

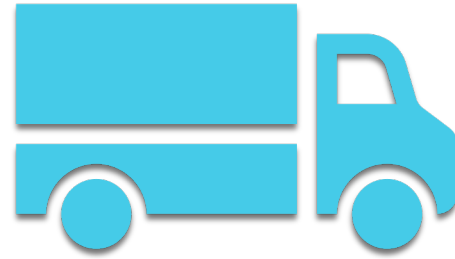
The background features a complex network of glowing lines in shades of blue and red, forming a mesh-like structure that recedes into the distance. At the top, there are three horizontal bars: a dark blue bar on the left, a medium blue bar in the center, and a light grey bar on the right.

DECENTRALIZATION AND INFRASTRUCTURE

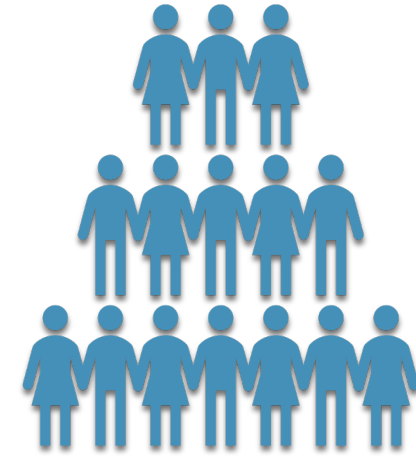
IN DEVELOPING COUNTRIES



Linking Resources



Lower Trade Costs



Multiplier Effects

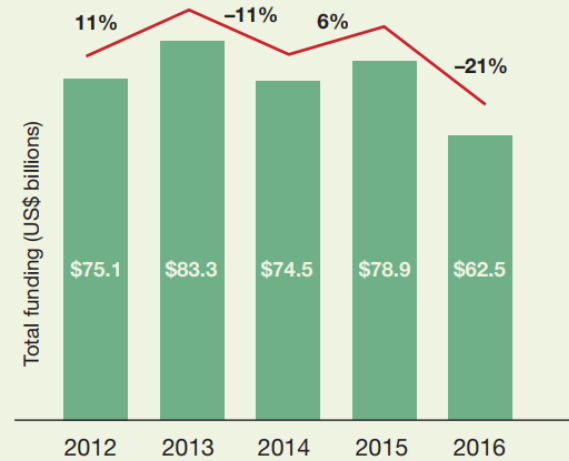
TRANSPORT INFRASTRUCTURE => ECONOMIC GROWTH

Poorly functioning logistics markets lead to a vicious circle of low trade volume and high trade costs.

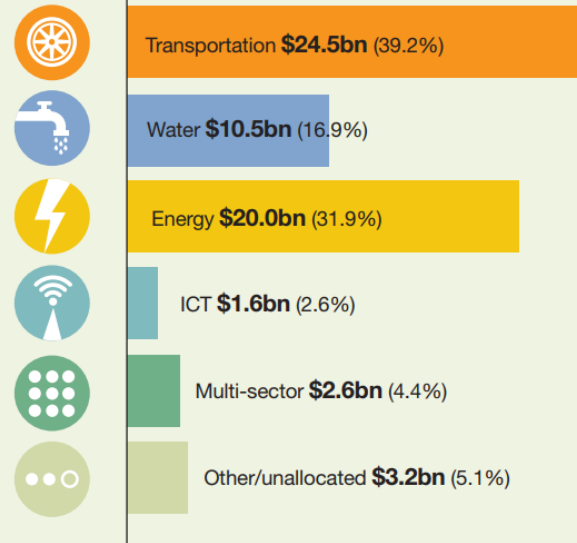
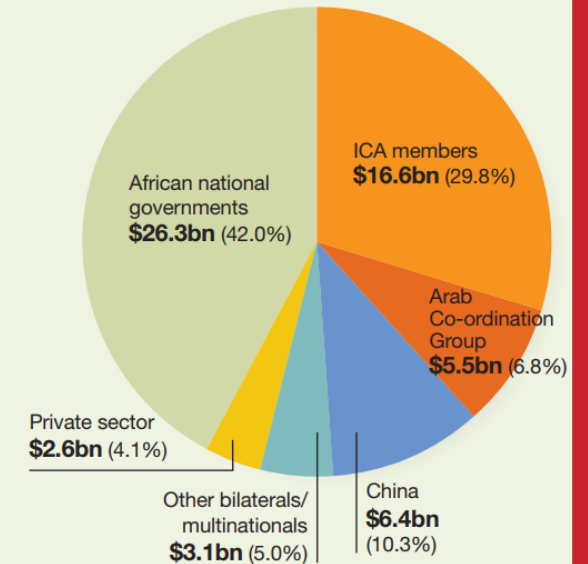


Sources:
 African Economic Outlook 2019, p. xx
 African Economic Outlook 2018, p. 84
 Realm Africa Safaris

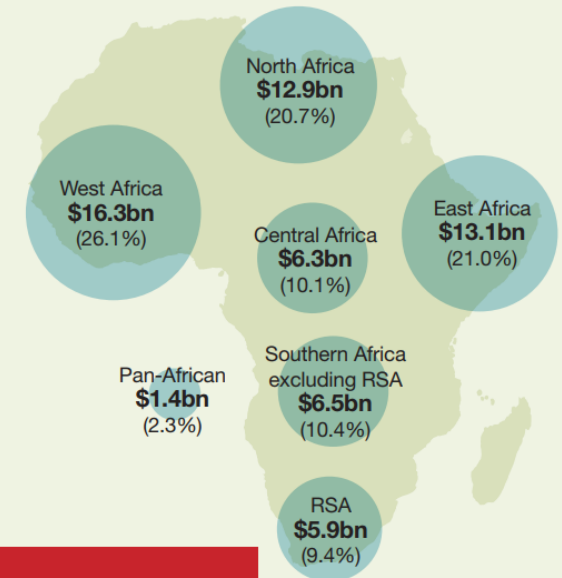
Funding fell 21% in 2016



It came from ...



... and went to these regions



and these sectors

CENTRALIZATION OR DECENTRALIZATION?

Why central government:

- National strategy
 - Standardization
 - Equal growth
 - Internalized externalities
- Economies of scale

Why local government:

- Local needs
- Local geography
- Higher accountability

PAPERS AND SOURCES

Decentralization and Transport Infrastructure

- Estache, Sinha 1995: "Does Decentralization Increase Spending on Public Infrastructure?"
- Humplick, Moini-Araghi 1996: "Decentralized Structures for Providing Roads"
- Kappeler et al. 2013: "Does fiscal decentralization foster regional investment in productive infrastructure?"

Geography and Infrastructure and Decentralization

- Canavire-Bacarreza, Martinez-Vazquez, Yedgenov 2016: "Reexamining the determinants of fiscal decentralization: what is the role of geography?"

Measures of Decentralization

- Ivanyna, Shah 2013: „How Close Is Your Government to Its People? Worldwide Indicators on Localization and Decentralization"

Data Sources

- World Bank
- International Monetary Fund

cities over 1 million
geographical fragmentation
growth
foreign direct investment
gdppc trade
urbanization
population density
ethnic fractionalization
population
land area

Other Factors



Financial



Geographic



Demographic

QUESTIONS

- Centralization or decentralization?
Does it matter?
- Focus on land transport or add other kinds of infrastructure?
- Focus more on public vs. private investment and infrastructure provision?