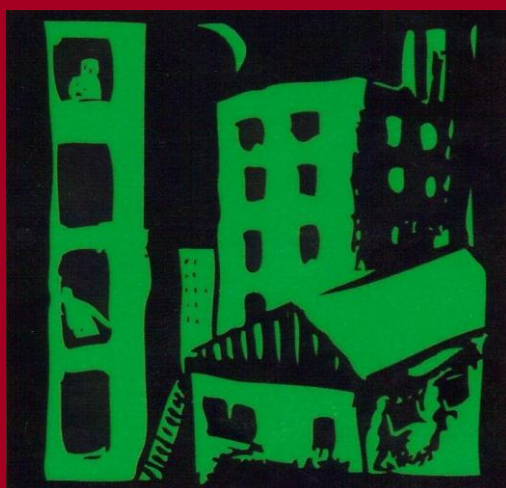
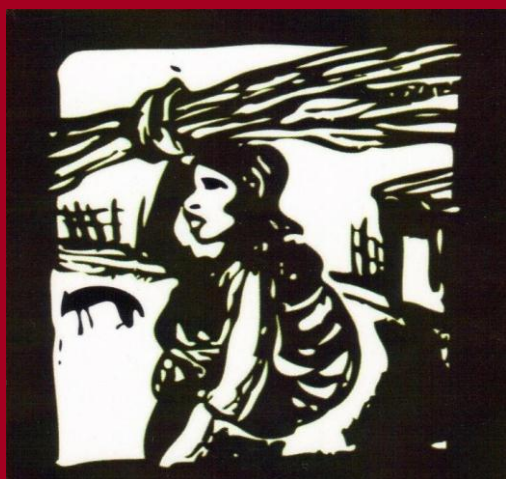


**LAW
DEMOCRACY
& DEVELOPMENT**



VOLUME 15 (2011)

Fiscal autonomy of urban councils in Zimbabwe: A critical analysis

Sylvester Marumahoko

Doctoral Candidate, Faculty of Law, University of the Western Cape

Yonatan Tesfaye Fessha

Senior Lecturer, Faculty of Law, University of the Western Cape

1 INTRODUCTION

There is a growing realisation in Zimbabwe that urbanisation has overstretched the ability and efforts of central governments to serve from the centre, giving rise to the search for a robust decentralisation policy that vests urban local governments with some level of autonomy.¹ In this context decentralisation has become critical in the quest to respond to the varied service delivery challenges brought about by increasing urbanisation. However, efforts to capacitate urban councils through decentralisation are futile if urban local government lacks the necessary financial means to fulfil its responsibilities.

The nature and extent of fiscal autonomy enjoyed by urban councils in

¹ Fjeldstad "Fiscal decentralisation in Tanzania: For Better or for worse?" (2003) at 133.

Zimbabwe is a matter of debate. Current thinking in central government is that Zimbabwean urban councils already have at their disposal boundless fiscal powers and that they are in a strong position to mobilise resources for service delivery programmes.² It is alleged that the assignment of any further fiscal autonomy to urban local governments will threaten equitable development.

On the other hand, there are those who hold the view that urban local governments in Zimbabwe lack fiscal autonomy. They argue for the assignment of greater fiscal autonomy to this level of government.³ They point to the failure of urban local authorities to absorb and deal with the challenges resulting from rapid urbanisation. The lack of adequate fiscal autonomy, they argue, explains not only the obsolete infrastructure that characterises urban areas but also the poor delivery of social goods and services to ratepayers. This overall degeneration is evidenced by poor roads, lack of clean water and a lack of capacity to collect refuse. Some even suggest that there is a political dimension to the failure by central government to give more fiscal autonomy to urban councils. This relates to the fact that an opposition party, the Movement for Democratic Change (MDC), now controls all thirty-one urban councils in Zimbabwe.⁴ The strategy used by the former ruling Zimbabwe African National Union PF (ZANU PF), some argue, is to undermine urban councils by denying them revenue streams to carry out service delivery in order to present the MDC as an unviable alternative to ZANU PF.⁵

As the foregoing suggests, there is no agreement regarding the level of autonomy to be enjoyed by urban councils. This article seeks to determine the extent to which the current system of decentralisation entrenches the financial autonomy of urban councils in Zimbabwe. In this regard the article will analyse the provisions of the Urban Councils Act (Chapter 29:15) of 1996⁶ as they relate to the characteristics of local government financing.

The argument is organised as follows. First, it discusses salient features of fiscal decentralisation for urban councils in Zimbabwe in a historical perspective, covering the period from 1890 to 1996. In particular it discusses, in broad terms, the types of local government, the powers of urban councils, and the sources of revenue provided for in the Urban Councils Act of 1973 (Chapter 214, thereafter referred to as the UCA). The article then proceeds to its main thesis and attempts to evaluate the fiscal autonomy enjoyed by urban councils in Zimbabwe. It does so by analysing the legal framework for fiscal decentralisation for urban councils in Zimbabwe as provided for in the Urban Councils Act of 1996 (Chapter 29:15). It concludes with some

² Ministry of Local Government "Fiscal autonomy for urban councils?" (2008) at 2.

³ See Ministry of Local Government (2008) at 8.

⁴ IDAZIM Local governance in transition: Zimbabwe's local authorities during the inclusive government (2010).

⁵ Bland "Zimbabwe in transition: What about the local level" (2010) at 8.

⁶ Legislation in Zimbabwe, except for subsidiary legislation such as statutory instruments and regulations, is identified by way of chapters and classified in accordance with the subject matter. In this regard, the Urban Councils Act is referred to as Vol. 15 of Chapter 29.

recommendations which will hopefully foster debate about local fiscal autonomy in the context of the constitution-making process that is currently underway.

2 FINANCIAL AUTONOMY FOR URBAN COUNCILS: A HISTORICAL PERSPECTIVE (1890-1996)

No urban local authorities existed at the time of the formation of the first recorded urban settlement in Harare, then known as Salisbury. In the period between 1890 and 1923 Zimbabwe, then known as Rhodesia, was run by a private company, the British South Africa Company (BSACo). This company set up the Salisbury Sanitation Board in 1892 in response to pressure from residents of the emerging town who were worried about sanitary conditions. The Board can be described as a single-purpose urban local government structure as its function was only refuse removal and management.⁷ The need for similar boards was evident in other fast-emerging towns. Building on the experience of Harare, other sanitary boards were set up in 1894 in the urban centres of Bulawayo, Mutare and Gweru. As in the case of Harare, the BSACo appointed three people to the sanitary boards. While the boards were confined to sanitation issues at first, they later evolved into what is the equivalent of the present day urban councils as they became responsible for service provision in general.

The boards were subordinate to the BSACo in that their members were appointed by and reported to the company. They were made up of four elected members and three members nominated by the BSACo. With no executive power and heavy dependence on the company for funding, they were generally subservient to the BSACo. What was clear in 1891 was that the BSACo was reluctant to treat the Salisbury Sanitation Board and other similar boards as “local government in the making”. This was most notable in the delay in according the board legal status to facilitate service provision.⁸

There appeared furthermore to be reluctance on the part of central government to link the institutional design for the new urban local government structure to sustainable funding models. For example, the Salisbury Sanitation Board’s scope of unfunded mandates was later increased to include water supply, public lighting and “native housing”. It was not until 1897 that the Salisbury Sanitation Board was accorded

⁷ A single-purpose urban council is a municipal body established with a mandate to provide a single service; see Steytler “Comparative conclusions” (2009) at 399. Examples of other single purpose urban councils are found in the United States, and to a lesser extent in Canada and Switzerland. In the United States, they perform important functions and provide services such as portable water, wastewater treatment, transit, housing and port services. [The most important of these are the school districts – it is not clear how this sentence fits with the rest].

⁸ The delay in setting up the enabling legal framework is interpreted by some as an indication that urban local government was grudgingly established; see Hlatshwayo “Local government in Zimbabwe” (1998) at 240. In 1897 Harare and Bulawayo became fully fledged urban councils whose members were directly elected. There was no change in the status of urban councils up to 1923 when the Company’s administration was terminated on the granting of self-government to Rhodesia. This happened after a majority of those voting in a referendum chose self-rule rather than being incorporated into the Union of South Africa.

some form of funding mechanism through access to loans from the market. Even then, central government had to approve its borrowing powers. In 1898 the Board was given authority “to levy an annual rate of ten shillings on the owners of every plot in the township”.⁹ A year later, the sanitation boards of Harare, Bulawayo, Mutare and Gweru (also referred to as town councils) were given the power to raise fees in exchange for providing additional services such as water, electricity, and housing.¹⁰

The phenomenal growth of towns, which was largely attributed to the period of industrial growth that urban areas of Zimbabwe experienced as a result of the Second World War,¹¹ necessitated the need for an increase in the number of urban councils. In response, city council status was conferred on seven urban councils, including Harare and Bulawayo, in 1967.¹² During that period 26 town management boards and three local committees were established to provide services in the smaller towns. This, however, did not bring any significant change in terms of financial status. The city councils continued to be subservient to central government, their revenue and expenditure powers being subject to regulation by central government. The boards and committees likewise continued to rely on central government for funding.

From the foregoing it is clear that, between 1890 and 1973, a pattern of central government domination of urban local government fiscal powers characterised the centre-local relationship. Local government was subordinate to central government in that its revenue powers were validated by the centre.¹³ The centre increased this subordination by entrenching its use of intergovernmental transfers as a tool to control urban councils. Thus, roughly fifty percent of the revenue of urban councils, about \$4 million, was derived from government subsidies.¹⁴ In 1967, urban councils also received, albeit at a decreasing rate, block grants on a formula basis varying according to the amount of rates collected. The increased reliance on transfers adversely impacted on the local autonomy of the urban councils. The enactment of the UCA came at a time when it was becoming increasingly evident that structural and institutional changes were needed to strengthen the institution of urban councils and to ensure that financing models for local government adapted to the challenges posed by urbanisation.¹⁵ As will be contended in subsequent paragraphs, however, the enactment

⁹ Nhemachena GC & Matongo A “Review of the decentralisation policy and funding mechanisms for urban councils” (2000) at 3.

¹⁰ See Nhemachena & Matongo (2000) at 4.

¹¹ Marsh *et al* “Local government in Rhodesia” (1974).

¹² See Marsh *et al* (1974). As we shall see later, this hierarchy of urban councils was maintained in the 1973 and 1996 Urban Councils Acts. The elevation and graduation of urban councils has been a feature associated with Zimbabwe urban councils since the early days when the country was under company rule. The lowest level of urban councils consists of local boards, followed by town councils, municipalities and cities. It can be argued that the Salisbury Sanitary Board was the equivalent of the present day local board. It was the lowest order in the hierarchy of urban councils.

¹³ Passmore G “Historical rationale of the policy of community development in the African rural areas of Rhodesia” (1979) at 93.

¹⁴ See Passmore (1979) at 93.

¹⁵ See Nhemachena & Matongo (2000) at 5. In total, the UCA was organised into 271 sections and four schedules. In broad terms, the UCA provided for the establishment of municipalities and towns, the

of the UCA did not improve the status of urban councils since the latter remained subservient to central government.

The major sources of revenue provided for in the UCA included rates on land and property service charges and fees charged for services as well as penalties and fines.¹⁶ Other sources were license fees, supplementary charges, plan approval and development fees, profit from revenue-generating enterprises, lease fees, proceeds from land sales, rental fees and interest on investment.¹⁷ The most productive source of revenue was property rates. Property rates were a viable source of revenue raised on all non-residential properties.¹⁸

Generally speaking, the sources of revenue assigned to urban councils under the UCA were insufficient to the extent that own revenue accounted for only around 30% of expenditure on average. Central government domination of revenue powers of urban councils was also evident in the assignment of inelastic and low-yielding sources of revenue to urban councils. Lucrative sources of revenue, including customs duty, excise duty and value added tax, were exclusively retained for central government. The limited sources of own revenue meant that urban councils had to rely on intergovernmental transfers to finance their mandates.

Despite the vital importance of intergovernmental fiscal transfers to urban council functioning, neither the UCA nor any other legislation sought to govern the coherent appropriation of intergovernmental fiscal transfers to urban councils in a transparent manner.¹⁹ This meant that central government exercised unfettered discretion in the appropriation of intergovernmental transfers, choosing at will the urban councils that benefitted. Budgetary support went towards projects decided on by central

administration of municipalities, the conferring of city status on urban councils as well as the powers and functions of urban councils. The Act reserved power to the President to dispense with or modify any provisions in the Act once the President was satisfied that such action will not prejudice anyone. The Act assigned authority to the Minister of Local Government to administer the UCA. An example of such intrusive powers is contained in s 184(1)(a) of the UCA which gave a "blank cheque" to the Minister of Local Government to regulate the financial processes of urban councils.

¹⁶ Section 178(1) of UCA; s 217 of UCA. Service charges were paid by urban residents in exchange for council services consumed such as refuse collection, sewer and effluent removal, health care and water consumption (s 178(1) of UCA). Fees were levied for use of council amenities such as schools, bus termini, caravan parks, bus entry, street parking, cemeteries and crematoria. Penalties and fines were raised from those caught violating council by-laws (s 178(1) of UCA) Examples of violations included constructing unapproved buildings, illegal parking and environmental pollution. License fees were paid in exchange for permission for activities incidental to owning a dog, bicycle, motor vehicle and trading shop within the jurisdiction of an urban council

¹⁷ Coutinho "Sources of local government financing" (2010).

¹⁸ The growth of non-residential property pushed property and land rates to the frontline of local government financing policy. As a result, rates for non-residential property and land constituted between 20 to 30 percent of council revenue (see Nhemachena and Matongo (2000) at 6). However, state land and properties were exempt from property rates.

¹⁹ See Nhemachena & Matongo (2000) at 9. In 1993 the government transferred funds to urban councils providing health care in the form of reimbursements for expenditure on capital development. Health grants were reduced from 13% of the budget in 1995 to 5% in the 2001 budget. This left councils to fund the balance (to finance health expenditures) from very expensive overdrafts or unsustainable increases in rates and other charges.

government. The lack of constitutional instruction to guide the dispensing of financial transfers also meant that the amount of transfers simply depended on the wishes of central government.²⁰

A practice that emerged in 1995 was the increasing use of conditional funding as a tool to regulate urban councils by prescribing the parameters in terms of which the funding was to be used.²¹ In 1995 ZW\$19 240 000 was disbursed in conditional grants to urban councils. The disbursements constituted less than a third of the total revenue collections of urban councils. Centralising tendencies were thus entrenched in that what constituted “approved expenditure” was determined by the centre.

In addition, in order to entrench its oversight role, the centre in late 1996 began to develop regulations and circulars informing the usage of the grants.²² Urban councils were therefore not only subject to stringent financial control of the funding they received from central government, but also had to account for the way they used it. Any future disbursement of intergovernmental transfers was predicated on a report confirming that the guidelines and conditionalities imposed on the funds were fully complied with. The Minister of Local Government was empowered under section 251(4) of the UCA to deploy auditors to inspect the accounts of urban councils without the consent of the urban local authority concerned. The Minister also had the authority to review the audits done by council auditors.²³ In order to intensify intrusive control, the Minister of Local Government established a parastatal called the Urban Development Corporation to audit the accounts of urban councils.²⁴ The parastatal was furthermore directly accountable to central government.

As the foregoing indicates, transfers to urban local governments have been viewed more as a “favour” than an obligation.²⁵ The transfers were detested by local governments as they were tied to particular central government policy outcomes which promoted financial dependence and policy subservience to the centre. Although the transfers provided urban councils with budgetary support, the non-existence of an independent institution responsible for determining the transfer and the absence of a constitution-based formula, similar to the one employed in the Division of Revenue Act in South Africa,²⁶ entrenched local dependence and promoted inequitable asymmetry between urban councils. In the absence of a constitutionalised or other agreed-upon

²⁰ See Matongo & Nhemachena (2000) at 8.

²¹ See Matongo & Nhemachena (2000) at 8.

²² See Matongo & Nhemachena (2000) at 8.

²³ Wekwete “Urban local government finance in Zimbabwe: The case of Harare City Council 1992” at 4.

²⁴ See Wekwete (1992) at 4. Central government tried to justify the establishment of the parastatal by claiming that it would assist urban councils in securing financial control and that it would offer cheaper audit fees compared to auditors from the private sector.

²⁵ Nyoni and Dingani “Assured revenue sharing method between central government and local authorities including credit worthiness” (2000) at 21.

²⁶ Section 214(1)(a) of the Constitution of the Republic of South Africa, 1996.

formula prescribed for calculating the transfers, urban councils could not challenge these allocations.²⁷

Local government financing arrangements could be entered into with the state, the Local Authorities Pension Fund, a municipal medical aid society, medical aid fund or another local authority.²⁸ Additionally, with the consent of the Minister of Finance, funding could also be raised from issue stock, bonds, debentures or bills.²⁹ Borrowing by urban councils for purposes of financing recurrent expenditure was, however, not provided for in the UCA. Instead, borrowing powers were authorised for long-term capital development projects such as the acquisition and construction of permanent works, the acquisition of immovable property and the acquisition of plants, equipment, and vehicles.³⁰ In all these instances, urban councils were expected to secure the approval of the Minister of Local Government.³¹ The procedure for accessing borrowing powers was said to be bureaucratic in nature. For instance, it took as long as six months before central government satisfied itself that a council met the conditions for borrowing powers.³² Stringent regulation was often cited as the reason behind urban councils' failure to access private funding for the renewal of urban infrastructure.³³

The UCA rationalised the revenue-raising powers of urban local government but failed to facilitate the assignment of full fiscal powers. The centre assigned revenue powers to urban local governments at its discretion and could therefore withdraw the assigned powers as it wished. Beyond the provisions of the UCA, the centre confirmed its superiority by ensuring that urban councils would have to negotiate with it each time they wished to develop new streams of revenue. Although not overtly apparent from the provisions of the UCA, centralising influences dominated the dynamics of intergovernmental financial transfers. Expenditure on certain budget lines were for

²⁷ The argument for 'an equitable share' to nationally raised revenue began to manifest itself in 1995 as it became clear that government grants were declining in real terms. Nyoni & Dingani (2000) at 21. Arguments for an equitable share of nationally generated revenue have been influenced by the local government policy financing model used in neighbouring South Africa. Section 227(1)(a) of the South African Constitution (fn 26 above) provides that local government (and each province) "is entitled to an equitable share of revenue raised nationally to enable it to provide basic services and perform the functions allocated to it".

²⁸ Section 238(5)(a) of the UCA.

²⁹ Section 238(5)(b) of the UCA.

³⁰ Section 238 of the UCA.

³¹ The borrowing power application needed to be presented to the Minister of Local Government for his approval (s 238(2)(c) of the UCA). The Minister of Local Government could refuse to approve the borrowing power application unless certain conditions prescribed in the enabling Act were met (s 238(3) of the UCA). The thinking was that unless local borrowing was regulated, urban local government could end up overextending itself financially. The concern arose because central government was expected to assume responsibility in the event that an urban council failed to return the money borrowed from financial institutions (s 238(4) of the UCA). In practice, the Ministers of Local Government and Finance jointly put their signatures to each borrowing power certificate, in the process committing central government in the event that an urban council defaulted on its payment (see Ministry of Local Government (2009) at 10).

³² See Nhemachena & Matongo (2000) at 9.

³³ See Wekwete (1992) at 5. With the exception of two urban councils, the city of Harare (the capital) and the city of Bulawayo (the second biggest city), urban councils were denied the power to borrow from the private sector by 1992, signifying excessive control by central government on borrowing.

example executed at the will of the Minister of Local Government. Moreover, the fiscal powers of urban councils in relation to borrowing were under siege by the same Minister. Most importantly, urban councils could not appeal against unfair treatment in their quest for additional fiscal powers as the Minister of Local Government had final authority over the administration of the Act. Generally, the centre continued to dominate the dynamics of local fiscal powers under the UCA.

3 FISCAL AUTONOMY IN PRESENT-DAY ZIMBABWE (1996-2011)

3.1 Introduction

The foregoing historical narration has shown that urban councils lacked fiscal autonomy during the period between 1890 and 1996. As we saw, the lack of fiscal authority can be traced back to the early days when the first structure resembling an urban council, the Salisbury Sanitation Board, was conceived in 1891. The failure of central government to address the issue of the fiscal autonomy of urban councils is furthermore evident from the status, profile and development of urban local authorities between 1901 and 1973. Centralising tendencies dominated centre-local relations with central government, often tilting the balance of power in its favour. The picture that emerges during that period is one of a central government that is obsessed with its “big brother” position in denying urban councils constitutional recognition and the subsequent fiscal authority that comes with an elevated position.

As indicated, the story did not change with the enactment of the UCA of 1973. The position of urban councils as subordinate creatures in the configuration of status and fiscal power was sustained. There was no interest in providing for legal measures that would narrow the gap between responsibility and expenditure. Rather, the expenditure discretion of urban local authorities was tightened. The statutory provisions on the approval of borrowing power applications strengthened the ability of the centre to shape the local mandate of urban councils.

More importantly, the UCA of 1973 was inconsistent with government policies on urban councils following the attainment of majority rule on 18 April 1980.³⁴ Post-independence policies sought to improve the services in formerly racially segregated areas to match the standards enjoyed by those in affluent communities, where mostly white people lived. The UCA of 1973 was deemed to undermine efforts to implement post-independence policies that sought to break with the past and ensure that the provision of services in urban areas does not take place along racial lines.³⁵

Amendment of the UCA was therefore imperative. The 1980 amendment of the UCA was meant to remove the racial element in the provision of urban council services in line with the thrust of government to achieve true democracy by removing restrictions

³⁴ Matumbike “Local government in Zimbabwe 1970-2009: Historical Perspectives and reflections on the last four decades” (2009) at 9.

³⁵ See Matumbike (2009) at 9.

on tenure and representation.³⁶ It also abolished the twin-city urban council system by introducing the one-city concept,³⁷ and brought about the integration of African townships into the ambit of urban councils under a single tax-base.³⁸

The most important development regarding urban councils came with the enactment of the Urban Councils Act (Chapter 29:15) of 1996. This section seeks to evaluate the fiscal autonomy enjoyed by urban councils in present-day Zimbabwe. It will do so by engaging in an analysis of the above Urban Councils Act (hereafter referred to as the 1996 Act). The issue that needs to be determined is whether the 1996 Act endows urban local authorities with the fiscal authority to translate income and expenditure into concrete policy outcomes. An important development that shapes the discussion in this respect is the constitutional framework for urban councils which will be briefly discussed.

The Constitution of Zimbabwe, as amended in 1995, does not affirm the funding arrangements for urban councils. In fact, the Constitution is silent on the establishment of local government, preferring instead to recognise the existence of Provincial Governors and Chiefs at sub-national levels of government. A notable feature of urban local authorities in Zimbabwe, as noted before, is their lack of autonomous status. The fact that the Constitution is not explicit on local government financing arrangements therefore comes as no surprise. In the absence of constitutional status, the institutions of urban councils are perceived as extensions of central government with no capacity to make autonomous decisions related to finance. The lack of constitutional recognition of urban local government is often cited as the main cause of fragile urban local authority financing policy in Zimbabwe. The only attempt thus far at entrenching the fiscal integrity of urban local governments presented itself in a draft Constitution which was rejected in a referendum in 1999.³⁹ The draft Constitution of 1999 provided for central government funding of urban local authorities to enable them to carry out functions assigned by law.

3.2 The Urban Councils Act of 1996

The major legislative development regarding fiscal decentralisation for urban councils after the amendment of the Constitution in 1995 was the enactment of the 1996 Act, which provides a regulatory framework for urban councils in Zimbabwe. The Act is divided into 321 sections. Like its predecessor, it assigns the power of its administration to the Minister of Local Government. The power to create and abolish an urban council is reserved for the President. There are 31 urban councils serving urban communities in Zimbabwe. In ascending order, there are local boards, town councils, municipal councils

³⁶ Wekwete "The local government system in Zimbabwe: Some perspectives on change and development" (1988) at 20.

³⁷ See Wekwete (1988) at 21.

³⁸ See Wekwete (1988) at 22.

³⁹ The failed constitutional process was led by the current Chief Justice, Godfrey Chidyausiku. The draft constitution of 1999 is commonly referred to as the Chidyausiku draft constitution.

and city councils. Various issues are taken on board when considering the elevation of urban councils to the different levels, including the size and density of population, the extent to which the local authority provides employment opportunities within the city and its environs, the total valuation of properties classified as commercial, retail, industrial and administrative, the provision of social amenities, historical realities and political considerations.⁴⁰

The Act provides for the powers and functions of urban councils.⁴¹ Currently, 54 functional areas are mentioned in the Second Schedule,⁴² comprising the operational scope of urban councils in Zimbabwe. The functional areas have to be executed in terms of the enabling legislation but in practice depend on the financial capacity of urban councils. The functions assigned to urban councils can be divided into mandatory and permissive functions, with the mandatory functions being those services considered essential for any urban local authority. Examples of mandatory functions include road construction and maintenance, water reticulation, environmental management, primary health care, building regulation and enforcement of the protection of land-use.⁴³ Permissive functions are those services the provision of which is at the discretion of urban councils; for example, fire protection, parks, recreation, cultural facilities, libraries and provision of cemeteries. Content is given to the 54 functional areas of urban local authorities by policy statements, statutory law and on some occasions, court judgements.⁴⁴

With regard to fiscal powers, Zimbabwe is the prototype of a unitary state with the most lucrative fiscal sources of revenue assigned to central government. Examples of lucrative taxes accorded to national government include customs duty, excise duty, sales tax, company tax and income tax.⁴⁵ Many reasons are given for the dominance of central government in the fiscal powers of urban councils. Some of these relate to the need for national unity, stability and equitable development. There is also a concern that urban local governments could make regional disparities wider than they already are if they are provided with unfettered access to additional sources of revenue.⁴⁶ Furthermore, it is argued that placing taxes such as customs duty and excise duty in the hands of urban councils could create distortions in the economy.⁴⁷ Distrust in the ability of urban councils to administer devolved fiscal powers is evident from the fact that the

⁴⁰ First schedule (s 14) of the 1996 Act. On the other hand, there are 60 rural district councils which carry out similar functions as urban councils. The Rural District Councils Act (Chapter 29:13) of 1996 establishes rural district councils. The Minister of Local Government administers both the 1996 Act and the Rural District Councils Act (Chapter 29:13). Both the urban councils and rural district councils are creatures of statute and therefore enjoy delegated powers.

⁴¹ Section 198(1) of the 1996 Act.

⁴² Second Schedule to the 1996 Act.

⁴³ Section 198 as read with the Second Schedule to the 1996 Act.

⁴⁴ Section 198 as read with Second Schedule to the 1996 Act.

⁴⁵ Section 101 of the Constitution of Zimbabwe of 1995.

⁴⁶ Ministry of Local Government "Budget guidelines for 2010: All Local Authorities" (2009) at 9.

⁴⁷ This is the response of the ruling party (ZANU PF) to suggestions from ZAPU, a regional opposition party, that the current constitution-making process should result in the devolution of fiscal powers to provinces and local governments.

power of the Minister of Local Government to regulate local government financing is entrenched in the 1996 Act.⁴⁸

As indicated earlier, urban local governments in Zimbabwe derive their fiscal powers largely from the Act which is administered by the Minister of Local Government. Additional fiscal powers of urban local government are found in other Acts which are not administered by the Minister of Local Government.⁴⁹ The present article focuses on the 1996 Act and discusses, first, the legal framework for revenue, followed by the legal framework for expenditure. This is followed by an examination of the enabling framework for borrowing by urban local authorities. Intergovernmental financial transfers will be discussed in light of current practices, since the Act does not make provision for it.

3.2.1 Revenue

Sources of revenue include property taxes, fees, intergovernmental transfers and, to a certain extent, borrowing. As the subsequent discussion will show in more detail, the sources of revenue are subject to the direction and manipulation of the Minister of Local Government. Another phenomenon is that these sources are inadequate to meet the expenditure demands facing urban councils.

Section 269(1) of the 1996 Act provides for property taxes as a source of revenue for urban local authorities. Despite the fact that property taxes are easier to administer at the local level, seeing that properties are a visible, fixed and a clear indicator of a form of wealth, a major area of concern has been the inability of many urban councils to collect property rates.⁵⁰ Inadequate data capture has meant that many urban councils are losing revenue. Yet another challenge urban councils face in collecting property rates is their failure to set up rating zones and rating units to be assigned to residential properties for rating purposes.⁵¹ In addition, the exemption of state land and government buildings from the payment of property rates diminishes further the revenue that accrues to urban councils.⁵² It is estimated that, on average, urban councils are losing between 5% and 7% of revenue as a result of the exemption of high-value government properties, such as office blocks.⁵³

Fees are the other major source of revenue for urban councils. For example, section 219(1)(a)(1) of the 1996 Act provides for the collection of fees in exchange for the removal of refuse from properties of ratepayers. Fees for the delivery of water, maintenance of cemeteries and primary school fees are other important sources of

⁴⁸ Mushamba “The powers and functions of local government authorities” (2010) at 114.

⁴⁹ Examples of such Acts include the Water Act (Chapter 20:22), the Education Act (Chapter 20:04), the Land Survey Act (Chapter 20:12), the Electricity Act (Chapter 13: 05), the Liquor Licensing Act and the Roads Traffic Act (Chapter 13:11).

⁵⁰ See Coutinho (2010) at 73.

⁵¹ See Coutinho (2010) at 73.

⁵² See Coutinho (2010) at 73.

⁵³ See Coutinho (2010) at 73.

revenue.⁵⁴ In addition, section 96(3) of the 1996 Act authorises urban councils to run health-care facilities.

Generally speaking, however, the fees do not generate adequate revenue for most urban local authorities. This is attributable to a number of problems. For example, water user fees are normally set at sub-economic levels as urban local authorities attempt to subdue consumer backlash. As a result, the majority of urban local governments in Zimbabwe do not use the cost recovery charging systems which tie the amount of money paid directly to the water consumed.⁵⁵ Added to this is the scenario presented by different political groups grappling for power who often use ratepayers' concerns about high water fees for political gain. For example, there is often political pressure on the local tax administration to relax user fees and revenue collection in periods leading up to elections.⁵⁶

There are also other problems associated with charging fees. For instance, payment of refuse fees is erratic as residents protest the failure of urban councils to offer a sustainable service.⁵⁷ Clinic fees are also not determined on the basis of full cost recovery. It is said that clinic fees charged do not even come close to recovering a quarter of the cost of health drugs in stock.⁵⁸ This leads to a situation where primary health care is subsidised by other cost centres within urban local government.⁵⁹ The situation is similar with cemetery fees⁶⁰ and primary school fees.⁶¹

Urban councils' capacity to raise revenue from fees is further limited by the fact that they have to seek the Minister of Local Government's approval for any tariff imposed in

⁵⁴ Section 219(1)(a) of the 1996 Act.

⁵⁵ See Coutinho (2010) at 74.

⁵⁶ Jonga & Chirisa "Urban local governance in the crucible: Empirical overtones of central government meddling in local urban councils affairs in Zimbabwe 2010" at 8.

⁵⁷ See Coutinho (2010) at 74; s 229(2) of the 1996 Act. Although refuse collection fees are a viable source of revenue for urban local authorities, residents do not always settle their accounts on time in protest against erratic service. The Minister of Local Government has authority under the 1996 Act to reduce the tariff for refuse collection. Residents and ratepayers associations make the situation worse by calling on their membership to boycott payments until service delivery improves.

⁵⁸ See Nhemachena & Matongo (2000) at 17. Urban local governments are constrained as their health fees are subject to regulation by central government. The thinking of central government in prescribing health fees seems to be that allowing urban councils to effect full cost recovery on primary health care disadvantages poor citizens who may be pushed out of the health care system.

⁵⁹ See Nhemachena & Matongo (2000) at 18.

⁶⁰ See Nhemachena & Matongo (2000) at 19. The cemetery fees urban local authorities collect for providing burial space do not come close to covering the administration costs which they incur. As is the case with primary health care, other cost centres are responsible for sustaining cemeteries owned and run by urban councils.

⁶¹ Although provision of primary education is a local government function, not much revenue is generated from school fees. In conformity with central government policy, urban local governments are not allowed free rein in determining levels of school fees in the schools that they run. Council schools in urban areas have to be sustained by other income generating accounts as is the case with primary health care and cemeteries. One such income generating account that urban local governments used to sustain council schools relates to "beer profits". This was, however, made impossible when central government decided to reduce this source of revenue by collecting excise duties on the beer produced. This effectively shifted the burden of financing the service onto other urban council general taxes such as rates and supplementary charges.

suburbs where poor people live.⁶² Under normal circumstances, section 219 of the 1996 Act affords urban councils some measure of discretion over sources of revenue by stipulating that a full council resolution is the basis for setting charges. However, the Act compels an urban local authority to seek the Minister's approval before executing a tariff in a poor suburb. The objective of the policy is to ensure that the poor are not excluded from municipal services by their inability to pay municipal charges for services. Only when objections to the tariff have been resolved and the tariff has been gazetted by the Minister of Local Government does the tariff come into operation in poor suburbs.⁶³ In as much as it takes into account the plight of the unfortunate, this restriction on the powers of an Urban Council limits the revenue which urban local authorities can raise.⁶⁴ The situation would be different if central government assisted urban councils with poverty relief in these areas.

The inadequacy of revenue collected by urban councils is evident in many ways. An analysis of the budget of an urban local authority can reveal misalignment between revenue and expenditure. In this regard, the existence of a budget deficit is as a general rule compelling evidence of inadequate revenue. For example, the City of Harare budgeted to collect revenue amounting to US\$230.09 million in 2010 against an expenditure target of US\$275.63million. The result is a budget deficit of US\$45.54 million.⁶⁵ In practice, the actual deficit will amount to much more as revenue collection invariably falls short of anticipated targets. Similarly, an analysis of the water account of the City of Harare for the 2010 financial year shows that the City is set to collect a mere US\$77.33 million, or 33.6%, of total revenue of US\$230.09.⁶⁶ This is a mere drop in the ocean compared to the same period in 2001 when the contribution of the water account was at around 45% of total council revenue receipts.⁶⁷ Property rates, which were previously considered the cash cow of the City of Harare, are yielding low revenue: US\$47.96 million, or 20.8%, in the 2010 budget⁶⁸ as against averaging 30% of the total budget in the early 2000s.⁶⁹

Inadequate own revenue means that urban councils have to rely on intergovernmental transfers. However, the Act does not provide for intergovernmental transfers; the direct injection of annual central government funding takes place at the discretion of central government. The allocation process is moreover masked by secrecy, giving credence to claims that political considerations are at the centre of disbursements. Central government has availed funding equivalent to around 3% of the

⁶² Section 219(1)(c) proviso (a) of the 1996 Act.

⁶³ Section 219(b) proviso 1 of the 1996 Act.

⁶⁴ Section 228(2) of the 1996 Act authorises urban local authorities to come up with by-laws with revenue implications. The by-laws, however, must be approved by the Minister of Local Government. Examples of by-laws with revenue implications include dog and hawker's licenses. See Coutinho (2010) at 75.

⁶⁵ See Coutinho (2010) at 78.

⁶⁶ See Coutinho (2010) at 78.

⁶⁷ Ministry of Local Government: Analysis of performances of urban councils (2004) at 2.

⁶⁸ See Coutinho (2010) at 78.

⁶⁹ Ministry of Local Government (2010) at 3.

budgets of the cities of Harare and Bulawayo in intergovernmental financial transfers over the past ten years to assist the metropolitan cities overcome immense urbanisation challenges. In money terms, US\$250 000 was injected as budgetary support. Much of the funding went towards renewal of urban infrastructure.⁷⁰ Specifically, the funding went into the renewal of water supply and sewer infrastructure which had been overwhelmed by rural-urban migration dynamics.⁷¹ The grants were furthermore conditional. The funding allocation was decided by central government officials who determined the needs of each urban council in the absence of a constitutionally protected formula. Although the intergovernmental financial transfers inject much-needed revenue, the continued reliance of urban local governments on intergovernmental financial transfers has entrenched dependence and subservience.

Central government grants to urban councils come in two forms: block grants and tied grants.⁷² Block grants are unconditional in that central government does not specify the use to which they are to be put except that councils have to account for the use to central government.⁷³ These grants are an important source of finance for implementing projects identified by the villages and wards in the district.⁷⁴ However, tied grants, as the name suggests, come with strings attached in that they have to be spent on specific services as indicated by central government or its agencies.⁷⁵ The grants are always tied to specific policy objectives which increase central government's oversight. These grants are an important source of funds to finance services such as education, health, roads and administration. Capacity to absorb these funds and to comply with central government criteria is an important variable in determining future disbursements.⁷⁶

As already indicated, central government support for urban councils has been in steady decline for the past two decades.⁷⁷ Intergovernmental financial transfers began to decline with the worsening of the macro-economic conditions caused mainly by the flight of donors following the implementation of the land reform programme. The decline of intergovernmental fiscal transfers is especially evident in what is usually referred to as "public sector investment programmes". In the late 1990s the term began to be used to denote conditional grants to urban local authorities to assist with the renewal of urban infrastructure.⁷⁸ The grants were used in capital-intensive projects such as expanding the sewerage works of urban councils, which private financiers were

⁷⁰ See Ministry of Local Government (2009) at 4. Official records indicate that overall government support for urban councils has been declining (i.e. from ZW\$23 500 000 in 1997/1998 to ZW\$11 546 000 in 2000. Government support was less than a third of the revenue needs of urban councils. The figures are made worse by the observation that Zimbabwe experienced unprecedented hyperinflation during the period under review. At one point inflation was pegged at 140 000%, thus rendering worthless the value of the intergovernmental financial transfers.

⁷¹ See Ministry of Local Government (2009) at 4.

⁷² Zimbabwe Institute "Local government policy review" (2005) at 20.

⁷³ See Zimbabwe Institute (2005) at 20.

⁷⁴ See Zimbabwe Institute (2005) at 20.

⁷⁵ See Zimbabwe Institute (2005) at 20.

⁷⁶ See Zimbabwe Institute (2005) at 20.

⁷⁷ See Nhemachena & Matongo (2000) at 6.

⁷⁸ See Ministry of Local Government (2009) at 7.

reluctant to fund because the balance sheets of most urban local governments made them non-creditworthy. In terms of these programmes, central government officials determined how much money was allocated to urban local authorities.⁷⁹ In addition, stringent conditions accompanied expenditure, providing little room for communities to be part of planning processes related to these programmes or even to express preferences in respect of the prioritisation of projects.⁸⁰ This type of funding was discontinued three years ago because of funding challenges, with some projects abandoned before completion.⁸¹

The drastic reduction in intergovernmental financial transfers has not been accompanied by an increase in the revenue powers of urban councils. Urban councils have nothing to replace the funding which is no longer coming their way. In as much as this paralyses their operations, it has not prevented the centre from burdening urban councils with unfunded mandates. The lack of constitutional or statutory standing for intergovernmental fiscal transfers in Zimbabwe deprives urban councils of the legal basis for holding central government to account for neglecting its obligation to disburse equalising grants.

As the foregoing suggests, inadequate revenue dominates the context within which urban councils operate. Inadequate revenue, in turn, results in poor service provision, which is evident in poor water supply, refuse removal and sewerage systems.⁸² Besides reducing the fiscal autonomy of urban councils, inadequate funding makes urban local authorities subservient to central government in many ways. It increases the commitment of urban councils to central government and exposes them to centralising tendencies which scuttle efforts to link communities' expenditures to own revenues. It creates a situation in which urban councils increasingly look to central government to bail them out financially, strengthening the perception that central government is a superior level or form of government.⁸³

3.2.2 Expenditure

A key aspect of good fiscal decentralisation would see urban councils not only developing but executing their expenditure programmes with minimal central government oversight.⁸⁴ Consistent with modern trends of fiscally-empowered sub-national units, the principle of subsidiarity needs to be reflected in the expenditure of

⁷⁹ See Ministry of Local Government (2009) at 2.

⁸⁰ See Ministry of Local Government (2009) at 3.

⁸¹ For example, the budget for the City of Harare for 2010 does not make provision for government grants. It can be argued that this shows how sceptical urban councils have become about the ability of central government to support them through intergovernmental financial transfers. Instead, the budget makes reference to a loan of US\$50 million, ironically obtainable from central government. In addition the city will be financed by a loan of US\$12.97 million, obtainable from private financial institutions.

⁸² See Coutinho (2010) at 84.

⁸³ See Matongo & Nhemachena (2000) at 5.

⁸⁴ United Nations Development Programme Primer "Fiscal decentralisation and poverty reduction" (2010) at 6.

urban councils.⁸⁵ This is not the case with urban local authorities in Zimbabwe where the intrusive nature of the Ministry of Local Government is not only legislated, but permeates all local expenditure programmes in practice. For instance, section 311 of the 1996 Act gives a blank cheque to the Minister of Local Government to intervene by authorising investigations into any feature of the activities of urban councils.⁸⁶ Further, by means of an obscure oversight authority, the Minister can dominate local expenditure priorities and regulate such programmes by setting aside the expenditure powers of urban councils. When this happens, expenditure priorities are authorised and given form from the centre.

Consistent with national best practices, the Ministry of Local Government also enforces a wage-service bill ratio of 30% to 70%.⁸⁷ This ratio provides a formula for managing the budgets of urban councils and releasing more resources towards capital development. According to the formula, 70% of the budgets should be used to fund projects such as water supply, sewerage works, road maintenance, street lighting, refuse removal and primary health care, while only 30% should go towards salary obligations and other recurrent expenditures.

Urban councils are compelled to demonstrate compliance with this requirement before the Minister of Local Government gazettes their tariffs. This prevents the creation of “salary urban councils”. Furthermore, the Ministry emphasises the need for urban councils to pay modest salaries in order to spur economic recovery.⁸⁸ Despite this, urban councils are urged to design and operationalise innovative organisational structures that seek to reduce overhead costs.⁸⁹ The general idea is to restrict the expenditure patterns of urban councils so that they do not have an adverse effect on the national economy.⁹⁰

Another feature of central government control is that the Minister of Local Government can disrupt council priorities on expenditure even where they were subject to legitimate public engagement processes. In addition, urban councils refrain from exercising their full expenditure powers out of fear of the consequences of the oversight role of central government. Central government controls on the use of finances necessarily weakens the expenditure discretion of urban councils. The end result is that they are constrained in their response to the express demands and preferences of residents and are left to battle service delivery backlogs with little or no assistance from the other spheres of government, yet are often blamed by residents for not being proactive.

⁸⁵ See UNDP (2010) at 3.

⁸⁶ See Mushamba (2010) at 115.

⁸⁷ See Ministry of Local Government (2009) at 2.

⁸⁸ Modest salaries make it difficult to attract and retain professional staff. This, arguably, impacts on the ability of urban councils to fulfil their service delivery mandate in the short term and to develop capacity to fulfil other functions in the long term.

⁸⁹ See Ministry of Local Government (2009) at 2.

⁹⁰ See Ministry of Local Government (2010) at 2.

It would appear that the institutionalisation of financial controls is a well thought-out central government strategy to limit the autonomy of urban councils, especially as it relates to their expenditure. These financial controls go to the core of the autonomy of urban local authorities and create a situation where the ability of urban councils to fulfil their mandates is paralysed.

3.2.3 Borrowing

Section 290(1) of the 1996 Act sets out a framework within which urban councils may source external funding for expenditure programmes. Borrowing by urban councils for recurrent expenditure is not permitted. Urban local authorities are only permitted to borrow in order to finance capital projects subject to restrictions set out in the Act. The list of capital projects for which they may borrow include the acquisition and construction of permanent works or undertakings; the acquisition of immovable property or any interest therein; the making of advances authorised by this or any other Act; the payment of compensation; the liquidation of the principal monies owing on account of any previous borrowings; the relief of general distress occasioned by some calamity in the council area; as well as the acquisition of plant, equipment, vehicles and the like.⁹¹

Section 290 of the 1996 Act outlines criteria which all urban councils must meet before they are granted borrowing powers. The discretion to grant borrowing powers is the joint prerogative of the Ministers of Local Government and of Finance. A council resolution must be in place before the borrowing power application is presented to the Minister of Local Government for his approval.⁹² The resolution to borrow money must have been approved by the majority of the councillors in a full council meeting, without the Mayor having used his casting vote. The borrowing power application should furthermore state upfront the projects and amount of money to be borrowed and whether any objections raised by members of the public have been resolved. The application, which is then forwarded to the Minister of Local Government, must be accompanied by objections received from the public. The law authorises the Minister to use his discretion to approve part of or the entire application for borrowing powers. In addition, the 1996 Act grants authority to the Minister to set conditions and restrictions on the period of validity of the borrowing powers.

The provisions for borrowing in the UCA were adopted unaltered in the 1996 Act. The institutions from which urban councils can borrow were for example maintained. The legislated institutions from which borrowing powers can be obtained are the State, the Local Authorities Pension Fund, a municipal provident fund, a municipal medical aid fund, sick fund and another local authority.⁹³ Further, with the authority of the Ministers of Local Government and of Finance, funding can be raised from the issue of stock, bonds, debentures and bills. Funds borrowed may not be used on projects other than

⁹¹ Section 290(1) of the 1996 Act

⁹² Section 290(2)(a) of the 1996 Act

⁹³ Section 290(5)(a) of the 1996 Act.

those for which the borrowing power was processed. Short-term borrowing by means of a bank overdraft or short-term loan is granted only when the Minister of Local Government has sanctioned the borrowing powers.⁹⁴

The regulation of sub-national borrowing entrenches the intrusive control of urban local authorities by central government. Although borrowing should be regulated, central government should not impede urban councils' reasonable access to other sources of revenue. Related to this is the fact that borrowing is restricted to capital development. In a nutshell, the rights of urban councils to borrow for purposes of urban renewal manifest worrying central government subjugation.

4 CONCLUSION

The Constitution of Zimbabwe does not recognise local government, nor does it extend any form of autonomy, let alone fiscal autonomy, to urban local authorities. The problem is compounded by the fact that the 1996 Act does not guarantee the financial autonomy of urban councils. The provision of revenue powers in the 1996 Act was not sufficient as the sources of revenue assigned to urban councils are not self-sustaining. In the absence of high-yielding sources of revenue, urban councils have struggled with their service delivery mandate. In addition, the revenue autonomy of urban local authorities to decide on alternative financing options is restricted. Although the Act is the basis for the statutory powers of urban councils to raise revenue, central government regulation through the Minister of Local Government is a major constraining factor. Urban councils are assigned weak revenue powers, leading to a wide gap between revenue and expenditure figures.

The absence of constitutionally protected intergovernmental financial transfers is another demonstration of the lack of local financial autonomy. In the absence of a constitutional instruction for dispensing grants, central government has adopted an ad hoc approach to intergovernmental fiscal transfers. The increase in conditional grants as opposed to unconditional grants has further entrenched central government's dominance of local fiscal powers. The use of conditional grants is increasingly associated with the central government agenda to influence the pattern of expenditure of urban councils. Inflexible conditions attached to grants are at variance with the tenets of good intergovernmental financial transfers. However, due to the fact that intergovernmental financial transfers are not provided for in the Act, urban councils have no legal basis for challenging central government to honour its obligation.

Limited financial resources in the context of the world-wide economic recession, as well as the dire state of the Zimbabwean economy, also pose a threat to the financial viability of urban councils. In the absence of a constitutional directive to prioritise local spending, it is very likely that urban councils will continue to receive the crumbs which fall from the table of central government.

⁹⁴ Section 291 of the 1996 Act.

Insofar as financial power has been transferred to urban local authorities, they enjoy a restricted discretion on expenditure. The determination of urban councils' expenditure powers is a function which is subject to central government approval. Unless authorised by the Minister of Local Government, all expenditure is carried out within the framework of a hard budget.⁹⁵ The Act grants the Minister of Local Government excessive powers to regulate the funding arrangements of urban local governments. The Minister may set aside council decisions on financing arrangements even where they were informed by valid public consultation processes. Some expenditure cannot be executed without the Minister's approval. In some instances the Minister may suspend the expenditure powers of urban councils and opt to direct expenditure processes from the centre. Although in legal terms some expenditure authority has been devolved, the parameters prescribed by central government severely limit the exercise of such authority by urban councils. Urban local government expenditure authority is therefore nothing more than a delegated function.

Another dimension with significant implications for the fiscal autonomy of urban councils relates to the failure of urban councils to exercise their right to borrow funds from lending institutions. Although there is statutory provision for sub-national borrowing, it cannot be exercised without the approval of central government. The "right to borrow" is at the behest of the Minister of Local Government who may approve which institution an urban council should borrow from. The right to borrow is furthermore granted under the specific condition that such borrowing be used for funding capital expenditure and not recurrent expenditure. In addition, the Minister has the final word on the size of the loan sought. The process for borrowing power applications is often criticised for being too burdensome. The regulation that all borrowing by urban local governments be subject to clearance by central government is clearly contrary to the spirit of creating financially sound urban councils.

Much needs to be done to ensure that urban councils are endowed with the necessary financial resources and authority to fulfil their mandate. The decentralisation of major functions in Zimbabwe has not always been followed by the decentralisation of fiscal powers, resulting in unfunded mandates. While the statutory framework for urban councils (the 1996 Act) assumes a form of financial delegation, fiscal autonomy is in practice diminished by overriding national mandates, thereby rendering urban local authorities fiscally accountable and dependant on central government.

The picture that emerges is one of an urban council sector that is, financially speaking, under heavy barrage from central government. There is a need to develop robust and clearly defined constitutional and legal provisions to support fiscal decentralisation in order to strengthen urban local governments. An enabling environment for fiscal decentralisation in Zimbabwe should begin with constitutional or legal mandates for some minimum level of autonomy, rights and responsibilities for

⁹⁵ "Hard budget" is a term in economics that is used to refer to a budget that cannot be tampered with once approved by, for example, the relevant urban council.

urban local authorities. The constitutional review process currently underway in Zimbabwe provides an opportune platform to constitutionally entrench urban councils and their fiscal powers.

BIBLIOGRAPHY

Books and chapters in books

Chakaipa S “Local government institutions and elections” in Steytler N, Machingauta N and De Visser J (eds) *Local government reforms in Zimbabwe: A policy dialogue* Cape Town: Creda Communications (2010) 31

Coutinho B “Sources of local government financing” in Steytler N, Machingauta N and De Visser J (eds) *Local government reforms in Zimbabwe: A policy dialogue* Cape Town: Creda Communications (2010) 71

Hlatshwayo B “Local government in Zimbabwe” in Stewart J (ed) *Grounding good governance and democracy in communities: An exploration of some Zimbabwean experiences* Vienna: R and S (Pvt) Ltd (1998) 240

Institute for Democratic Alternative for Zimbabwe *Local governance in transition: Zimbabwe’s local authorities during the inclusive government* Washington DC: RTI Press (2010)

Marsh EG, Roper ED and Kotze DA “Local government in Rhodesia” in Vosloo WB, Kotze DA and Jeppe WJO (eds) *Local government in Southern Africa* Cape Town: H and R Academia (Pvt) Ltd (1974) 160

Mushamba S “The powers and functions of local government authorities” in Steytler N, Machingauta N and De Visser J (eds) *Local government reforms in Zimbabwe: A policy dialogue* Cape Town: Creda Communications (2010) 101

Steytler N “Comparative conclusions” in Steytler N (ed) *A global dialogue on federalism: Local government and metropolitan regions in federal systems*, vol 6, Montreal: McGill-Queen’s University Press (2009) 393

Journal articles

Fjeldstad OH “Fiscal decentralisation in Tanzania: For Better or for worse?” (2003) 38 *Journal of Public Administration* 1

Jonga W and Chirisa I “Urban local governance in the crucible: Empirical overtones of central government meddling in local urban councils affairs in Zimbabwe” (2009) 3 *Theoretical and empirical researches in urban management* 1

Wekwete K “The local government system in Zimbabwe: Some perspectives on change and development (1988) 2 *Planning and Administration* 18

Wekwete K “Urban local government finance in Zimbabwe: The case of Harare City Council” (1992) 12 *Journal of Public Administration and Development* 97

Statutes

The Rural District Councils Act, Chapter 29:13 of 1996.

The Urban Councils Act, Chapter 214 of 1973.

The Urban Councils Act, Chapter 29:15 of 1996.

Other sources

Bland G “Zimbabwe in transition. What about the local level” (2010) unpublished research paper, Washington DC: RTI Press

Government of Rhodesia “Ministerial statement on African education and community development” (1963) Harare: Ministry of Local Government

Government of the Republic of Zimbabwe and the United Nations Development Programme/ United Nations Human Settlements Programme “Preparatory assistance project on preliminary work for the strengthening of national capacities of local governance sector in Zimbabwe” (2009) Harare, unpublished paper jointly developed by the UNDP and Government of Zimbabwe

Matumbike CWE “Local government in Zimbabwe 1970-2009: Historical Perspectives and reflections on the last four decades” (2009) unpublished paper presented at a workshop on strategic planning Harare: Ministry of Local Government

Ministry of Local Government “Budget guidelines for 2010: All Local Authorities” (2009) Policy paper generated in December every year to inform the budgeting process of councils, Harare: Ministry of Local Government

Ministry of Local Government “Fiscal autonomy for urban councils?” (2008) unpublished paper Harare: Ministry of Local Government. On file with authors

Ministry of Local Government “Analysis of performances of urban councils” (2004) unpublished paper circulated internally. On file with authors

Nhemachena G G and Matongo A “Review of the decentralisation policy and funding mechanisms for urban councils” (2000) unpublished conference paper for a workshop organised by the Association of Urban Councils of Zimbabwe, Harare, ZADF/Pact Programme. On file with authors

Nyoni M and Dingani W “Assured revenue sharing method between central government and local authorities including credit worthiness” (2000) unpublished conference paper for a workshop organised by the Association of Urban Councils of Zimbabwe, Harare, ZADF/Pact Programme. On file with the authors

Passmore G “Historical rationale of the policy of community development in the African rural areas of Rhodesia” (1979) unpublished paper, Harare, Zimbabwe

United Nations Development Programme Primer “Fiscal decentralisation and poverty reduction” (2010) unpublished UNDP document, Washington DC

Zimbabwe Institute “Local government policy review” (2005) unpublished research paper Cape Town, South Africa