable representation of experts in the local government administration.

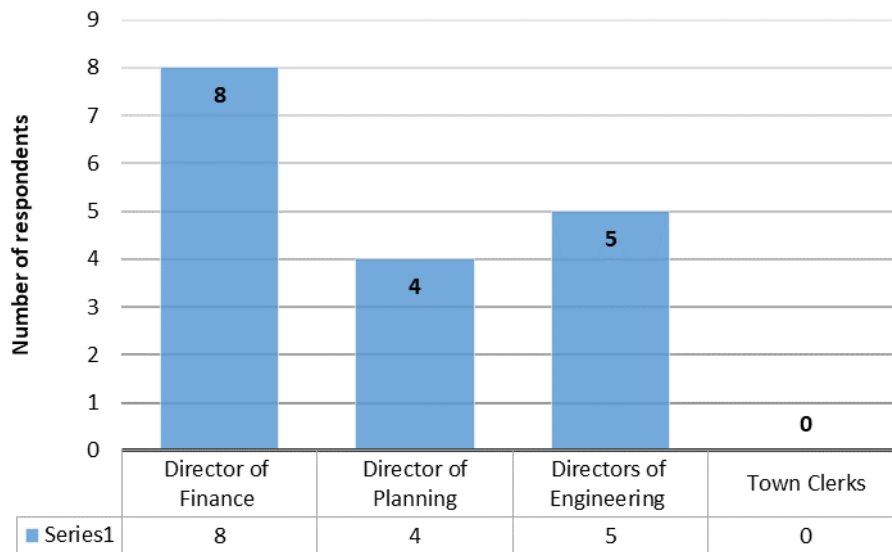


Figure 2: Professionals that were involved in framework validation

Key factors for operationalizing the framework

The respondents identified the following key points for the functionality of the framework:

1. The Ministry of Local Government be lobbied to expedite the designation of all local authorities as planning authorities in order to, among other things, control unplanned development in their respective jurisdictions;
2. Explore the possibility of creating provincial revolving accounts to which each local authority in the province shall contribute an equal amount of funds to be used for the acquisition of capital equipment for their use;
3. Government be lobbied to operationalize the new Intergovernmental Fiscal Architecture whose objective, inter alia, is to provide clarity on the degree of horizontal inequity across local authorities as regards the allocation of centrally disbursed grants and other finances as well as their own variable ability to collect own revenues from tax bases assigned to them;
4. Local authorities be urged to be innovative in exploring potential local revenue sources by continuously scanning their environments;
5. A working relationship be established with the Ministry of National Development Planning with a view to developing modalities for local authorities, in the implementation of the 7th National Development Plan and in the localisation of Sustainable Development Goals (SDGs);
6. Encourage local authorities to introduce SMART technologies as a measure to improve their management systems and eventually contribute to improving the quality of life for the communities they serve;
7. Sensitize member local authorities on the contents of the African Charter on the Values and Principles of Decentralisation and Local Development which among other things, aims to promote, protect and act as a catalyst for decentralisation local governance and local development;
8. Support member local authorities to start making decisions that contribute to the localization and achievement of Sustainable Development Goals (SDGs) considering that all the 17 SDGs have targets directly related to the responsibilities of local government;
9. Government to identify specific roles for local government in the implementation of the New Urban Agenda which is a key instrument for sustainable development;
10. The Local Government Service Commission be urged to ensure that they consult constituent member local authorities on staff matters such as transfers and disciplinary matters, further that the recruitment of new employees be demand driven; Constituent member councils be encouraged to develop time-bound strategic plans which should be treated as living documents that bring about priority setting and change management in their operations;

11. Constituent member councils be encouraged to enter into mutual partnerships with financial institutions such as Commercial Banks in order to access financial facilities for public services;
12. As the decentralisation process takes root and in order to effectively contribute to the Millennium campaign, the Association lobbies government to ensure that local authorities' financial resources are commensurate with their tasks and responsibilities and that any transfer or delegation of tasks or responsibilities by government should be accompanied by corresponding and adequate financial resources, which ought to be guaranteed in the Republican Constitution;
13. government to ensure that a proportion of the financial resources for local government derive from Local taxes;
14. The Local Government Service Commission should develop a human resource policy for local government aimed at providing adequate training opportunities, remuneration and career prospects in order to enable local authorities attain high quality performance in the provision of services to the citizens;
15. local authorities should be allowed to determine, as far as possible, their own internal management systems by adapting them to local needs and ensuring effective management; and in this regard the proposal to introduce results based management in local government be given utmost support;
16. Ensure the removal of provisions that work against councils in levying rates;
17. That member councils develop appropriate Local Economic Development strategies for wealth and employment creation;
18. That government takes steps to harmonise the dualism of roles and responsibilities between the District Commissioner's office and the council.

5. CONCLUSION

The local government grant system in Zambia significantly contribute to lack of revenue-maximizing practices at the local level. Such that, local government has become a victim of central government fiscal distress propagated by the dwindling state financial resources. Hence, these grants are insufficient and always delayed to guarantee capital expenditure in the districts. Devolved functions from various state Ministries have not contributed significantly to local government budgets since they have not yet fully complied with provisions of decentralization. The state must ensure local fiscal autonomy by assigning various revenue sources to local government to generate own revenues and finance local expenditure. It is abundantly clear that local authorities in Zambia are not generating sufficient local revenues to guarantee their budget performance and restrain their overdependence on external grants.

In this study, the proposed local government framework was developed that can be used to address drawbacks in the current local government administration, encourage and fast track decentralization and guarantee local authority autonomy. The proposed framework could enhance decentralization and improve local authority autonomy. This framework is dominated by four major features namely; i) scale of local government revenue base, ii) importance of local own revenues, iii) conformity in the institutional framework, iv) the drawbacks of transfers, and v) importance of local participation.

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APPENDIX

Proposed framework for local government autonomy:

