

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
- decentralization 2–3, 12, 18–21, 28, 35, 49, 58, 83–5, 87–91, 99, 107, 110–12, 114, 121–44, 217, 238, 242–4, 246, 265–7
 - 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
- economies 1–5, 8, 10–12, 14–15, 17–18, 20–23, 25–9, 38–40, 44, 47–50, 56–7, 102, 114, 132, 148–67, 171, 173–7, 181–5, 196, 199–217, 221, 223–4, 226, 244, 250, 252, 255, 257, 263–4, 268–9, 271, 275–80
 - of density 3, 148–67, 177, 244
 - of scale 1–5, 8, 10–12, 14–15, 17–18, 20–23, 26–9, 38–40, 44, 47–50, 56–7, 132, 148–67, 171, 173–7, 181–5, 196, 199–217, 221, 223–4, 226, 244, 250, 252, 255, 257, 263–4, 268–9, 271, 275–80
 - 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

- 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
- politico-administrative fractionalization 130
- 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
- scale 1–5, 8, 10–12, 14–15, 17–18, 20–23, 26–9, 38–40, 44, 47–50, 56–7, 113, 132, 148–67, 171, 173, 177, 184, 196, 199–216, 221, 223–4, 226, 252, 263, 269, 271, 276–80
- decreasing returns to 14, 153, 158–63, 166
- economies of 1–5, 8, 10–12, 14–15, 17–18, 20–23, 26–9, 38–40, 44, 47–50, 56–7, 113, 132,

- 148–67, 171, 173, 177, 184, 196, 199–216, 221, 223–4, 226, 252, 263, 269, 271, 276–80
- 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 decentralization 141
- tax expenditure limitations (TEs) 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

