

Fiscal Autonomy, Institutions, and Development in Africa: A Systematic Review of Decentralization Reforms

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Abstract

Fiscal decentralization is often touted as a way to improve accountability and service delivery in Africa, but the results are varied. This systematic review assessed decentralization reforms across eight African countries from 2015 to 2025, examining 48 studies in accordance with the PRISMA 2020 guidelines. We found that 50% of the studies reported improvements in service delivery and revenue collection. Insufficient institutions facilitate elite capture, corruption and suboptimal resource allocation. Success depends on institutional quality, political commitment, and the order of reforms. Common challenges include difficulties in revenue retention, capacity constraints, political interference, and dependence on central transfers. Participatory budgeting, sequenced reforms, property taxation, and digital systems demonstrate enhanced effectiveness when they are supported by institutional safeguards. This review synthesizes fiscal federalism and institutional theory to elucidate varied outcomes and offers policymakers directions for formulating context-specific capacity-building reforms that are resilient to political capture.

Keywords: Fiscal decentralization, Africa, municipal finance, revenue autonomy, service delivery

Otonomi Fiskal, Institusi, dan Pembangunan di Afrika: Tinjauan Sistematis atas Reformasi Desentralisasi

Abstrak

Desentralisasi fiskal sering dipromosikan sebagai cara untuk meningkatkan akuntabilitas dan pelayanan publik di Afrika, namun hasilnya beragam. Tinjauan sistematis ini mengevaluasi reformasi desentralisasi di delapan negara Afrika dari tahun 2015 hingga 2025, dengan mengkaji 48 studi sesuai pedoman PRISMA 2020. Kami menemukan bahwa 50% studi melaporkan peningkatan dalam pelayanan publik dan pengumpulan pendapatan. Institusi yang lemah memfasilitasi penguasaan elite, korupsi, dan alokasi sumber daya yang tidak optimal. Keberhasilan bergantung pada kualitas institusi, komitmen politik, dan urutan reformasi. Tantangan umum meliputi kesulitan dalam mempertahankan pendapatan, keterbatasan kapasitas, intervensi politik, dan ketergantungan pada transfer pemerintah pusat. Penganggaran partisipatif, reformasi bertahap, pajak properti, dan sistem digital menunjukkan efektivitas yang lebih baik ketika didukung oleh perlindungan institusional. Tinjauan ini mensintesis teori federalisme fiskal dan teori institusional untuk menjelaskan keragaman hasil dan menawarkan arahan bagi pembuat kebijakan dalam merumuskan reformasi peningkatan kapasitas yang kontekstual dan tahan terhadap penguasaan politik.

Kata kunci: Desentralisasi fiskal, Afrika, keuangan kota, otonomi pendapatan, penyediaan layanan

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INTRODUCTION

Fiscal decentralization has been an important aspect of reforms in African administration over the last 30 years. This is in line with global trends of giving local governments more

authority over spending and income. Decentralization may make services more accountable, efficient, and responsive by bringing decision-making closer to the people (Ibrahim, 2024; Malawi, 2024). This reasoning is based on the decentralization theorem (Oates, 1972; Oates, 1999) and the fiscal federalism theory (Musgrave, 1959; Shah, 2007; Weingast, 2009), which stresses that local governments can better meet the demands of their communities when they have adequate autonomy. However, these ideas are based on the notion that institutions are competent, incentives are clear, and the political context is stable. However, this is not always the case with African governments. Africa's fiscal decentralization performance has varied. Ghana has made some headway in obtaining funds and providing services locally, but it still depends significantly on transfers from the center and is limited by favoritism-based relationships (Ayee, 2013; Mahama et al., 2024a; Mohammed, 2020). Kenya's 2010 devolution gave counties more authority, making healthcare more accessible and improving infrastructure. However, rampant corruption and differences across countries make it more difficult for everyone to be treated fairly (Masaba et al., 2020; McCollum et al., 2018; Muwonge et al., 2022). Nigeria shows how some governments have increased their own income through creative taxing, but corruption and poor institutions make it hard to keep going (Bak & Boogaard, 2023; Shenkoya, 2023). South Africa is sometimes used as a model because of its relatively solid budgetary framework and intergovernmental cooperation. However, ongoing demonstrations of service delivery show that decentralization alone does not fix deep-seated inequities (Cameron, 2014; Kaywood, 2021). These stories show that decentralization changes are neither always effective nor always bad; instead, they depend on the quality of governance and the abilities of institutions. This difference shows that inconsistencies exist between the theory and practice. Decentralization is often seen as a way to make things more efficient and accountable, but experiences in Africa show that outcomes depend on elite capture, corruption, weak administrative capacity, and poorly structured fiscal transfers (Martinez-Vazquez & McNab, 2003; Resnick, 2021; Smoke, 2003). Decentralization has sometimes worsened inequities, especially between wealthy towns with larger revenue bases and poorer areas that have trouble due to a lack of sufficient resources (Wu et al., 2019).

There are significant deficiencies in the understanding of decentralization in Africa. Despite significant reforms across the continent over the past 30 years, a comprehensive understanding of the factors influencing the diverse development outcomes of fiscal decentralization in African countries remains elusive. Prior research has predominantly concentrated on specific countries or sectors (Smoke, 2003), neglecting Central and Francophone Africa (Golooba-Mutebi, 2008; OECD, 2022). Conventional assessments frequently neglect emerging factors such as gender equality, poverty alleviation and digital fiscal governance (Prichard et al., 2022; Boogaard & Santoro, 2023). The existing literature indicates a notable deficiency in comprehensive analyses of the institutional and contextual factors influencing reform outcomes. This systematic review assesses fiscal decentralization in Africa from 2015 to 2025, following the PRISMA 2020 guidelines (Page et al., 2021).

This analysis synthesizes the results of 48 peer-reviewed studies and institutional reports to uncover patterns that may remain obscured in research that focuses on individual countries.

The review has four goals: to examine how fiscal decentralization affects development in different parts of Africa, to find ongoing problems and constraints, to record new best practices, and to check the rigor of the methods used in previous studies. By integrating fiscal federalism and institutional theory, this study elucidates the reasons behind the varied results of decentralization and delineates the institutional and political contexts that determine the success or failure of the reforms. This study is important for three reasons. First, it is the most complete summary of African fiscal decentralization in the last ten years, filling gaps and inconsistencies in the available research. Second, it advances theoretical arguments by connecting efficiency-focused fiscal federalism to institution-based views. This shows that the results depend on how the government and political economy function. Third, it provides policymakers with useful lessons by showing them how to use context-sensitive tactics, such as sequenced reforms, participatory budgeting, property tax innovations, and digital fiscal tools, to improve local capacity and accountability. In doing so, this study goes beyond abstract arguments to provide a comprehensive, evidence-based way to understand and improve fiscal decentralization in Africa.

METHOD

The Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) 2020 Declaration (Page et al., 2021) guided this systematic literature review (SLR). PRISMA was selected because of its focus on methodological openness, repeatability, and comprehensiveness (Elsman et al., 2022). The review method included thorough search strategies, eligibility criteria, and quality evaluation processes as required by the PRISMA-S extension, which sets the requirements for documenting database searches (Rethlefsen et al., 2021). This method reduced bias and ensured that the study identification, screening, and inclusion steps were performed similarly.

Review Protocol and Design

A set of rules that had already been agreed upon directed the evaluations. It sets review questions, rules for who could and could not be included, and procedures for obtaining data and checking their quality. This method differs from narrative reviews because it requires clear documentation of the decision criteria at each level, making it easier to replicate and less subjective (Higgins et al., 2024; Rosa et al., 2024).

Search Strategy

We searched Scopus, Google Scholar, SciSpace, and institutional repositories. We manually searched the reference lists of the important papers. Boolean operators were used to combine the crucial phrases. For example:

- a) “Fiscal decentralization” AND “Africa”
- b) “Municipal finance” AND “local government”
- c) “Decentralization reforms” AND “sub-Saharan Africa”

The search was restricted to peer-reviewed studies and institutional reports published between January 2015 and June 2025. This era was chosen to include the last decade of change and mirror the current discussions on governance and budgetary autonomy. We only looked at papers in English; however, we did look at and categorize French-language abstracts where appropriate. This limitation may skew the results in favor of Anglophone literature; however, it represents the practical dominance of English in academic discourse on the African government.

Inclusion and Exclusion Criteria

The eligibility criteria were developed using the Joanna Briggs Institute (JBI) framework for evidence synthesis (Dwicaksono & Fox, 2018; Peters et al., 2020). Studies were included if they met the following criteria:

1. Examining fiscal decentralization in African countries
2. Empirical evidence was provided (quantitative, qualitative, mixed methods, or systematic review).
3. It reported on revenue autonomy, expenditure assignments, service delivery, accountability, and governance outcomes.
4. The articles were published between 2015 and 2025 in peer-reviewed journals and reputable institutional outlets.

The exclusion criteria were theoretical essays without empirical data, non-African studies, conference abstracts, editorials, and gray literature outside the defined timeframe.

Study Selection

The selection process consisted of three steps: (1) screening the titles and abstracts, (2) reviewing the entire text, and (3) confirming eligibility. Duplicate records were excluded prior to screening. Two reviewers evaluated all papers separately, and any differences were resolved by consensus. The inter-rater reliability was $\kappa = 0.87$, indicating a robust concordance (Hong et al., 2018). The PRISMA 2020 flow diagram shows how the process worked, from 2,847 original records to 48 included studies.

Data Extraction and Coding

A standardized template was used to capture the research parameters, including the country, design, sample size, decentralization features, and important results. The coding areas included income autonomy, service delivery, accountability, governance quality, and capacity. Two reviewers independently coded the data to reduce bias. Differences were determined through conversations. Narrative synthesis was used to amalgamate the outcomes of the diverse designs (Braun & Clarke, 2021). Descriptive statistics were used to summarize the outcome frequencies.

Quality Appraisal

A multi-tool framework was used to test methodological rigor so that it could function with various research designs. We used the Joanna Briggs Institute (JBI) checklists for both qualitative and quantitative studies, the Mixed Methods Appraisal Tool (MMAT, 2018 edition) for mixed-methods research, and the Newcastle–Ottawa Scale (NOS) for non-randomized designs (Lo et al., 2014). We also used the Critical Appraisal Skills Programme (CASP) checklist (CASP, 2018) to examine the qualitative research. The studies were classified into three groups: high-, medium-, and poor-quality. This was based on the clarity of their methods, reliability of their data, and the importance of their policies. Of the 48 studies considered, 27%, 35 %, and 38% were assessed as high-, medium-, and poor-quality, respectively.

Ethical Considerations

Since this review only used a secondary analysis of published sources, it did not require formal ethical clearance. However, ethical standards were maintained by giving credit where it was due, being honest in reporting, and not letting prejudice affect what was published.

FINDING AND DISCUSSION

Finding

A total of 48 studies from eight African nations met the inclusion criteria. The most researched countries were South Africa (n = 12; 25.0%) and Zambia (n = 11; 22.9%). Subsequently, they were from Uganda (n = 6, 12.5%), Ethiopia (n = 5, 10.4%), Tanzania (n = 5, 10.4%), Kenya (n = 4, 8.3%), Ghana (n = 3, 6.3%), and Nigeria (n = 2, 4.2%). The research designs differed, with reviews comprising the largest group (n = 16, 33.3%), followed by case studies (n = 12, 25.0%), policy analyses (n = 10, 20.8%), and empirical investigations (n = 10, 20.8%). Peer-reviewed papers comprised 79.2% (n = 38) of the total, and the remainder comprised institutional reports.

Figure 1. Flow diagram based on PRISMA 2020, depicting the systematic review screening and selection methods. Records were identified from databases (Scispace, Google scholar and Scopus) through a database search. Following the removal of duplicates and a systematic screening of titles, abstracts, and full texts based on the inclusion criteria (focusing on African countries, fiscal decentralization, publications from 2015 to 2025, and peer-reviewed or high-quality institutional reports), 48 studies from eight African countries (Ethiopia, Ghana, Kenya, Nigeria, Rwanda, South Africa, Tanzania, and Uganda) were identified as meeting all the criteria and included in the qualitative synthesis. Studies were excluded for lacking sufficient emphasis on fiscal decentralization, being set in a non-African context, falling outside the specified publication date range, or exhibiting low methodological quality.

Table 1. *Distribution of studies by country, design, and publication type.*

Country	Number of Studies	Study Design (n)	Publication Type
South Africa	12	Case Studies (4), Empirical (3), Reviews (3), Policy Analyses (2)	Peer-reviewed (10), Reports (2)
Zambia	11	Case Studies (3), Reviews (4), Policy Analyses (2), Empirical (2)	Peer-reviewed (8), Reports (3)
Uganda	6	Case Studies (2), Empirical (2), Reviews (2)	Peer-reviewed (5), Reports (1)
Ethiopia	5	Case Studies (1), Empirical (2), Reviews (2)	Peer-reviewed (4), Reports (1)
Tanzania	5	Case Studies (2), Reviews (2), Policy Analysis (1)	Peer-reviewed (4), Reports (1)
Kenya	4	Empirical (2), Reviews (1), Policy Analysis (1)	Peer-reviewed (3), Reports (1)
Ghana	3	Case Studies (1), Empirical (1), Review (1)	Peer-reviewed (3)
Nigeria	2	Empirical (1), Policy Analysis (1)	Peer-reviewed (1), Report (1)

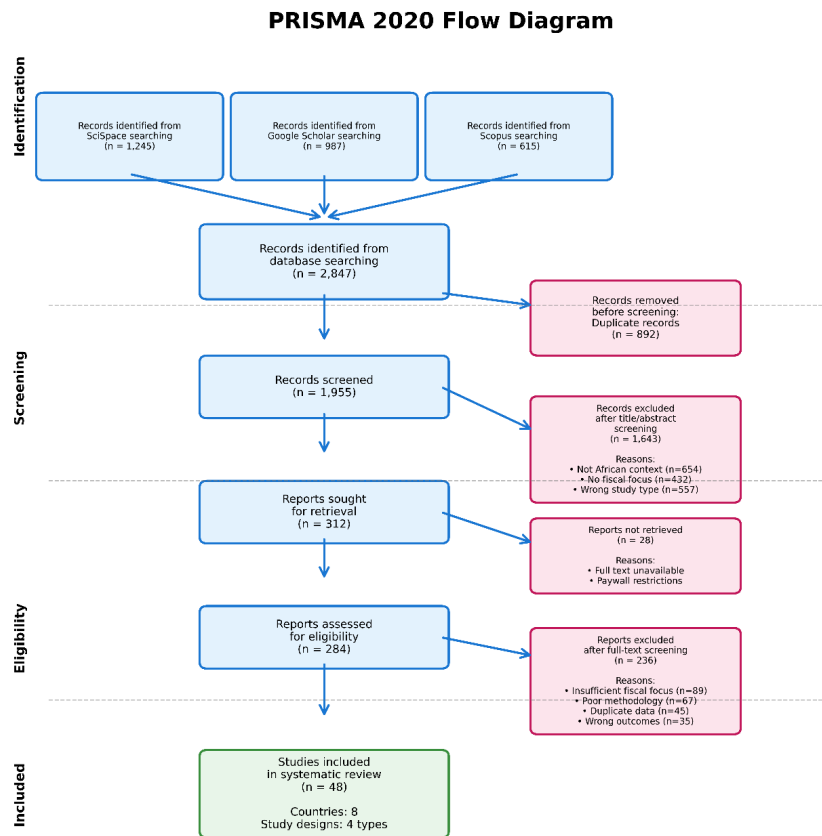


Figure 1. PRISMA flow diagram of the screening and selection processes

Quality Assessment

Quality evaluation showed that the methods were not always strict enough. Of the 48 studies, 13 (27.1%) were high-quality, 17 (35.4%) were medium-quality, and 18 (37.5%) were poor-quality. Reviews and case studies often exhibit more methodological rigor than policy assessments, which sometimes suffer from a lack of openness regarding data sources (Table 2).

Table 2. *Breakdown of the quality scores by study design*

Study Design	High Quality (n)	Medium Quality (n)	Low Quality (n)
Case Studies	3	6	3
Empirical	0	7	3
Policy Analyses	3	1	6
Reviews	7	3	6

Reported Outcomes of Fiscal Decentralization

Positive Outcomes

Almost half of the studies ($n = 23$; 47.9%) found that fiscal decentralization had positive effects. These include enhanced access to healthcare, education, and infrastructure in Kenya and Ghana (Mahama et al., 2024b; Masaba et al., 2020); improved property tax mobilization in South Africa and Ghana (Bak & Boogaard, 2023; Mahama et al., 2024b); and reinforced accountability through participatory budgeting in South Africa and Kenya (Yilmaz et al., 2008). The findings support the theory of second-generation fiscal federalism (Oates, 2005; Weingast, 2009), indicating that the advantages of decentralization are contingent on institutional quality (Table 3). Countries with strong accountability systems have better results. This indicates that the institutional framework is as significant as decentralization.

Table 3. *Positive outcomes and provides illustrative examples*

Outcome Category	Illustrative Examples	Countries
Improved service delivery	Expanded healthcare, education, infrastructure	Kenya, Ghana
Revenue mobilization	Enhanced property tax, local revenue generation	South Africa, Ghana
Enhanced accountability	Participatory budgeting, civic trust	South Africa, Kenya

Negative Outcomes

Eleven studies (22.9%) reported negative results. These include elite capture and corruption in Nigeria and Uganda (Atan & Esu, 2021; Shenkoya, 2023), resource misallocation in Ethiopia (Bushashe & Bayiley, 2024), and excessive dependence on central transfers in various instances (Prichard et al., 2022). These results illustrate the dangers of decentralizing fiscal authorities without providing sufficient protection.

Table 4. *Negative outcomes and country-specific illustrations*

Outcome Category	Illustrative Examples	Countries
Elite capture and corruption	Diversion of resources for political gain	Nigeria, Uganda
Resource misallocation	Funds diverted away from essential services	Ethiopia
Dependence on transfers	Local governments reliant on central transfers	Multiple cases

Elite capture often shows the political and economic limits that are sometimes not considered when planning technical reforms (Smoke, 2003). For changes to work, there needs to be both budgetary devolution and strong political commitment, as well as ways to hold people accountable to keep the power in check.

Mixed Outcomes

Fourteen studies (29.2%) reported conflicting results (Table 5). For instance, in Kenya, decentralization has made healthcare more accessible but has worsened inequalities across counties (McCollum et al., 2018; Muwonge et al., 2022). Accountability mechanisms have improved in Ghana, but the fight against poverty remains weak (Ayee, 2013). Ethiopia's budgetary autonomy improved local decision-making but made differences between ethnic groups even bigger (Telila, 2024).

Table 5. *Mixed outcomes and contextual explanations.*

Outcome Category	Illustrative Examples	Countries
Mixed impacts	Improved services but rising inequality	Kenya
Limited poverty reduction	Accountability gains without poverty alleviation	Ghana
Ethnic/regional disparities	Autonomy deepened ethnic inequalities.	Ethiopia

Common Challenges

Five major challenges recurred consistently across all cases.

1. Limited revenue autonomy (reported in 62.5% of the studies).
2. Capacity deficits in planning, budgeting, and service delivery (58.3%).
3. Weak intergovernmental fiscal relationships (54.2%).
4. Political interference undermined local autonomy (45.8%).
5. Regional inequalities in revenue and service outcomes (37.5%).

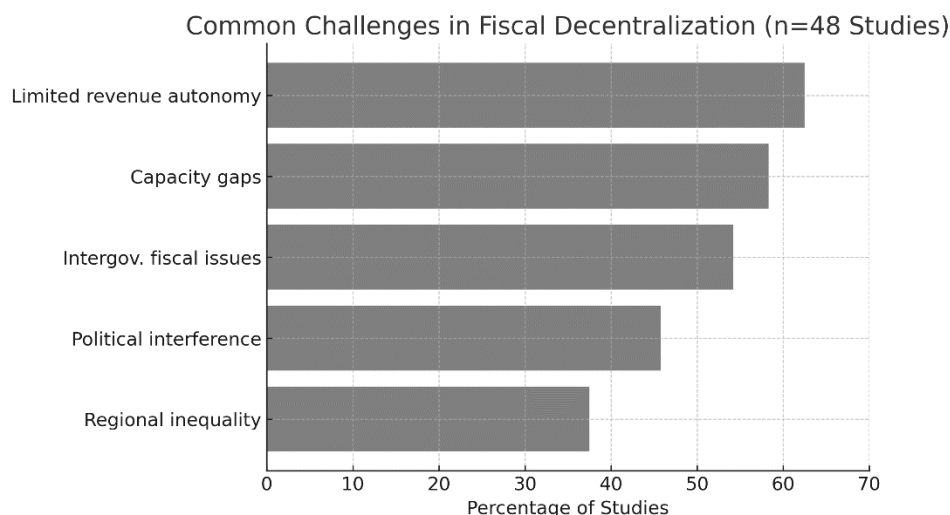


Figure 2. Frequency of the challenges

Table 6. *Country-specific illustrations.*

Challenge	Illustrative Examples	Countries
Limited revenue autonomy	Over-reliance on central transfers	Ghana, Uganda
Capacity deficits	Weak technical and administrative capacity	Kenya, Tanzania
Poor intergovernmental fiscal relations	Ambiguous expenditure assignments	Nigeria
Political interference	Central dominance in fiscal allocations	Uganda, Nigeria
Regional inequality	Richer municipalities outperform poorer ones.	South Africa

Best Practices and Enabling Factors

Although problems persisted, several best practices were identified in all situations. Participatory budgeting in South Africa and Kenya has improved accountability and public confidence (Yilmaz et al., 2008). Sequential changes in Ghana illustrate the significance of incremental implementation with capacity enhancement (Ayee, 2013; Mohammed, 2020; Smoke, 2003). In Nigeria and Tanzania, changes to property taxes increased revenue autonomy when there was political will (Bak & Boogaard, 2023; Fjeldstad et al., 2018). South Africa's robust intergovernmental fiscal frameworks provide country stability through clear transfer and audit processes (Cameron, 2014; Kaywood, 2021). Finally, digital revenue technologies, such as e-taxation platforms, have shown potential for improving local fiscal capacity in several situations (Boogaard & Santoro, 2023).

The observed variation in outcomes corroborates the predictions of institutional theory, indicating that formal rules necessitate adequate supporting capacity for effectiveness (North, 1990). Countries that tailored reforms to their local contexts achieved

greater success than those that implemented standardized templates, highlighting the significance of institutional complementarity.

Table 7. *Best practices with country examples*

Best Practice	Description	Country Examples
Participatory budgeting	Enhanced accountability and civic trust	South Africa, Kenya
Sequenced reforms	Gradual implementation with capacity-building	Ghana
Property tax reforms	Improved local revenue autonomy	Nigeria, Tanzania
Intergovernmental frameworks	Stable fiscal transfers and auditing systems	South Africa
Digital innovations	E-taxation and local revenue digitalization	Multiple cases

Cross-Country Patterns

Four large patterns were observed across the continent. First, stronger institutional environments, such as those in South Africa, have always led to steadier and better results. This finding demonstrates the importance of the institutional design. Second, research still favors Anglophone Africa, with Francophone and Lusophone examples being severely underrepresented (OECD, 2022). Third, unstable nations, such as Uganda and Ethiopia, had mixed or negative results, indicating that decentralization may be weak when the state is not sufficiently strong. Fourth, post-2020 research has shown enhanced methodological rigor, often using econometric and geographical analyses to elucidate decentralization patterns with increased specificity (Bushashe & Bayiley, 2024; Sima et al., 2023).

Table 8. *Comparative insights.*

Pattern	Description	Illustrative Countries
Institutional strength	Stronger institutions produce consistent results.	South Africa
Anglophone bias	Evidence concentrated in Anglophone states	Ghana, Kenya, Nigeria
Fragile contexts	Mixed outcomes under weak institutions	Uganda, Ethiopia
Rising rigor	Post-2020 studies show stronger methods.	Ethiopia, Zambia

Summary of Findings

Research shows that fiscal decentralization in Africa from 2015 to 2025 has had a wide range of effects. Almost half of the studies found that service delivery, revenue mobilization, and accountability improved. About a quarter of the studies, on the other hand, found that corruption and elite capture were negative outcomes. The dependent nature of

decentralization has led to mixed results. Five common problems were identified: low revenue autonomy, insufficient capability, shaky intergovernmental ties, political interventions, and regional inequity. Best practices, such as participatory reforms, sequenced implementation, property tax innovations, and digital revenue systems, have shown promise in alleviating these restrictions when they are integrated into robust institutional frameworks.

Discussion

This study examines fiscal decentralization changes in Africa between 2015 and 2025 to assess developmental effects, highlight recurring difficulties, record emerging best practices, and evaluate the methodological rigor. Evidence from 48 studies in eight African nations was synthesized using for Systematic Reviews and the Preferred Reporting Items Meta-Analyses 2020 and a systematic quality evaluation approach. Fiscal decentralization in Africa has positive, negative, and mixed consequences, driven less by theoretical design and more by institutional and political factors.

Alignment with Theoretical Perspectives

The review's results support some of the expectations of fiscal federalism and show how institutional theory may help address these problems. Almost half of the studies examined (47.9%) found that changes led to better service delivery, more income, and more accountability, especially when conducted in stages and with capacity-building support. These results support the decentralization theorem (Oates, 1972; Oates, 1999) and fiscal federalism models (Musgrave, 1959; Shah, 2007), which state that giving up power may make things work better and more responsive. Kenya and Ghana are good examples of how decentralization has made it easier for people to obtain healthcare and education and made it easier to collect property taxes.

Simultaneously, 22.9% of the studies reported poor results, such as elite capture, corruption, and resource misallocation. These problems are most common in Nigeria, Uganda, and Ethiopia. These trends show that the positive assumptions of fiscal federalism do not always hold. This supports the institutional theory's focus on political incentives, governance quality, and elite control. Notably, 29.2% of the studies reported mixed outcomes. This shows that decentralization frequently improves service delivery but also worsens inequality, as evidenced by the differences across counties in Kenya and the deepening of fiscal gaps between ethnic groups in Ethiopia. This study shows that fiscal decentralization is not a single cause of progress but a political process affected by the institutions involved.

Key Challenges

This study shows that the structural hurdles to decentralization include insufficient revenue autonomy, poor capability, shaky intergovernmental fiscal connections, political meddling, and regional inequality. These results support prior criticism that African local governments are typically given spending obligations without sufficient income capabilities, resulting in

transfers and unmet mandates (Smoke, 2003; Yilmaz et al., 2008). Capacity limitations hinder its implementation, particularly in Kenya and Tanzania, where local governments struggle to plan and deliver services. Central budgetary allocation and patronage politics weaken decentralization and autonomy (Resnick, 2021). Finally, wealth differences worsen inequality, as shown in South Africa, where municipalities with larger tax bases outperform weaker ones (Kaywood, 2021).

Best Practices and Success Factors

Despite these problems, this study identified potential approaches that may help facilitate transformation. Participatory budgeting in South Africa and Kenya bolstered accountability and confidence, illustrating that systems of popular involvement can mitigate elite capture. The sequenced reforms in Ghana showed how vital it was to make slow changes in accordance with local capabilities. This suggests that the speed of reforms is as important as their content. Digital revenue tools have helped Nigeria and Tanzania change their property taxes. These changes indicate that fiscal innovations may empower local governments when there is political will. South Africa's robust intergovernmental framework demonstrates the importance of precise fiscal allocation and audit procedures. These best practices show that decentralization works best when backed by capacity building, institutional protections, and ways for people to be involved in the process.

Cross-Country Patterns

The comparative observations from this study provide valuable lessons for decentralization in Africa. First, institutional strength is the most important factor; nations with more stable governance institutions, such as South Africa, always have better results. Second, the evidence set is still skewed toward Anglophone Africa, with too few instances from Francophone and Lusophone countries. This makes it difficult to understand how things differ in different parts of the area (OECD, 2022). Third, unstable governments, such as those in Uganda and Ethiopia, show how decentralization can worsen instability. This shows that fiscal autonomy built within weak or contentious institutions can worsen the political divide. Finally, research conducted after 2020 has demonstrated enhanced methodological rigor using econometric and spatial techniques that provide nuanced findings (Bushashe & Bayiley, 2024; Sima et al., 2023). This indicates that the quality of decentralization research is increasing; however, deficiencies in coverage and longitudinal depth remain.

Implications for Scholarship

Academic research has benefited from this evaluation in three ways. First, it shows that fiscal federalism and institutional theory must be integrated to understand decentralization. Political economics and governance structures must be considered when explaining elite capture, capacity deficiencies, and political intervention. However, efficiency-focused models do not consider this. Second, comparative and cross-national research is needed to

extend beyond fragmented case evidence. Third, this study emphasizes methodological innovation and recommends longitudinal, geographical, and econometric methods to capture the dynamic and unequal effects of decentralization. Scholarship can better understand whether decentralization “works” and under what circumstances it delivers developmental returns by advancing these aspects of research.

Implications for Practice

Practitioners may view decentralization as counterproductive. Autonomy, responsibility, and capability affect outcomes. Reforms require technical and administrative training and careful sequencing. Beyond financial management, capacity building should involve participatory planning, data collection, and the adoption of digital systems. Participatory budgeting improves accountability, whereas digital revenue systems provide fiscal space in resource-constrained contexts. Practitioners should emphasize local adaptation because changes in one environment may not work in another.

Implications for Policy

This review provides policymakers with useful insights. First, intergovernmental fiscal systems must be established so that local governments do not have to rely as much on central transfers. This can be achieved by giving local governments more control over their income, particularly through property taxes and new digital technologies. Second, the order in which the reforms were implemented is important. Gradual capacity-aligned implementation is more stable than rapid large-scale devolutions. Third, institutionalized protection against elite capture and corruption should be ensured through open audits, public scrutiny, and participatory governance systems. Fourth, fairness should be considered. Without wealth redistribution, decentralization may increase regional differences. Finally, including money in digital fiscal governance may make things more efficient, clear, and long-lasting, but only if it is done within strong institutional frameworks.

Summary

This analysis shows that fiscal decentralization in Africa is both a chance and a problem for the continent. Decentralization may improve services, revenue mobilization, accountability with strong institutions, open accountability, and fiscal mechanisms. Without these enabling circumstances, decentralization risks worsening inequality and governance failures. This study integrates a decade’s worth of data to advance theoretical discussions and provide policy-relevant insights for implementing context-sensitive, inclusive, and sustainable decentralization reforms.

CONCLUSION

This systematic analysis enhances the existing literature by offering the first comprehensive synthesis of fiscal decentralization across eight African countries from 2015 to 2025, integrating 48 papers to uncover patterns that individual country studies have overlooked. The outcomes of decentralization are contingent upon institutional quality and political

commitment to implementation, rather than being inherently beneficial or detrimental, as indicated by previous evaluations. This redefines fiscal decentralization as a governance process dependent on specific circumstances that require adaptive implementation, rather than uniform policy directives. These results indicate that decentralization is neither intrinsically developmental nor detrimental to the economy. Instead, their effects depend on the specific institutional and political conditions under which they occur. Some instances show that service delivery, tax collection, and accountability have improved, whereas others show that problems such as elite capture, inadequate capacity, and greater regional disparity still exist. These differing outcomes show that fiscal decentralization is not a one-size-fits-all reform tool; it is a process that is affected by politics and depends on the quality of governance, the order in which things happen, and the protection provided by institutions.

This study makes three major contributions to the existing literature. First, it moves the theoretical argument forward by demonstrating that claims of efficiency in fiscal federalism require the help of institutional theory to explain capacity gaps, political incentives, and governance failures. Second, it teaches us useful things by showing us excellent practices, such as participatory budgeting, digital revenue systems, and sequenced implementation, which make reforms more likely to succeed. Third, it stresses the need to create intergovernmental fiscal systems that strike a balance between autonomy and responsibility, while also including redistributive procedures to prevent worsening inequities.

The review was limited by language and methodological issues; however, most of the data came from Anglophone Africa, with very few longitudinal studies. To fill these gaps, future research should consider other perspectives, compare different aspects, and use improved methods. Cross-national studies that include Francophone and Lusophone settings, along with assessments that connect decentralization to wider development results, such as reducing poverty, promoting gender equality, and fostering social cohesion, are particularly important in this regard.

Policymakers should prioritize the development of context-adaptive reforms informed by assessments of institutional readiness, rather than relying on standardized decentralization models. Reforms must be systematically structured, initiated with capacity building prior to fiscal devolution, and incorporate mechanisms to avert elite capture, including participatory budgeting and transparent reporting. Continuous monitoring and adaptive adjustments are essential because decentralization outcomes are contingent on them. This review integrates fiscal federalism and institutional theory to clarify diverse outcomes and provide policymakers with guidance for developing context-specific, capacity-building reforms that are resistant to political capture.

The data indicate that fiscal decentralization in Africa has revolutionary potential when it is executed incrementally, bolstered by robust institutions, and grounded in participatory governance. Decentralization might worsen things and go against the aims it was meant to accomplish if these requirements are not met. This conclusion emphasizes the advantages and disadvantages of decentralization reforms and offers valuable ideas for

researchers, practitioners, and policymakers to promote more inclusive, sustainable, and contextually relevant fiscal governance strategies.

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