

**PERCEPTION ON THE IMPACT OF DEVOLUTION ON
ZIMBABWE'S ECONOMIC DEVELOPMENT: A CASE OF
MATEBELELAND REGION**

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ABSTRACT

This paper explores how participants view and describe the relationships between *devolution* and *development* in Zimbabwe's Matabeleland province. The research question that will guide this study is *how does devolution impact economic development in Zimbabwe?* The study examined diverse aspects of devolution that impact economic development prospects in Zimbabwe. 100 participants were conveniently selected from key associations representing people based in Bulawayo. In-depth interviews were used to gather data from the respondents. Descriptive statistic model was used to analyse the data. Findings from the study provided the basis upon which conclusions and recommendations were drawn. The results showed that people of Matabeleland perceive the region as highly endowed with adequate natural resource mix and can be able to sustain it economically. The presented statistics indicated that the people overwhelmingly support the adoption of devolution as an effective way to economically develop their region. They however viewed the region as lacking leaders with the capacity to lead the devolution drive and to deal effectively with economic challenges of the regions. Beneficiaries of this study include policy makers, citizens and the economic situation of Zimbabwe in general.

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Key words: *devolution, economic development, descriptive statistic model, decentralization, de-concentration, delegated power and privatization.*

1.0 Introduction

The desire for devolution is easy to understand in the light of the country's history. Zimbabwe has always been a centralised state and its governments, both before and after Independence, have been centralised and tended to be authoritarian. The demand for devolution is probably a reaction to the over-centralisation of the past and the excesses resulting from it. According to Veritas, (2012) Zimbabwe has always been a centralized economic and political system from its very origin. It started its modern era, not as a country but as a company - Rhodes' British South Africa Company in 1890 and only becoming a self-ruled country by Rhodesians in 1923. Since then it maintained a centralized system of administration even during the Federation of Rhodesia and Nyasaland, an arrangement that was resisted by Malawi and Zambia who fought to devolve their entities.

Now that on the 16th of March 2013, the majority of Zimbabweans went out in their thousands to cast a yes vote for the new draft constitution, dubbed a people driven constitution since the country's independence in 1980. The biggest question which remain unanswered is does the majority of Zimbabweans understand the working definition of devolution and what it entails? And furthermore does Zimbabwe need devolution at all to address its varied problems? A simple explanation can be that Zimbabwe has never had a bad constitution even the Lancaster but practicing what was on the constitution is what has been bad. Meaning even a good constitution in the hands of bad implementers would not yield for the ordinary marginalized Zimbabweans. Research shows that most Zimbabwean citizens do not know that the concept of devolution is different from decentralization. Makumbe (2012) cited that people must understand that devolution is only a component of the FOUR aspects that make up decentralization, the other three being de-concentration, delegated power and privatization.

A de-concentrated economy lacks autonomy from central government as is the case with the District Administrator's Offices countrywide which take directives from the head office in Harare. While parastatals like Tel One, Zimbabwe Electricity Supply Authority and National

Railways of Zimbabwe exercise delegated power as government is the sole shareholder. Under privatization, the public is allowed to own shares in the entities that have been privatized. Devolution can be defined as, “A transfer of powers from a central government to local units.” Devolution is viewed as both a political and an economic empowering process. In a devolved system, the central government transfers authority for decision-making, finance, management and service delivery to quasi-autonomous units of local government that elect their own councils, raise their own revenues, and have independent authority to make investment decisions (Litvack et al, 1998).

Examples of devolved States are France, Peru, Papua New Guinea, and Spain which has 17 States, the United Kingdom with three South Africa and Kenya which has got 47 Counties. Proponents of devolution say some of its merits are that it promotes democratic and accountable exercise of power, fosters national unity and recognizes the right of communities to manage their own affairs. This is contrasting to a federal State with centralized powers resulting in decisions being made on behalf of all the communities. Devolution gives powers of self-governance to the people and enhances participation in the functions of the State.

Another advantage of a devolved State as cited by Morgan, (2002, 2006) is that it protects and promotes the interests of marginalized communities. In Zimbabwe, some regions have been marginalized and remained disadvantaged for years under the traditional centralized governance system; these would therefore stand to benefit from devolution. Matabeleland is assumed to be the key advocate of devolution this paper therefore seeks to generate perceptions and feelings of the people of Bulawayo, to establish the authenticity and substance of the assertion. The paper also tries to identify whether the general populace understands and appreciates the benefits and challenges associated with a devolved system of governance.

1.1 Background to the Study

In the past 30 years, governments of both developed and developing countries have embarked on a trend of devolution (Rodriguez-Pose and Gill 2004), most commonly defined as an extensive

form of decentralization involving the transfer of authority and resources to sub national tiers of government (Rodriguez-Pose and Bwire 1998). In a devolved system, the central government transfers authority for decision-making, finance, management and service delivery to quasi-autonomous units of local government that elect their own councils, raise their own revenues, and have independent authority to make investment decisions (Litvack et al. 1998).

There is a global trend towards devolution in the current period. Many countries try to use devolution as a tool to drive economic growth. However, a large number of researches conducted so far on countries with greater economies like China have concluded that devolution is a double blade sword whose benefits may also be accompanied by harmful effects.

Proponents of devolution mainly politicians believe that pursuing the “economic dividend” of devolution could bring forward and contribute to economic development (Keating, 1998; Morgan, 2002, 2006). In addition, devolution could bring political proximity between government and citizens widening the scope for greater transparency of political processes and greater accountability of resources meant to benefit the local citizens. However, some scholars point out numerous negative effects of devolution and the variety of forms of processes implemented by different countries. Birds and Smart (2002) say transfers on policy outcomes differ from country to country and no simple, uniform pattern of transfers is universally appropriate. Moreover, the economic development effects of devolution also depend on which force drive the devolution process (Rodriguez-Pose and Gill, 2004).

The current Constitution for Zimbabwe is a product of a compromise agreement reached at the Lancaster House Conference in 1979 between the outgoing colonial government and the incoming nationalist government. Since then Zimbabwe has been a unitary State, but the perception of some Zimbabweans is that governmental functions and responsibilities must be devolved to the people at all appropriate levels as advocated by the Constitutional Parliamentary Committee (COPAC 2012).

This paper therefore presents how Zimbabwe’s economic development is likely to be affected by the devolution process, especially by looking into the area of fiscal decentralisation and its consequences. Under this fiscal decentralisation structure if chaotically implemented Zimbabwe

would adopt an, eat in separate kitchens, and eat from separate stoves model of economy as provinces disintegrate. The fiscal decentralisation, mainly targets the abolition of the traditional formula of central to province fiscal transfers hence would result in some sub-national authorities being conferred with the rights to formulate their own budgets and manage their own finances (Ping, 2000). The biggest question is will Zimbabwe's staggering economy sustain such an asymmetric process of decentralization which calls for, "allowing substantial economic autonomy to sub-national units, while maintaining a centralized system of political control – and with acceptance of the phenomena that some regions would grow faster than others.

If China's testimony is anything to go by this would open the way for personally ambitious officials in provinces and districts to adopt innovative strategies both for promoting local growth and for mobilizing the resources in their respective counties. In consequence, central government does not worry about territorial variation in this perspective. However the upshot is that locally produced goods in one province will hardly be seen in other provinces, as inter-provincial trade would stagnate or fall sharply resulting in minimal or no contribution to the country's GDP. In support of the view Kumar, (1994) and Poncet, (2005), argue that when, sub-national governments gain great fiscal and decision controls they often ignore the importance of the domestic markets and inter-provincial co-operation in trading.

As the current politicians focus on fragmenting regions through devolution, devolution seems becoming the only solution for promoting economic growth, but this could be potentially dangerous and harmful for Zimbabwe's economy as attracting foreign investment through individual provinces may pose its own new set of challenges. Zimbabwe would therefore, like always the trend lose by rising competition from other strong contestants in the region who are participating contemporarily in the globalisation of economy such as South Africa who have similar factor endowments. Later in the paper it is explained why the current breed of politicians and leaders are much interested in devolution as the main developmental tool and why not bother about what could be the possible consequences especially on the livelihoods of the ordinary Zimbabweans who are currently surviving below the poverty datum line.

However devolutionists such as Oates (1972, 1973) advocate that local governments are more efficient than central governments to deliver public services by matching localities needs and redistributing resources. They argue that central government by no means could deliver efficient policy to meet the local needs of people as policy designing is done without considering issues that satisfy the local needs in particular provinces. In this regard devolution should therefore bring a significant opportunity for Zimbabwean citizens to raise their voice, and participate in development decision making issues. Again devolution effects increased political transparency as it promotes public participation; opposed to large centralised bureaucracies where public spending decisions are only made within a few senior public officials hence the voice of large citizenships could not be heard. However, this could not be the case as it should be explored and explained later in the paper.

Devolution's disparities and inconsistencies

Rodríguez-Pose and Gill, (2004) say there is little doubt globalization caused disparities between places, but the devolution effect remains ambiguous. Although devolutionists advocate that devolution can cause regional disparities, however large empirical evidence manifests that, it is not by coincidence. They argue that fiscal impact of devolution is likely to cause spatial inequalities as they found a negative correlation between devolution and regional disparities in USA, India, Germany, Spain, Italy and Mexico. Zhang and Zou (2001) also found a negative correlation between devolution and regional disparities in China. However according to (Gil et.al, 2004) devolution causes more disparities especially in the context of developing countries than developed countries. Furthermore, apart from income disparities, other issues related to devolution are a lack of political transparency and an increase in corruption, these prevent economic development at a local and national scale.

Another issue of concern is where the central government would appear to favour the rich regions rather than the poor ones as proved by China's experience where the central government's expenditure in the five richest regions was twice as much as in the five poorest ones. And as opposed to devolution evidence shows that the radical economic growth amongst Chinese provinces was attributed to the participation of China in the globalisation of the world

economy. Ultimately, the Zimbabwean scenario would not be very different the possible result of this system would be a lopsided development programme where the regions with sound resource endowment would be prioritised in terms of development while the other provinces would either be forgotten or systematically underdeveloped.

The corruption Issue

As the law of the jungle which advocates for survival of the fittest is order of the day in the present Zimbabwe, shall devolution lead to more or less corruption in sub-national governments? In a country where there are no independent corruption supervision agencies the obvious answer seems to be more corruption in absolute terms. Corruption has become a common phenomenon but with serious influence on Zimbabwe's economic growth. To foster economic development Zimbabweans should desist from hero worshiping those who amass wealth by embezzling or misusing public funds, or through dubious corrupt means.

One possible channels of corruption by sub-national governments as cited by Yeoh, (2007) would be through extra-budgetary funds. He described devolution as a *Double-edged Sword* which in one hand provides considerable autonomy to the sub-national governments, but on the other hand is also a source of corruption. Another serious issue which could stimulate corruption and hinder economic development is *extra-establishment revenue*, described as revenue collected by sub-national governments for their own expenses. Yeoh, (2007) argues that *Extra-establishment revenue* has no official statistics and no official rules hence can be subjected to embezzlement and misuse by officials. The funds are mainly generated by fine received from small entrepreneurs or merchandisers who are very vulnerable. Consequently, this downgrades fostering of local entrepreneurship, causing moral hazard and reducing potential indigenous investors' goodwill to invest in their localities.

The merits of Devolution

On devolution of Zimbabwe's economy as an empowerment process: proponents say Zimbabwe's geographical and political provinces are capable of delivering greater economic

impact under devolution of economic activity which leads to-greater and enhanced equalization of incomes, regional balance across the nation, and universal access to social security systems.

The country's 5 provinces are viable political and economic development entities, capable of reversing the perverse central control and often abuse of National Resources by the Centre. Any of Zimbabwe's provinces are endowed with human, geographic, and natural endowments. But as the situation has shown, each province's best Human Development brains, have had no choice but to migrate to the Centre, fight for spoils there, while leaving their provinces barren of ideas, the application of science, human resources, and environmental degradation;

The natural corridors of the country - Beira Corridor as the main conduit of Zimbabwe's trade routing from the sea, Beitbridge - Harare - Chirundu Corridor; Beitbridge - Bulawayo - Victoria Falls Corridor, have all crumbled under the undirected rhetoric of the Centre, while people in those corridors continue to suffer in poverty;

The varied agricultural, natural resource endowment, including mining potential, such as exploitation of diamonds have benefited the few selected individuals at the Centre, to the total exclusion of the people of those areas, viz: Victoria Falls tourism potential, Chiadzwa diamonds, as just a few examples;

The great and varied landscape and tourism potential, the Trans-frontier Gonarezhou National Park, Great Zimbabwe, the wildlife and tourism potential of the Zambezi valley, lie unexploited waiting for the Centre to find deals which will benefit the few individuals at the Centre;

The drier regions of the country's, provinces like Matebeleland, Masvingo have become synonymous with poverty, soil erosion taking its toll as man/land/livestock ratios explode; with very little input from the people of those provinces; and ironically these provinces have continuously churned out the best brains that migrate to the centre en route to the other centres of the world, while leaving their provinces in a sorry state of environmental degradation and extinction of soils and wetlands via soil erosion.

They argue that in economic terms, the immediate and long-term reward of devolution will be the revival of decaying economic state of the country at provinces, and empowerment of local people in an environmentally friendly exploitation of the local natural and human resources starting from the village level to the provincial capitals and then upwards to the centre.

Devolution's demerits

However the opponents of devolution argue that devolution has its own drawbacks: One of them is that it may lead to the withholding of resources by central government in a bid to chastise a community, leading to its failure. Local communities in a devolved economy may easily be affected by a chaotic economic environment. There may be bureaucratic hostilities between local and central governments, leading to poor service delivery. And for a country with a relatively small population and a small tax base like Zimbabwe, having an additional tier of government could be unsustainable as it could create a another group of employees or office bearers who would claim salaries from an already squeezed national budget.

Some arguments raised are that devolution can encourage regionalism or tribalism which may be a very serious defect at the national level. It may slow down the processes of government if provincial authorities have to be consulted before decisions are taken at the centre and similarly, decisions of the central government may be rendered ineffective if their implementation is left to provincial authorities. Again if too much power is devolved to the regions or provinces, the central government may not be left with enough power to hold the country together.

Devolution as empowerment

The uneven economic conditions in the country have led to a number of theories being put forward. Most proponents of devolution are of the opinion that their provinces are marginalized due to unequal or worse the exploitation of their resources by those in power. This is being necessitated by the centralized system of governance in the country where all decisions as regards to who invests, who collects what, from where and when are currently made in Harare. So by pushing for devolution some are of the opinion that they will be freeing their vast resources from being plundered by the elite and politically powerful Harare administration. How this will succeed, when devolution is adopted is a matter of debate.

2.0 Statement of the problem

Many alarmist or misleading statements about devolution have been made by public figures. The much respected view is that if Zimbabwe adopts devolution ‘the country would be torn into pieces and would be left with people divided along tribal lines...it would be a real disaster for Zimbabwe both socially and economically. However there was a strong view in the country that devolution will lead to economic development for the devolved regions. It is therefore in the interest of this paper to try and critically analyze the perception of devolution on economic development by the people in Matabeleland region.

3.0 Research objectives

1. To determine views of the people of Matabeleland on the adequacy of resources to drive economic development in their region.
2. To determine how people in Matabeleland perceive the impact of devolution on effective use of local resources for economic development.
3. To determine if the people of Matabeleland recognize if local leaders are able to manage economic development issues better than the central government.

4.0 Research Methodology

The study sought to explore how people in Matabeleland perceive the impact of devolution on regional economic development. 100 participants were conveniently selected from key associations representing people based in Bulawayo as shown by (Table 1). Bulawayo is the second largest city in Zimbabwe after the capital Harare and is the heart of Matabeleland Region and this is the reason why the researchers chose it to represent people of Matabeleland.

Table 1: Sample Composition

Representative Groups	Number of Participants Sampled
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Bulawayo Resident Association	15
Zimbabwe Chamber of Commerce(Bulawayo Chapter)	10
Gender Coalition	15
Non-Governmental Organizations	15
Churches	20
Political Parties	25
Total	100

The research used qualitative descriptive research design through the questionnaire for collecting data. Descriptive statistic model was used to analyse the data.

5.0 Presentation of Results

The results are based from the 80% of response rate. This high response rate was attributed to convenience sampling technique which was used in the study.

5.1 Response Characteristics by Gender

Gender	Questionnaire Sent	Questionnaires Returned	Response Rate
Males	40	25	63
Females	60	55	92
Total	100	80	80

Response rate according to gender, females recorded high response rate of 92% as compared to 63% for males.

5.2 Views of Matabeleland on the Adequacy of Resources to Drive Economic Development in the Region

The first objective entails the participants to give their views on the adequacy of resources to drive economic development in Matabeleland Region to justify devolution. To adequately answer this objective views were solicited from the participants on three areas: Adequacy of natural resources Mix, Adequacy of human skills and adequate support from the people in the respective region.

5.2.1 Adequacy of Natural Resources Mix

For a region to be able to self-govern itself and economically develop itself it should have enough natural resources mix.

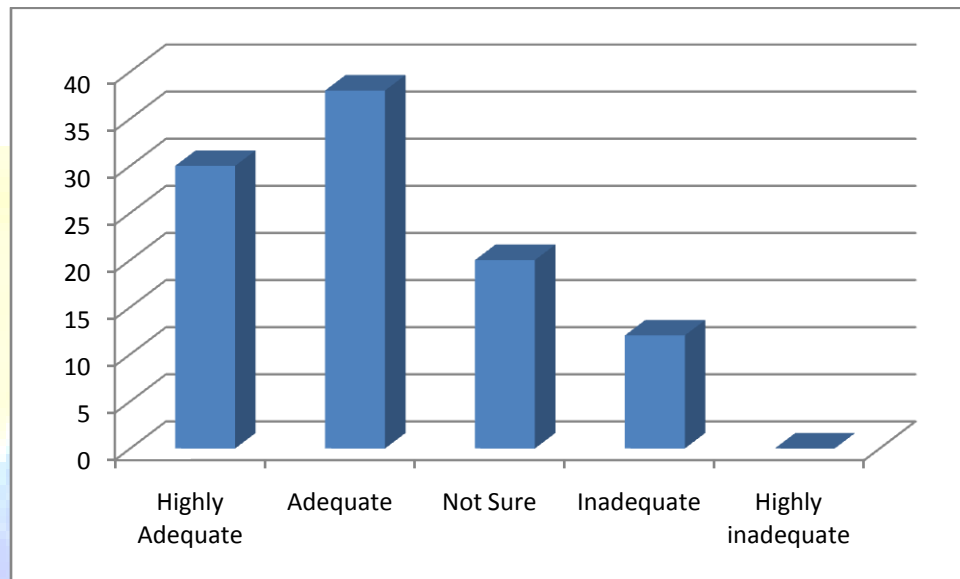


Figure 1: Adequacy of Natural Resources Mix

The people of Matabeleland view the region as having enough natural resource mix as the majority (68%) confirm the region as highly and adequately endowed with natural resources. These results are a testimony that the people of Matabeleland perceive the region as capable to stand alone as a devolved region being adequately supported by its natural resources.

5.2.2 Adequacy of human skills

Economic development is driven by people. Natural resources are exploited for economic gain by people. There participants were therefore asked if they perceive the region of having adequate skilled manpower.

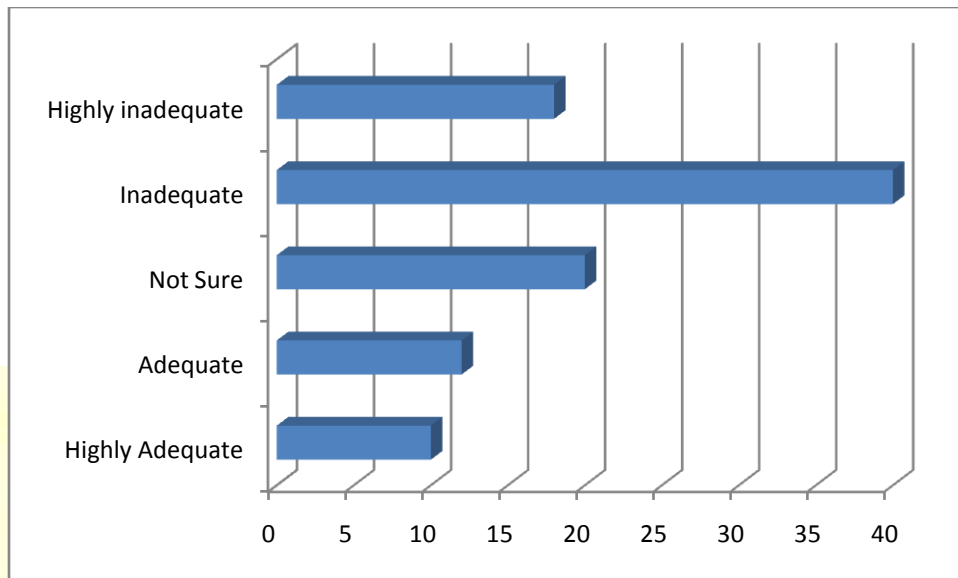


Figure 2 Adequacy of human skills

The people of Matabeleland think that the region does not have adequate skilled manpower as 20% and 40% participants classified the manpower in the region as highly inadequate and adequate respectively. This means that if the region devolves it may incur severe shortage of skilled manpower; hence the region may be forced to resort to hiring of skilled manpower from other devolved regions in the country. This may dilute the devolution as some funds will be repatriated by hired manpower to their regions of origin.

5.2.3 Adequate Support from the People

For any programme to succeed it should be supported by the people. Participants were therefore asked if they perceive devolution as having support of the generality of the people from the region.

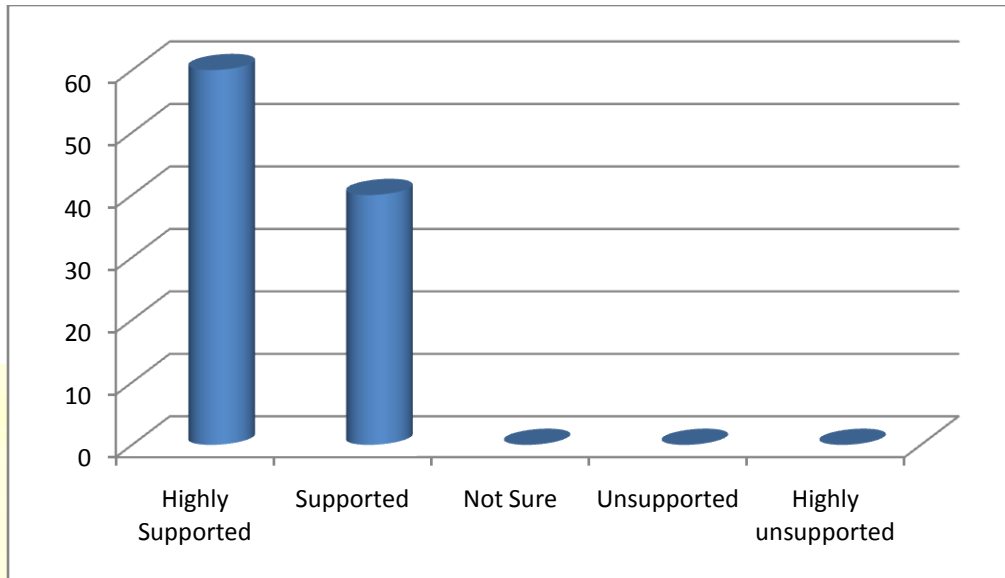


Figure 3: Adequate Support from the People

Devolution is either highly supported or supported by the people of Matabeleland. These results indicated that almost all people think that the region will perform better economically as a devolved region.

5.3. Perceived Impact Of Devolution On Effective Use Of Local Resources For Economic Development.

High resource endowment may not mean that the region is automatically able to sustain itself. The resources need to be exploited and managed effectively. The participants were asked their perceived views on the region's capacity to effectively use the massive resource base the region is blessed with.

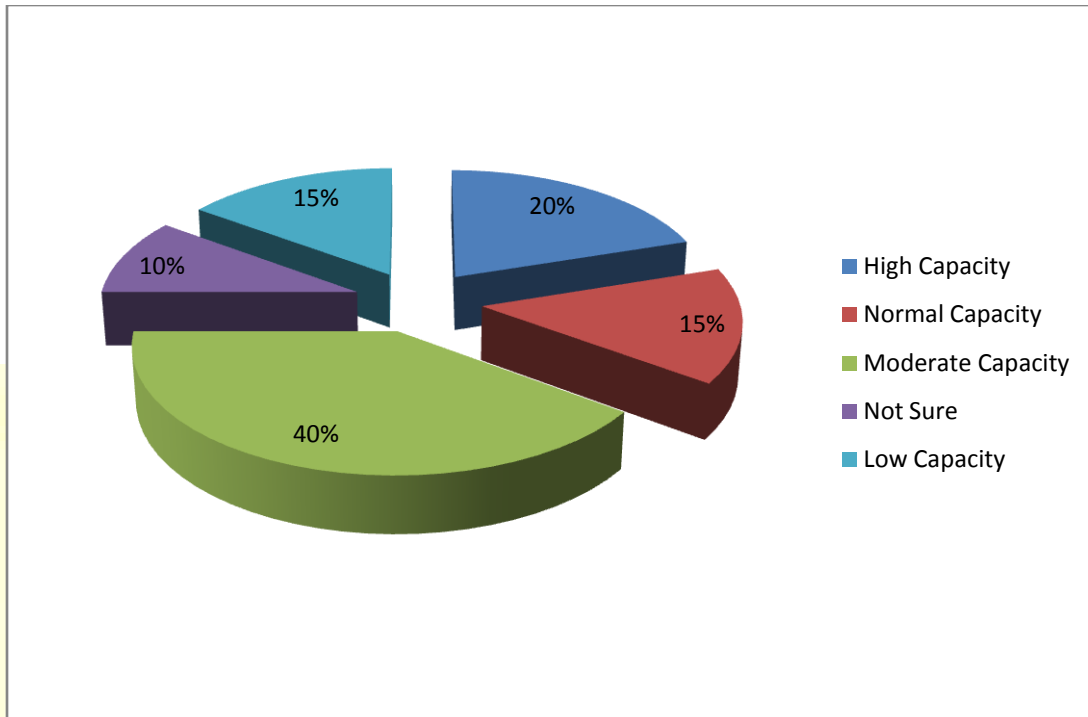


Figure 4: Matabeleland Region's Perceived Capacity on Resource Utilisation

The results show that people in Matabeleland are not very enthusiastic on capacity level of the region in harnessing resources for the optimum economic development. This is evidenced by 40% of the participants who perceive the region as having moderate capacity. This combined with participants under Not Sure (10%) and Low Capacity (15%), clearly indicate that the people in the region doubt the capability of the region in effectively utilizing the available natural resources to economically develop the region.

5.4 Perceived Leadership Ability by Local Leaders to Manage Economic Development Drive in the Region.

It is usually viewed that the success of any entity depends on the leadership. This prompts the researchers to solicit views from the participants on perceived leadership ability by local leaders to manage economic development in the region.

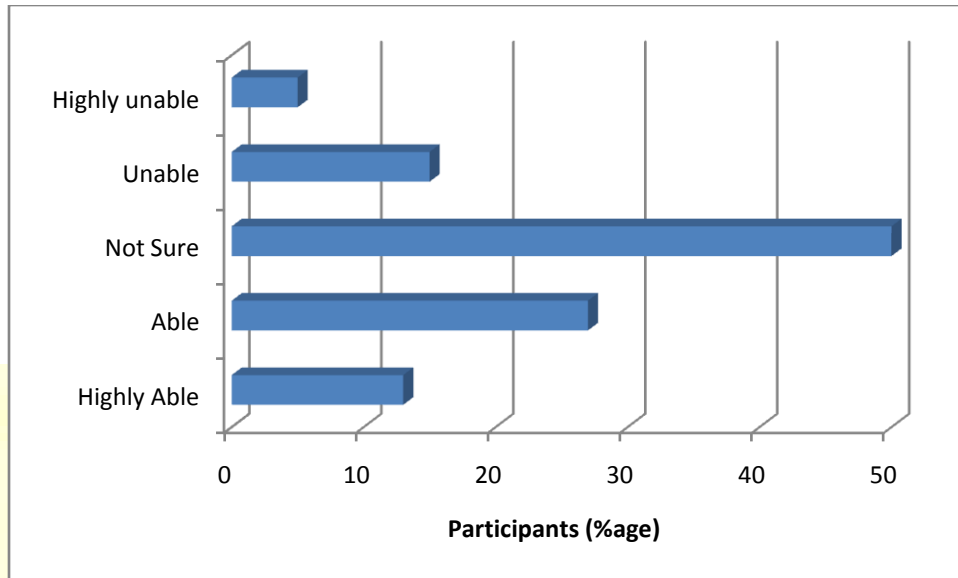


Figure 5: Perceived Leadership Ability by Local Leaders to Manage Economic Development Drive in the Region.

The results show that most people in the region about (50%) are not sure if the region has leaders with capacity to manage the economic development drive of the region. These results dent perception of devolution as a strategy to drive economic development in the region. Leadership is considered a factor that has a major influence on the performance of organizations, managers and employees (Wang et al., 2005). Leadership play an essential role in ensuring that the workforce and resources are integrated in order to achieve organisational goals. According to Ngambi et al. (2010) and Ngambi (2011), leadership is a process of influencing others' commitment towards organizational goal. The nature of this influence is such that the members of the team cooperate voluntarily with each other in order to achieve the objectives which the leader has set for each member, as well as for the group.

6.0 Conclusion

The main conclusions from the findings were as follows:

- The people of Matabeleland perceive the region as highly endowed with adequate natural resource mix and can be able to sustain itself economically.
- The people think that the region does not have adequate skilled manpower to take advantage of the natural resources to optimally develop the region as a devolved entity.
- The people of Matabeleland support overwhelming the adoption of devolution as an effective way to economically develop the region.
- Also view the region as lacking leaders with the capacity to lead the devolution drive and to deal effectively with economic challenges of the regions.

Discussion & recommendations

This paper basing on what has been gathered, is of the opinion that given the current socio-economic and political status of the country devolution will do little if not nothing in as far as empowering the masses of particular regions is concerned. The uneven nature noticeable in the socioeconomic and academic status of the Zimbabwean populace is an area of concern with a potential to negate the fruits which devolution might or was supposed to bear. As not all regions are endowed with a strong human resource base in terms of skills and other competencies, what basically this entails is that even when devolution is adopted most areas will be short of competent personnel to effectively and efficiently run and manage the affairs of their respective regions hence they will be faced with two options:

The first one being going ahead with empowering their people by appointing them in to positions which they cannot manage, a scenario which will critically cripple the efforts of economic development and empowerment of the citizens. The second would be hiring those with the necessary expertise, the danger being that those from well up regions with desired skills will occupy higher posts hence critical resources can be externalized to those former regions—re-colonization of the marginalized provinces. As most of the much talked about resources are mineral ores which need to be extracted and processed for value addition, most regions lack the capacity to embark on such sophisticated projects. Provinces will be re-colonized like Lobengula

who had no capacity to extract the gold in Matabeleland, Rhodes who had the capacity had to colonize the province.

These provinces will be forced to engage partnerships with outsiders from either the east or west meaning taking even longer for the indigenous locals to realize their potential and derive benefits from devolution. As these will jostle—push, shove and elbow each other in a rush for the resources in the respective provinces—a case of the scramble for Africa but this time Zimbabwe’s provinces. Devolution is—not a matter of Shonas or Ndebeles being against each other, but can be viewed as ‘radical proposal’ where those vocal and advocating for devolution will benefit least because those silent about the subject might be mapping strategies of deriving maximum benefits from the so called marginalized provinces with resources still intact.

It should also be noted that while the notion that some regions developed at the expense of others might be true, it might also equally be true that these regions need each other more now than before for any meaningful development to take place. Caution should be taken since there could be some hidden agenda being pursued under this façade of devolution by those advocating for it.

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