Index

ad hoc financial support 213
administrative decentralization 127, 129, 131, 266–7
Alesina and Spolaore’s uni-dimensional linear model 12, 55
amalgamation 1, 4–5, 10, 19, 22, 46, 171, 181, 184, 186, 189–218, 221, 237, 244–6, 257, 265
forced 1, 10, 19, 22, 46, 186, 190, 192, 196, 244, 257
unforced 1, 4, 189–218
benchmark competition 173
bottom-tier government 2, 94, 99, 103, 107, 109–10, 112, 115
Buchanan’s theory of clubs 12, 15–16, 174, 248
capital intensive services 148–67, 224, 228
Cobb-Douglas partial cost function 155, 157
common pool theory 126, 130
Comparative Study of Electoral Systems (CSES) 60
corporatist service model 247
cost function 4, 14, 22, 153–6, 165, 172, 174, 176–8, 182–3
administrative 127, 129, 131, 266–7
expenditure 127–8, 130, 138, 142
fiscal 12, 18, 28, 35, 83, 87–91, 107, 121–44, 242, 267
tax 128, 141
decreasing returns to scale 14, 153, 158–61, 166
democratic deficit 207, 209
determinants of jurisdictional fragmentation 8, 11, 17, 20, 23, 37, 47
diminishing returns to scale 159, 166
direct democracy system 23
of density 3, 148–67, 177, 244
of scope 3, 22, 25, 49, 148–67, 257, 268
estimation 38, 40–41, 103, 105–6, 134, 136, 138–9, 141, 155, 179, 181
general least squares (EGLS) 134, 136, 138–9, 141
Hausman-Taylor (HT) 179, 181
maximum likelihood 38, 40
ordered probit 38, 103, 105–6
ordinary least squares (OLS) 155
Tobit 38, 40–41
two stage least squares (2SLS) 141
European Commission for Regional Development (REGIO) 73
European Quality of Government Index (EQI) 73
expenditure decentralization 127, 128, 130, 138, 142
expenditure function 172, 176, 178–9, 182–3
The challenge of local government size

fiscal decentralization 3, 12, 18, 28, 35, 83, 87–8, 107, 121–44, 242, 267
Fiscal Federalists 264
fixed costs 149–53, 250
free rider 254
Gini Index 10, 30, 32, 41–2, 45, 252–3
Global Competitiveness Index 29
government fragmentation 1, 3, 7–48, 84, 87, 90, 92, 94, 96, 99–114, 121–43, 267
horizontal cooperation 189–218, 237
Human Development Index (HDI) 10, 74
hybrid systems of local service delivery 6, 263–89
increasing returns to scale 4, 150, 154–66
inefficient scale 6
inter-municipal cooperation 1, 4–5, 10, 165–6, 222, 226, 233, 238, 242, 253, 275, 280
intergovernmental contracting model 248
International Country Risk Guide (ICRG) 63, 89
intra-service model 247
jurisdictional consolidation program 1
labor intensive public services 4, 171–88
Lipset hypothesis 131–2, 138, 141
local education authorities (LEAs) 171–3, 176–80
local government units (LGUs) 4, 85, 99, 102, 130, 189
membership condition 15–16
minimum efficient scale 155–6, 166
minimum winning coalition 59
moral hazard 204, 206
Nash game 225
natural monopoly 150, 154, 279
noyaux forts 192, 197, 210–15
Oates’s standard economic model 11
optimal jurisdictional size 2, 11, 14, 17, 22–3, 26–8, 44, 47–8
over-grazing 126
participation spillover 5, 236
pecuniary gain 173
performance budgeting 24
policy diffusion models 23
policy networks 236
political accountability 2, 15–17, 22, 24, 26–7, 30, 35, 38–9, 44, 46–7, 50, 192, 198
Political Institutions Database 35
polycentrism 20
privatization 1, 4, 6, 159, 165, 167, 226, 263–81
public education 73, 171–5, 185–6, 267
public good 2, 12–17, 20, 22–3, 49, 55–60, 74, 78, 130, 199, 267, 276
public service delivery 3, 6, 20, 28–9, 172, 251, 281
public services 1, 3, 5, 20–21, 25, 28, 30, 35, 37, 45, 56–7, 73, 78–9, 82, 92, 122, 126, 131–2, 171–85, 189–90, 192, 196, 198, 200, 202–17, 248, 252, 264, 266, 268, 272
capital intensive 3
labor intensive 3–4, 171–85
returns to scale 4, 149–63, 165–6, 173
constant 153–5, 157–63, 165–6, 173
diminishing 14, 153, 158–63, 166
increasing 4, 150, 154–5, 157–63, 165–6
Samuelson condition 15–16
decreasing returns to scale 14, 153, 158–63, 166
of scale 1–5, 8, 10–12, 14–15, 17–18, 20–23, 26–9, 38–40, 44, 47–50, 56–7, 113, 132,
Index

inefficient 6
suboptimal 10
scale effects 172, 176–7, 185, 221–2, 224, 227–9, 232, 237–8
service model 247–57
shared service model 247–50, 253, 257
    corporatist 247
    horizontal shared 248
    intra-service 247
    supra-corporate 248
    vertical 248
shared service provision 6, 245–6, 249, 258
special districts 10, 21, 25, 92, 114, 207, 210, 268
state rescaling 20
Stochastic Frontier Analysis 156
structure-conduct-performance paradigm (SCP) 245
subnational government competition 18
suboptimal local government size 263–4, 267–8
suboptimal scale 10
supra-corporate service model 248
tax expenditure limitations (TELs) 25, 267–8
third party coercion 255–7
third party incentives 255–7
Tiebout equilibrium 18
Tobit estimation 38, 40–41
tragedy of the commons 121
translog cost function 153, 155
Transparency International (TI) 72, 89, 95, 97, 100, 110–11, 115, 119, 122–3, 129
Transparency International Corruption Perception Index (CPI) 90, 122–3, 128–9, 135–6, 139
vertical shared service model 248
World Bank Database of Political Institutions (DPI) 133
World Bank Governance Index 35
World Bank Index of Corruption 95
World Bank Voice and Accountability Index 32, 47
World Business Environment Survey (WBES) 88–91, 95, 97–8, 101–2, 104, 106–8, 122, 128
yardstick competition 16, 23, 122