

Review

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Review

Fiscal Decentralisation, Inclusion and Regional Competitiveness: Evidence for a Federalism Model

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Abstract

Through more assertive fiscal decentralisation, the starting point is to analyse in a plausible manner the main implications that are in fact related to its application in a federalist model context. Thus, unitary states in particular do not in fact have evidence of ensuring better fiscal inclusion capacity in their territories. Thus, in this particular approach, I propose significant fiscal decentralisation. The approach shows that, through Structural Imbalance Correction Mechanisms, it is possible to guarantee greater growth dynamics for regions with lower potential. However, regions with lower potential will in fact be the regions that should nevertheless grow significantly in a progressive manner. There is, however, other evidence that contributes to making regions more attractive through a more inclusive fiscal policy. The approach also shows that municipalities with lower attractiveness potential will in fact tend to attract to their territory, as a fiscal headquarters, a group of companies capable of driving a transformation dynamic through significant increases in tax incentives and, in fact, leading their respective regions to greater fiscal and structural sustainability in particular.

Keywords: territorial decentralisation; fiscal decentralisation; inclusive fiscal policy; territorial development and endogenous growth

JEL Classification: H00; H03

1. Introduction

Fiscal policy is naturally the main tool for ensuring significant contributions to the tax revenue needed to promote the leverage of economic policy in particular. However, there is some evidence that helps contribute to a more efficient fiscal policy, especially when it comes to a set of policies that naturally aim to ensure tax revenue collection, naturally in countries that adopt non-federal regimes, fiscal policy, in order to be efficient, must ensure that a set of convergence criteria are in line with the capacity of these economies to promote greater efficiency, especially when it comes to levels of tax integration. Thus, an efficient fiscal policy naturally depends on the levels of integration capacity of the respective regions themselves. On the other hand, it will naturally depend on how decentralised the states are. For example, in non-federal countries, fiscal policy naturally follows a line of national integration, where fiscal policy is established at the central level as a pivot for revenue collection in the territory, thus ensuring uniformity that largely meets the territorial uniformity itself.

In non-federal states, social contributions are in fact mandatory from a structural point of view, where there are other factors that naturally seek to contribute to macroeconomic stability in particular. A central fiscal policy is, however, unable to produce results in both the short and long term, in particular. Thus, the authorities end up converging towards a set of fiscal integration measures in a context of competitive growth, for example in states where there is no fiscal decentralisation, mainly through a set of fiscal policies capable of accelerating greater momentum towards more efficient taxation from the outset. The federal states do in fact have the process of collecting tax revenues through measures that promote, for example, a dynamic beyond significant

aspects such as the capacity for resilience itself in a particular way, as naturally occurs in some states of federal countries.

In unitary states, the fact that there is no more efficient decentralisation, for example, allows states to achieve substantial improvements in terms of their ability to ensure greater economic transformation and a more inclusive and fair fiscal policy for all municipalities in particular. Thus, it is nevertheless relevant and important to analyse how state-level structures, for example, will be able to guarantee greater growth, especially those related to both contributions and revenues in particular. Decentralisation is, however, capable of guaranteeing a different dynamic from that seen in the context of a unitary region, for example.

As more assertive and significant fiscal decentralisation takes place, in addition to more significant fiscal responsibilities, decentralised regions will initially be able to promote greater revenue collection capacity in particular. decentralised regions in a federal state context are responsible for ensuring that fiscal policy converges with the needs of the regions themselves, i.e. they must ensure that the most basic needs of each region are in fact met through a set of regional initiatives and programmes capable of channelling a range of structural development, both long-term and short-term in particular. For example, to the extent that regions are decentralised, subnational levels such as states and municipalities achieve significant autonomy to enable regional public policies, particularly at the state level. On the other hand, however, there are some aspects that have to do, for example, with the fact that a large part of state-owned companies are able to achieve higher levels of responsibility, both at the state and municipal levels, for example. Thus, in the context of fiscal decentralisation, companies are able to form a significant tax base, effectively strengthening tax contributions to both states and municipalities in particular.

The fiscal decentralisation model, for example, adapted to the Angolan reality, will nevertheless be capable of boosting the private business sector, that is, through tax incentives that the regions determine as a greater capacity to attract businesses to their territories in particular. On the other hand, there are some very particular aspects, such as the ability of taxpayers to actually form a more dynamic base that is in line with the income levels that naturally exist in certain regions of the Federation. In a fiscal decentralisation model for a significantly unitary country, i.e. not federated, will guarantee its states a solid revenue base and a significant incentive for a fairer and more balanced budgetary policy, thus enabling it to promote lower budget deficits in a context of uncertainty, in addition to ensuring that states are in fact able to accelerate private initiatives in particular through fiscal transmission mechanisms.

On the other hand, there is in fact a major peculiarity that naturally has to do with the fact that the state tax base may in fact be in line with the state fiscal policies implemented in each state territory, for example. To the extent that states are able to ensure that there is in fact a differentiation in the application of regional public policies in particular, there may, however, be some other peculiarities, such as the fact that a group of inhabitants may in fact become large taxpayers and, on the other hand, guarantee states in general and municipalities, for example, a capacity for fiscal organisation, which will initially translate into greater transparency between the different federal states.

On the other hand, fiscal centralisation in most developing countries has in fact been the fundamental reason for the failure of those countries, which initially traps them in pure poverty, as is the case in most poor countries. As an example, this has to do with tax revenue levels, which are naturally very low compared to countries that have greater fiscal decentralisation. Oates, W. E. (1993) showed how this relationship actually represents an obstacle to development, due to the excessive centralisation of fiscal policy and the capacity of countries to actually ensure greater financial sustainability. However, there is another particularity that has to do with the vulnerability of public financial institutions that have been responsible for the country's taxation, these institutions in unitary countries end up in a significant vicious circle, strongly supported by the significant corruption that occurs in these countries in particular. In Angola, due to fiscal centralisation, thousands of dollars of tax revenue have in fact been diverted annually through the vicious circle that continuously exists in tax institutions in particular. On the other hand, greater fiscal

centralisation actually enables a set of fiscal inefficiencies, due to the malfunctioning of its institutions in particular.

On the other hand, fiscal centralisation in most developing countries has in fact been the fundamental reason for their failure, which initially traps them in pure poverty, as is the case in most poor countries. As an example, this has to do with tax revenue levels, which are naturally very low compared to countries that have greater fiscal decentralisation. Oates, W. E. (1993) showed how this relationship actually represents an obstacle to development, due to the excessive centralisation of fiscal policy and the capacity of countries to actually ensure greater financial sustainability. However, there is another particularity that has to do with the vulnerability of public financial institutions that have been responsible for the country's taxation, these institutions in unitary countries end up in a significant vicious circle, strongly supported by the significant corruption that occurs in these countries in particular. In Angola, due to fiscal centralisation, thousands of dollars of tax revenue have in fact been diverted annually through the vicious circle that continuously exists in tax institutions in particular. On the other hand, greater fiscal centralisation actually enables a set of fiscal inefficiencies, due to the malfunctioning of its institutions in particular. Thus, plausibly, one of the drivers of poverty may in fact be related to fiscal centralisation. On the one hand, as unitary states centralise the tax system, on the other hand, these countries continually fall into the poverty trap. The lack of fiscal decentralisation actually increases, for example, the concentration of the tax base in only a select group of sectors, as is the case in Angola, where there is a high concentration of revenue from the oil sector, naturally accounting for 80%.

Thus, there are nevertheless some aspects of great relevance to the departure, such as the fact that there is, for example, a great importance that has to do particularly with the strengthening of the tax base that the regions in particular should nevertheless adopt for regional growth in particular, for example, in most countries, in fact, a large part of these regions have very significant levels of autonomy, thus, decentralisation as fiscal autonomy for countries ensures that countries are still able to structure the tax base of each particular state in a solid and cohesive manner. In (Vo, D. H. 2010), they analyse this in detail, emphasising the issue of fiscal autonomy for their particular states.

Thus, in particular, there is in fact a strong correlation between fiscal decentralisation and governance, where most countries with highly centralised governments have in fact been susceptible to widespread corruption, that is, in most of these countries, the evidence clearly shows the existence of a concentration of fiscal governance in a single region, naturally in most cases the capitals of the countries, for example, as is the case in Luanda, which is in fact a fiscal capital with the highest index of fiscal concentration in Angola and particularly in the SADC countries.

Governance in the context of fiscal centralisation shows both fiscal inefficiency and institutional tax inefficiency, in (Altunbaş, Y., & Thornton, J. 2012), show that the measure increases political centralisation through its institutions. On the other hand, there is in fact a greater dynamic that has to do with the inability of institutions to actually guarantee greater inefficiency. On the other hand, there is in fact greater corruption associated mainly with the increases in the different levels of institutional incapacity that most poor countries in particular present. Thus, it is plausible to justify the existence of causal impoverishment through this particular route. Some approaches show how political centralisation contributes to a significant reduction in government performance, as analysed in (Lockwood, B. 2005).

2. Regional Competitiveness Through Fiscal Decentralisation

Competitiveness is particularly relevant for countries in general, where countries naturally become increasingly competitive as they are able to trade goods and services at competitive market prices, as is particularly the case with many Asian countries, which have plausibly managed to introduce a different dynamic, especially related to the competitive capacity that a large part of their products actually had in international markets in particular. Examples include China and Taiwan.

In the context of federal decentralisation, subnational regions are able to boost regional competitiveness through the different public policies that the regions in particular plausibly present.

The richest states have a greater advantage over other states with less economic potential, for example, and most of these states become promoters of attractiveness for these regions in particular, as has been seen from the outset.

Naturally, regions that manage to create a different dynamic will, on the other hand, become regions with a great capacity to attract both foreign direct investment and private investment at the subnational level through a set of activities that will largely have to do with the relevance of promoting particular territories. On the other hand, this capacity to attract investment should, however, be in line with the way in which governments should, from the outset, promote a different structural dynamic.

The levels of tax incentives for most regions should, however, be in line with the state's attractiveness, which will largely be related to how the state itself should ensure plausible growth for the region in question. Thus, as each region competes with each other through tax incentives and other major incentives of great relevance, they are able to strengthen, for example, their respective tax bases in a plausible manner. Naturally, states with greater incentive capacity may in fact become central states for economic growth and, above all, for a solid industrial base. In Angola, for example, much of the industry is concentrated in Luanda, which ultimately characterises industrial centralisation in a single region. Thus, this type of model naturally promotes inefficiencies in production capacity and more assertive reindustrialisation in particular. On the other hand, it actually inhibits economic growth and sustainability through effective industrialisation.

In most regions, there is in fact significant industrial stagnation, due in part to the fact that most tax revenues are allocated to a single region, such as Luanda, thus making it impossible to generate revenue in other large regions of the country. With this fiscal centralisation, the regions become structurally inconsistent and there is no cohesion or continuity in public policies in particular.

Fiscal decentralisation not only naturally ensures greater capacity for fiscal decentralisation, but also ensures that individual states are in line with the contribution base of their respective states. In the context of fiscal centralisation, stagnation is significantly greater than in the context of fiscal decentralisation. Thus, in the context of fiscal decentralisation, it promotes greater competitiveness, both between companies and between the respective regions in different ways, for example through significant growth in the most competitive fiscal regions. On the other hand, there is in fact an increase in the distribution of industrial zones, where in fact a large part of the states manage, through incentive transmission mechanisms, to attract the majority of companies with production potential, which naturally guarantees a uniform distribution of the different industrial zones, especially where in fact there is no large part of the solid economy. On the other hand, the most competitive states converge, for example, towards a significant increase in economic transformation in particular. This reinforces the thesis on economic transformation.

Attractiveness as a tool for competitiveness between states is naturally a strategic tool that federal regions have at their disposal for the sustainable territorial growth of their respective regions in particular. An example of this is Portuguese municipalities, which have the capacity to attract both individuals and companies by applying a set of very low taxes compared to other municipalities in particular (Frutuoso, A. R. 2022), analyse how less competitive municipalities actually attract investment by significantly reducing the rates applied, above all with the aim of enabling territorial development.

The tools of transformation and competitiveness in particular ultimately converge towards increasing sustainable growth in the short and long term. Thus, in the short term, a more inclusive fiscal policy could indeed boost plausible growth. On the other hand, tax autonomy itself is in fact a key factor for the competitiveness of regions, that is, in the context of decentralisation, as suggested by Serra (R. P. 2016).

Fiscal decentralisation as an endogenous tool actually channels development to less structured regions. Some examples help to consolidate the endogeneity that occurs when regions are actually decentralised fiscally and have fiscal autonomy. This autonomy, however, consolidates endogenous development through the fiscal tools available to ensure that a balance and equity are achieved,

especially in public policies applied in different regions in particular. Thus, through this route, there is sustainable endogenous growth. In Amaral Filho, J. (1996), this view is significantly reinforced in a particular way.

In the federal model that I intend to propose for the future Federation of Angola, fiscal decentralisation should initially converge towards more effective autonomy. This autonomy, on the one hand, will have to do with greater powers being given to the federal states, which should allow for greater fiscal freedom and greater freedom for growth in the respective regions in a federal context. Thus, there seems to be greater potential, especially in relation to these regions in particular, which have greater momentum for inclusive and sustainable growth. On the other hand, it could actually boost growth in these regions. Autonomous decentralisation could serve as an important tool, both for companies and for the regions themselves, which are in fact more relevant to inclusive and sustainable growth, as is the case in most regions with significant fiscal decentralisation.

Thus, most of the evidence shows that the majority of regions affected by fiscal decentralisation tend to guarantee a very significant and profound territorial revolution. In fact, a revolution between regions is necessary to leverage the regions, above all, to make them more robust and resilient from a structural point of view.

In particular, the territorial revolution through fiscal decentralisation, in addition to naturally ensuring territorial cohesion, also promotes the alignment of territories with their own capacity to implement significant transformations, i.e. both from an economic and structural point of view, while channelling a large part of the desired levels of economic development. Thus, through fiscal decentralisation, it is possible to achieve fiscal efficiency, which is naturally different in the context of a non-federated nation. On the other hand, there are other factors of great relevance, such as the fact that there is a particularly high capacity for reorganisation, in line with the aims of more than inclusive growth, particularly in the context of ensuring the necessary territorial stability.

Competitiveness in dynamically strategic regions means that there is in fact a large network of industries that can naturally compete with each other through strategically located hubs, as may happen with what I intend to implement, both in the short and long term, especially in states with greater economic potential, particularly as I suggest should be the case in regions such as A, B and C, which are in fact the regions that have the greatest economic potential and drive greater industrial dynamics. Ensuring greater territorial and economic robustness through standards of uniformity and territorial cohesion. On the other hand, industrial hubs could in fact channel a large part of the incentives, both for production and for structural growth, directed mainly at hubs with greater capacity to attract investment, particularly.

3. Regional Inclusion and Territorial Cohesion

In countries such as Angola, there is in fact a large proportion of regions, especially those in the north, with greater untapped economic potential, as most empirical evidence suggests. Isolated regions suffer from territorial discrimination, largely due to the inefficiency of institutions and the inability of public policies to align with the sustainability of particular territories.

Thus, as decentralisation occurs, there are transmission mechanisms that largely increase the capacity for sustainable territorial inclusion in the long term, for example. Regions end up being included in a territorial plan capable of ensuring the greatest possible sustainability at different territorial levels. However, most non-federated states have this characteristic, which is related, for example, to the structural disintegration of their territories, i.e., to a large extent, non-integrated territories are in fact susceptible to territorial instability. This instability particularly compromises territorial cohesion and the integration of territories into first-dimension plans themselves. This particularity has been significantly visible in most countries whose territories are particularly large.

Regional inclusion, however, represents a peculiar characteristic of federal states, i.e., in most countries, there may nevertheless be greater viability in promoting territorial inclusion in particular, for example, through an assertive territorial cohesion policy that is in fact correlated with the specific long-term premises that particular territories actually need to have, for example, through

decentralisation, there is in fact greater capacity for regional integration, especially through the integration of largely disadvantaged areas that are unable to remain integrated at the forefront, particularly, for example, for the regional integration of regions that in fact have lower economic potential, as I intend to suggest in the next regions C & D, in a possible future federal model to be implemented in Angola, in particular. The regions that are in fact less developed and have less potential have been those that are unable to achieve sustainable endogenous growth in the short term, where endogenous growth is in fact compromised by the very inability of these territories to attract, for example, a set of foreign direct investments that would in fact promote a significant structural balance in the short term. Thus, through the mechanisms of the MCDER regional structural imbalance corrector (ways of ensuring greater territorial inclusion, especially in territories where there are no real opportunities for sustainable growth, both in the short and long term in particular), it is nevertheless possible to increase regional integration capacity, especially regions that meet implementation convergence criteria, as may in fact be the case with the C & D regions, which are naturally of greater relevance to the regions. The mechanisms for correcting regional structural imbalances have in fact been relevant for affirming, in particular, the levels of regional and structural development of the least developed regions, as is the case, for example, in the poorest regions of developing countries, where no region has been able to serve as a complement to another region. The example of Angola helps to understand this scenario, where, at the outset, there are some regions with higher potential indices, but on the other hand, another part of the regions ends up complementing the others, which allows for complemented and sustained development, particularly in a context of uncertainty. Northern Angola has potential that goes beyond energy resources such as oil and natural gas. However, there are other highly relevant potentialities that initially serve to support industry, namely water resources, marine resources, fishing resources, agricultural potential, minerals and other highly relevant minerals that exist in particular, which initially make the region a complete region with almost all complementary resources. However, the southern regions, for example, have an almost identical base, especially in relation to the potential that the region offers, such as the agricultural potential that exists in the region, mining potential, agricultural potential, and potential for the development of the naval and marine industry in particular, as can be seen in regions such as Benguela and Namibe in particular. Thus, the diversity of economic potential that the regions offer provides, on the one hand, greater regional growth dynamics through this significant capacity for complementarity, as is the case, for example, with the south-central region of Angola.

The approach of complementarity of potentialities allows countries, for example, to introduce a level of sustained endogenous growth in the short term, which is nevertheless particularly related to the territorial development that the regions must actually present, naturally taking into account the convergence criteria necessary for complementarity. For example, the southern regions of Angola end up complementing most of the northern regions. For example, in the future federal model to be implemented in Angola, regions C and D will tend to complement other regions such as A and B. On the other hand, these two regions will be of great importance for the complementarity of the entire federation in particular, as most of the potential economic needs may initially be met by these regions.

Industry, for example, could complement another large part of the regions that do not have, for example, the same pace of development and sustainable growth in the short term. Thus, it is significantly normal that a large part of industry is located in the future federal model, both in regions D and A, for example. This will allow most regions to be in line with the desired short-term sustainable development. Naturally, most regions will be able to define the most relevant convergence criteria to accelerate territorial inclusion, i.e. to enable regions to achieve the endogenous sustainability necessary for their growth in the short term in particular. The countries whose regions are best able to converge towards the greatest possible sustainability have in fact been those that are able in the short term to make significant use of all the potential that exists in their territories in particular and, above all, to make subnational regions as inclusive as possible, as I intend to apply to most regions in Angola in a future federal model to be implemented, for example. This inclusion of regions could, however, be done beyond the MCDER (Structural and Regional Development

Correction Mechanism) itself, the other regional sub-levels that I propose should, however, converge with effective territorial inclusion in the short term, as I propose, for example, for the Federal Community Councils (CCF), which are naturally the sub-level below the structure of the territorial levels of the federation.

Plausibly, the sub-regional sub-levels will initially be largely capable of actually building a network capable of structuring, in a balanced manner, the very functioning of the regional structure itself, particularly in regions where there is in fact a great need for territorial inclusion, as may in fact happen with most of the regions that will in fact be located in regions C and D. In these regions in particular, the territorial sub-levels will have greater emphasis and the respective degree of inclusion will depend on the extent to which the territories are in line with the objectives of sustainable development itself.

Thus, in this way, starting with regional sub-levels, for example, will be the possible starting point, with a large part of them in fact being in line with short-term objectives to be implemented in most territories in particular. For example, the degree of inclusion may, however, intensify as territorial sub-levels develop a set of activities that are particularly relevant to sustainable growth, for example, at lower levels such as CCFs. the Structural and Regional Development Corrective Mechanisms (MCDER) should, however, converge with the increase, for example, in the inclusion of neighbourhoods that initially have a great power of destructuring in themselves and are unable, for example, in the short term, to actually develop significantly, as is in fact the case in most regions in particular. Thus, the national sub-levels and lower territorial levels will nevertheless be able to significantly boost an even greater dynamic that will in fact correct these structural imbalances that are found in most regions at the lower levels.

The lowest territorial level of all naturally has to do with neighbourhoods, for example, which, for the most part, do not in fact show the desired community growth and development for their inhabitants in particular. However, through the use of MCDERs, I intend to include neighbourhoods with the lowest possible degree of community development. These should, however, converge towards integration that is in line with the objectives of the community councils in particular, where the less developed community councils can in fact use MCDERs for their inclusion in the other higher sub-levels of the federation.

The initial lack of a set of significantly organised and orderly neighbourhoods allows, on the other hand, for a greater lack of sustainable growth of their populations. For example, when neighbourhoods are in fact destructured, there is a large increase in levels of multidimensional poverty, in line, for example, with the lack of environmental sustainability necessary to increase the longevity and social well-being of their populations in particular. On the other hand, the lack of community health, for example, may promote the unsustainability of long-term growth, which may in fact be correlated with the very dynamics of short-term structural development. Thus, MCDERs should be strong enough to ensure short-term regional inclusion. neighbourhoods should in fact ensure that they are in line with the needs of long-term sustainable growth that will in fact promote greater social inclusion from the outset, i.e. ensure that the necessary preconditions exist for both inclusion and long-term sustainable development in particular. Thus, most Community Councils should initially include most of the least developed neighbourhoods with the least potential.

Thus, as social inclusion through neighbourhoods increases, there is also a greater increase in the capacity to ensure that societies themselves can promote greater social and economic inclusion through corrective mechanisms. However, community councils should converge towards long-term sustainable growth, This sustainability will have to do with the way in which regions must ensure that they can absorb a large part of their own economic and structural development in the short term, for example. Thus, territorial cohesion is possible through a considerable and significant increase in these regions in particular, but most of these regions should nevertheless promote long-term integration, especially considering how, for example, Federal Community Councils should increase their capacity for long-term inclusion. it seems plausible that the neighbourhoods and communities

with the highest levels of discrimination are, on the other hand, the neighbourhoods that should in fact increase their capacity for regional integration.

Territorial cohesion can in fact be achieved by increasing these potentials to converge, for example, in the long term, as I will in fact be able to present in other possible articles on decentralisation and territorial development through a federal model from the outset. Thus, plausibly, the lack of territorial growth capacity will mean that most discriminated communities are underutilised from the outset and lack the effective capacity to ensure greater resilience to these small territorial particles of society itself.

Thus, to the extent that regions are able to become autonomous, they are nevertheless able to promote short-term sustainable growth through their lower sub-levels, as may in fact happen with community councils, federal parishes and municipalities in particular. Thus, at these levels, fiscal decentralisation will nevertheless have the responsibility of ensuring long-term sustainable growth. However, this growth should converge towards a significant improvement that is related to tax contributions at these lower sub-levels in particular. On the other hand, the complementarity of the regions themselves may, however, ensure that there is, for example, greater dynamism in terms of how the regions should in fact promote greater self-sustainability, which is in line with the greater fiscal autonomy of the regions in particular. Thus, on the other hand, territorial cohesion is in fact possible to achieve with the incentives that most regions should implement in most regions in particular, so the more inclusive the regions are, the greater their capacity to achieve sustained growth. With effective fiscal decentralisation, the regions will be able to introduce a set of taxes that are in line with the dynamics of the respective region. However, what I propose is that the states that are in fact covered by the MCDER should in fact be able to align themselves with an effective capacity to collect local tax revenues in a more efficient and fair manner. Naturally, regions with lower potential should nevertheless become capable of ensuring, for example, sustainable short-term growth. On the other hand, the tax base, in fact, because it has greater incentive capacity, should, however, attract a significant number of companies to the respective region in particular, especially regions C & D, which, from a structural point of view, have greater attraction capacity, especially because they may have a less aggressive tax burden than other regions.

Through territorial inclusion, it is indeed possible to achieve greater institutional capacity for sustainable development. On the other hand, however, less developed municipalities will have to be able to develop a more balanced and fair tax base from a fiscal point of view. these regions in particular can easily become cohesive and increase their own momentum, which is in line with the capabilities of these municipalities to provide a more meaningful basis for integration.

4. Fiscal Decentralisation & Regional Inclusion

Effective decentralisation is capable, on the one hand, of promoting greater dynamism in the construction of a socially dynamic and structurally robust society. Above all, in a context where territories are indeed relevant for greater territorial growth, which is particularly necessary, decentralisation ultimately promotes infrastructure of great relevance and importance to other subnational sub-levels, which is necessary for more sustainable growth from the outset. On the other hand, the network of tax incentives will be the basis for territorial cohesion and in line with long-term inclusive public policies, so that geographical continuity and the continuity of public policies will be relevant to the affirmation of the territories themselves in a particular way. Territorial cohesion, however, is achieved through a significant increase in both tax incentives and a more attractive tax base capable of effectively promoting the territorial inclusion of less favoured regions that are largely unable to promote, for example, greater institutional and regional growth dynamics in their respective territories. The most cohesive regions have in fact been those where the territorial dynamics themselves converge with short-term sustainable growth levels from the outset.

Regional inclusion through fiscal inclusion will, however, be possible with the increase in territorial potential, especially in those where there is still, for example, natural potential that is in fact related to the very capacity to exist, for example, greater short-term inclusive growth dynamics

aligned with local needs from the outset. In territories where there are still some substantial differences in how other sub-levels should naturally converge, particularly by increasing the capacity to ensure sustainable short-term growth naturally.

Fiscal decentralisation, on the other hand, will be most effective if the regions, especially those at lower sub-levels, introduce a set of fiscal incentives capable of increasing the tax base itself, while also being able to guarantee sustainable growth by increasing the capacity and potential for economic and territorial transformation through more significant fiscal incentives from the outset. Thus, when fiscal decentralisation is effectively implemented, the less developed regions are able to be integrated into a path of continuous and long-term growth.

States with lower potential may, in the short term, be responsible for implementing, for example, a more solid tax base capable of transmitting, for example, territorial development mechanisms that are highly relevant to their territories and, on the other hand, for the fair collection of taxes that are in fact adjusted to the local reality itself. Naturally, fair taxes are in fact possible if, on the other hand, a solid contributory structure, as many federal states in fact have, for example in Germany, India and the United States in particular. Thus, there still seems to be some evidence that can in fact contribute to more significant and dynamic territorial growth. The territories themselves develop particularly as they increase a set of initiatives, most of which are capable of promoting more inclusive growth. For example, some large territories may in fact converge towards more efficient and sustainable functioning and the capacity that each particular territory possesses and is capable of promoting more integrated and inclusive development.

A more inclusive fiscal policy may, however, reveal significant internal organisation, above all capable of producing productive efficiencies and making territories attractive to most of their agents, i.e. both private economic agents and collective agents, naturally including large companies. On the other hand, in the presence of more assertive fiscal decentralisation, territories are able, for example, to ensure that there is a set of initiatives that are in fact related to the type of tax incentives themselves, for example as the tax headquarters of some companies. thus, it is nevertheless important that tax headquarters are located in regions with greater potential and production capacity. For example, it is nevertheless important that a large part of these territories are organised to ensure more significant growth, to the extent that a large part of these regions become attractive, for example for the C&D regions, which are naturally the regions with the greatest potential, mechanisms for directly transmitting a set of companies into recession so that they actually establish their tax headquarters in the respective regions in particular.

A fairer and more balanced tax base will, on the one hand, be responsible for increasing, for example, the recession of companies as tax headquarters in their respective regions in particular, as may in fact happen with most C&D regions, for example. The MCDERs will be able to balance and promote an equitable distribution of levels that may in fact be related, for example, to a more assertive capacity that will in fact have to do with, for example, a large part of the territorial equity that some territories should present, in particular. Regions, such as those in points C&D, should, for example, balance the main municipalities undergoing de structuring, for example in most small municipalities that are naturally capable of boosting most of a set of Structural Development of the territories themselves. The poorest territories in certain areas should converge, for example, through a set of Structural and Regional Development Corrective Mechanisms (MCDER). These mechanisms will, in fact, be capable of functioning as a measure of territorial promotion and leverage in the short term.

A more inclusive fiscal policy should in fact be in line with the intended medium- and long-term objectives from the outset, as is the case in most regions in particular. However, some particularities should converge towards a more assertive dynamic with regard to their incentives in particular. Thus, more inclusive tax incentives and a truly inclusive fiscal policy should be in line with the type of incentives that each municipality should adopt in the short term for more sustainable growth, in particular. A tax burden that actually encourages companies to set up in municipalities with lower potential and lower levels of tax collection capacity and the tax base itself in particular. Municipalities, for example, should ensure a different dynamic from that which the territories

themselves should promote. The tax base should be as large as possible for a more assertive inclusion of the regions. For example, the ability of municipalities to become more attractive to investment could, on the other hand, significantly boost the dynamics of the employment base, thus employability will nevertheless be driven by the levels of attraction of companies, for example, as a tax headquarters, thus, a large part of the companies that manage, for example, to establish their tax headquarters in highly attractive municipalities, which initially increases the diverse base of employability in particular.

Regions that manage to achieve a very significant and, above all, larger employment base should, on the other hand, distinguish themselves by their attractiveness in relation to other regions. This is particularly true in municipalities with significant infrastructure potential, as can be seen in some smaller regions in particular. Some evidences about social and regional Inclusion and transformations regions is analyzed in (Schulze-Boing, M.2010). In

African Development Bank. (2015), also make important references about development and regional integration in particular in African Countries.

According some evidences, many countries that have decentralisations can provide multifunctional bases about fiscal incoming in your regions, for example the states in United State of America, such as California state that have diversity economy, it's normally are guaranteed for many Companies, and this companies are big base for fiscal incoming in this region in particular. The fiscal decentralisation normally are enough to understand for example how many countries have high income in your fiscal policy, this evidences are explained in many OECD.

(Rodríguez-Pose et.al.2009), show the expenses of capital expenditure in some Federal and Non federal countries, where in Mexico and India has been associated with lower levels of economic growth in countries with more devolution. In fact the fiscal decentralisation have for example many factors that are determinants in general for different subnational levels, in (Eller, M. 2004) show this determinants, where the countries that have for example, high per Capita income, low degree of trade openness, low reliance of subnational governments on grants for other levels of governments, large countries size, high degree of constitutional Federalism and sparsely fragmented territorial structure tend to exhibit a higher degree of fiscal decentralisation. Many Countries in European Union have high impact of expenditure decentralisation, according with (Szarowská, I. 2015).

According with (Bartolini et.al,2016), the fiscal decentralisation in 30 OECD countries shows that a balanced fiscal structure where local spending is mainly financed by local taxation reduces regional disparities by providing better incentive to use local resources with more efficient and to implementing better local public policy to reduce for example regional poverty and good public regional finance, with it is easily increase local development. Good and stability macroeconomic performance is the key of optimal and sustainable public finance, in (Palienko,2017) detailed this approach with more relevance. Decentralisation, normally is the key to show in fact how some regions in particular can be more resilience, this approach is analyzed in (Arcidiacono, A., & Torrisi, G. 2022). The performance governments are strictly studied in some countries, some studies make comparison between decentralisation countries and non decentralisation to understand in fact which are the factors influence for example to have more efficiency of public policy in (Hankla, C. R. 2009), show this evidences effectively, according with your approach the relation between decentralisation and governance, depend of relation that exist between subnational governments and intergovernment level or Federal if it's a federalism decentralisation.

5. Conclusion

We looked at how fiscal decentralisation is actually really important for most regions, especially when regions are actually decentralised, there is, however, significant growth in particular territories, especially when territories manage to become increasingly inclusive and resilient. Territories can become resilient to the extent that a set of incentives are transmitted through Structural and Regional Development Correction Mechanisms, in particular.

Thus, fiscal decentralisation for less attractive regions ends up building a solid foundation for the prosperity of the respective regions in particular, especially when it comes to regions that have been structurally discriminated against. Thus, municipalities with a higher attractiveness index, in the presence of fiscal decentralisation, will in fact have incentives of great relevance for territorial prosperity in their respective territories. Structural development correction mechanisms will tend to channel a large part of private initiatives to the most discriminated territories. For example, regions that are more attractive due to fiscal incentives will, on the other hand, experience greater growth and, consequently, an increase in the employability base in most states and in most less developed municipalities in particular.

Decentralisation through a federal model that is based primarily on the main premise that it is in fact related to the great capacity for more significant fiscal autonomy in all territories in particular, in a federal context, most regions are able to gain a solid dynamic, especially with regard to autonomy itself, that is, a large part of fiscal decentralisation effectively guarantees greater autonomy for its regions in particular. Fiscal autonomy is indeed capable of producing a significant transformation of the respective regions. The most attractive fiscal regions may in fact converge towards a more than proportional increase in their capacity to generate wealth. Thus, less attractive territories tend to have a lower capacity to transform wealth. There is, however, a set of fiscal attractiveness factors that companies can use to increase their capacity to generate wealth in both the short and long term through a significant increase in economic transformation. Economic transformation will, however, be evidenced by an increase in the number of companies that are particularly correlated with the fiscal incentives offered by each region.

In the context of a federal model with greater capacity for fiscal decentralisation, it will nevertheless be possible for regions to develop in a plausible manner and achieve economic transformation through a solid and more attractive tax base.

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