Index

Ablo, E. 208
Aborigines 27
Abraham, A. 23, 44, 54
absenteeism 301, 305–6
absorptive capacity 169
absorptive capacity constraints 148, 169, 171, 189
access costs 294, 295, 296, 297, 309–10
accessibility 228, 229, 235–6, 246, 251–2, 294, 302
see also access costs; education; electricity access; health services; infrastructure projects; mobility; phone access; road construction/maintenance; water supply projects
accountability
versus autonomy in service delivery in developing countries 73–4
and decentralization in Uganda 198, 201–2, 202, 204–5, 207, 211, 217, 218
and political economy approaches to fiscal decentralization 87–93
see also local accountability; responsibilities
Act on Municipal Debt Adjustment 1996 (Hungary) 341, 349, 352, 361
administration 300–301, 305–6
administrative complexity 59
administrative incapacities 62, 321, 329, 364
administrative officials 73–4
administrative proceedings 349, 351–3, 360, 364
administrative structure 195, 196–7, 200, 201
advocacy campaigns 115, 118
Africa 125
see also Sub-Saharan Africa; individual countries
agency problems 88
agricultural extension 197, 199, 304, 306, 307, 309
Ahlin, A. 141, 146
Ahmad, E. 125, 126, 127, 133, 135, 138, 320, 324, 325–8, 329
Ahmad, J. 81, 94–5, 102, 107, 257
Akai, N. 149, 151–2
Akin, J. 213
Albania 344
Alesina, A. 38
allocative efficiency 171, 174–7, 184–6, 189, 196
allowances 28, 50–51
Alsop, R.J. 42
Ambrosiano, F. 127, 322–3
Andhra Pradesh, India 38
anti-corruption 116–17, 269, 270
Aoudia, J.O. 63
APR (absolute priority rule) 350–51
Argentina 334–5, 357
Arrow, K.J. 293
Arze del Granado, J. 147, 149
Asia 44
see also individual countries
audits 75, 116–17, 197, 205, 303, 307, 359
Australia 27, 130, 322, 323, 324
Austria 130, 322
Autonomous Communities (ACs)
and decentralization process 261–3
and efficiency 259–60, 270–73, 279
and equality 259
expenditures 267, 268, 275–8, 279
policy responsiveness 266–8
and political decentralization 257–8
and preference-matching 275–8, 279
responsibilities 261, 262, 263, 266, 267–8
revenues 264–6, 268, 273, 275, 278, 279
autonomy 73–4, 194, 195, 196, 217
see also empowerment; local autonomy; military power; political power-sharing; regional autonomy; responsibilities
Ayala, L. 259
Azfar, O. 206
bad policymakers/politicians 89, 90
bailout policy 342, 347, 352, 363
Balaguer-Coll, T. 141, 143–4
Baland, J.M. 54
Banerjee, A. 35, 39, 111–13, 117, 301, 311
Bangladesh 34, 59
Barankay, I. 139–40, 141, 270, 271
Bardhan, P. 23, 24, 34, 39, 40–41, 54, 58, 61, 75, 92–3, 94, 109, 110–11, 269, 287–8, 296, 298, 299, 302, 316
BDR (Regional Data Bank) 224, 225, 226, 234, 237–9, 240–41
Behera, B. 38
Belgium 125–6, 128, 130, 322
Below Poverty Line (BPL) cards 36–7, 41, 109, 110
benefits 61–3, 74, 76, 82–3, 86–7, 111
benevolent government 81–4
Ben 48
Bennedsen, M. 93
Besley, T. 36, 85, 87, 88, 89, 90, 91, 93, 109–10, 274, 288, 316
Bhil tribal people 27–8
bidding, for special purpose transfers 325–7
Bienen, H. 56
Bihar, India 47
Birner, R. 291, 300, 309–10, 316
Blair, H. 42
Bolivia
allocative efficiency 171, 174–7, 184–6
debt relief initiatives 148, 161–2, 165
decentralization process 162–4
discipline by central government and decentralization 59
distribution of health and education resources to municipalities 187, 188
HIPC initiative resource distribution 165
impacts of decentralization and HIPC on social outcomes 171, 174–7
impacts of HIPC transfers and spending on social outcomes 177–84
motivations and trends in decentralization 126, 130, 134, 135, 161, 165
outcomes of decentralization 147–8, 149
transfers and spending in municipalities 166–71, 172–3
Bonal, X. 259–60
Bordignon, M. 89, 92, 95, 127, 322–3
borrowing 202, 264, 265–6
see also subnational insolvency and governance: cross-country survey
borrowing constraints 335
borrowing costs 333, 348
Brazil 59, 61, 102, 115–16, 118, 135, 335, 341–2
see also subnational insolvency and governance: cross-country survey
bribery 206, 294, 296, 303
see also corruption
Brixiova, Z. 195
Brosio, G. 125, 127, 138
Brou, D. 92
Brown, T.L. 310, 312
Brueckner, J.K. 94, 260
Buchanan, J.M. 293
budget constraints 55, 106–7, 153, 298, 320, 321, 322, 347, 362
budget management 137–8, 294–5, 328–9, 330
see also allocative efficiency; budget constraints; budgetary allocations; public financial management
budgetary allocations 102, 103, 104, 107, 228–31, 232
see also allocative efficiency
Bulgaria see subnational insolvency
Index

and governance: cross-country survey
Burkina Faso 27, 44–6

Cameroon 47
Canada 130, 141, 143, 322
Cantarero Prieto, D. 141, 144
capacity see absorptive capacity; absorptive capacity constraints; administrative incapacities; central capacity; human resource constraints; knowledge; local capacity; local capacity constraints; public financial management incapacity; social capital
capital markets 333, 343, 348, 349
capital projects 185, 187, 188, 198, 217, 232
capture see elite capture; interest group capture; lobbying; local elite capture; political party capture
care-intensive transactions 300, 304, 305–6
Careaga, M. 298
Case, A. 89, 91
cash payments 28
Castells, A. 260, 264, 266
castes/tribal groups
and decentralization in Uganda 194
and effects of community participation on project outcomes in participatory development 54
and embezzlement of external resources by local elites 46–7
and fiscal decentralization 57
and identity and elections under partial decentralization 113
and information distortion in heterogeneous communities 35–6, 40, 41, 42
and information distortion in homogeneous communities 27–8
and political participation 40, 57, 302
and primary education services under partial decentralization 112
and service delivery under partial decentralization 109–10
Ceara, Brazil 59, 115–16
central accountability 102, 103, 106
central capacity 291, 292
central discipline 62
Central Examination Board (CKE) (Poland) 224, 226
central information dissemination 253
central poverty alleviation programs 135, 316–17, 318–19, 320, 321, 323, 324–9
central regulation 236, 268
central responsibilities 106, 261, 262, 263, 267
Central Statistical Office (GUS) (Poland) 224, 225, 228, 230, 232, 234, 235, 239, 240–41
central transfers see transfers
centralization, and economic growth 151
Cernea, M.M. 48
Chabal, P. 48
challenger policymakers/politicians 88, 89, 90
Chase, R. 41
Chattopadhyay, R. 36, 40, 41, 302
chiefs/village leaders 38, 43, 44, 46
child mortality 213, 214 see also infant mortality
China
fiscal policy instruments for poverty alleviation programs 318, 319–21, 323, 325, 329, 330
information distortion in heterogeneous communities 37–8
inter-regional inequality in fiscal decentralization 60
motivations and trends in decentralization and recentralization 130, 133–4
revenues 322, 323, 324
citizens 105, 106, 107 see also castes/tribal groups; disadvantaged groups; landless people; poor people; women
civil servants 47, 74, 117, 194
clientelism 58, 108–9, 115–16 see also political patronage
Does decentralization enhance service delivery and poverty reduction?

co-management 38
Coate, S. 85, 87, 93, 274, 288
collective action 348, 356, 359
collective enforcement, and
subnational insolvency and
governance 355–6, 363
Colombia 130, 134, 135, 147, 148, 149,
334, 335
commitment 73–4
common regime, decentralization in
Spain 264, 266
community-based development funds
35
community-based/driven development
23–4, 29
community satisfaction 52
compacts 105, 106
competition 49–51, 105, 326–7, 328,
329, 330
see also competitive elections; inter-
jurisdictional competition;
political competition; yardstick
competition
competitive elections 37, 38, 39
conditional grants/transfers 201, 207,
210, 215, 217, 318–19, 321, 327–8,
330
conflict 50, 119
Conning, J. 23, 24, 31, 33, 48, 54
contracts 327, 328, 330, 348, 362
coordination 292, 356, 359
coparticipation transfers 163, 168, 187
Corbridge, S. 46
corruption
and cost-effectiveness in public
service delivery to the rural
poor 294, 303, 304, 305–6, 307,
308
and decentralization in Uganda 201,
205–6, 213–14
defined 303
and elections under partial
decentralization 116
and production efficiency of
decentralization 269, 270
and stake delivery of public versus
private goods in developing
countries 76
see also bribery; clientelism;
embezzlement of external
resources by local elites; moral
hazard
cost-effectiveness in public service
delivery to the rural poor
conceptual framework
costs of using a specific
governance structure 295
distribution of costs 296–7
transaction costs perspective 288,
289–92
types of costs 292–5
factors effecting cost-effectiveness of
different governance structures
corruption literature 303, 305–6,
307, 308
fiscal federalism literature
298–300, 304, 305–6, 307, 308
political economy literature
301–2, 305–6, 307, 308
public administration and
institutional economics
literature 300–301, 305–6
summary of attributes and
contextual factors 304–8
research agenda for the future
308–11
cost-recovery 296
Costa-i-Font, J. 259, 260
costs 86, 87
see also access costs; borrowing
costs; cost-effectiveness in
public service delivery to the
rural poor; cost-recovery;
decision costs; decision-
failure costs; governance
costs; implementation costs;
implementation failure costs;
judicial costs; marginal costs;
opportunity time costs;
production costs; public
financial management costs;
public financial management
failure costs; public good costs;
user costs
Coulibaly, C. 48
creditor rights 344, 345, 350, 362
Cremer, J. 95–6, 274
Crivelli, L. 141, 145
cross-conditionality 327–8, 330
cross-subsidies 296
Index

cultural differences 125–6, 132, 138, 153, 257
Cutler, D. 38–9

Dahl, R.A. 268–9
Daloz, J.P. 48
Das, M.K. 57
de-selection, 88, 89, 90, 269
debt see borrowing; debt relief initiatives; subnational insolvency and governance: cross-country survey
debt relief initiatives 148, 161–2
see also enhanced-HIPC (Heavily Indebted Poor Countries) initiative; foreign assistance programs; HIPC (Heavily Indebted Poor Countries) initiative
decentralization advantages 287
definitional issues 126–7, 257
design problems 102
disadvantages 288
motivations (see motivations and trends in decentralization)
outcomes (see outcomes of decentralization)
decentralization of education services in Poland data sources 224–6
main trends 226–9
preschool education gmina expenditures and preschool enrolment: 1998 and 2003 compared 237–9
gmina expenditures on preschool education 233–5
household expenditures on preschool education 236–7, 251
trends in accessibility 235–6, 251–2
primary and lower-secondary education decentralized spending and lower-secondary school teaching quality 245–50, 252–3
distributional impacts of gmina expenditures — household perspective 241–5, 252
summary and conclusions 250–53
trends in gmina expenditures 240–41
reforms 229–33
decentralization theorem 83–7, 273–4
decision costs 292–3, 295, 296, 298, 299, 302
decision-failure costs 292, 293, 298, 302
decision-making and decentralization 127
and decentralization in Uganda 194, 195, 196, 217, 218
and decentralization of education services in Poland 228–9, 232, 252
and fiscal policy instruments for poverty alleviation programs 321, 325–9
declared community preferences 26, 27–30
delegation 104, 105
demand 94
democratic elections 37, 38
democratic governance 119, 125, 132, 226, 257–8, 268–9
see also democratic elections; direct democracy; local democracy; non-democratic countries
Denmark 129, 130
deselection 107, 116
developed countries 334, 364
development 334–5
see also participatory development
development assistance programs 23–4
development brokers 47–9, 54, 60
Di Bao 320, 321
direct democracy 97, 98
disadvantaged groups 35–6, 37, 40, 41, 57, 111–13, 236, 251, 302
see also empowerment; gender inequality; income inequality; poor people
discipline 33–4, 58, 59, 62
see also electoral control; punishment; rewards
Does decentralization enhance service delivery and poverty reduction?

discretionary-intensive transactions 300, 304, 305–6, 307
discriminating alignment hypothesis 290–292
distributional justice 297
District Poverty Initiatives 36–7
donor preferences 26–30

donors
and decentralization in Uganda 194, 195, 198, 199, 205, 213, 214, 216, 218
and efficiency of service delivery 257
and information distortion in heterogeneous communities 30–32
and perversion of participation under donor competition 49–51

see also donor preferences; participatory development

Duflò, E. 36, 40, 41, 302
Durán, J.M. 265

Eastern Europe 119, 125, 126, 129, 130, 132, 257
see also individual countries
Ebel, R. 149, 151
economic growth 62–3, 138–9, 149–52, 151, 153, 335, 357, 358
economic literature, on strategic distortion of information in heterogeneous communities 34–41

see also education

Economies of scale 240, 269, 291, 294, 298, 304, 305–6

see also education

Ecuador 40

education
and decentralization in Bolivia 165, 166, 168–9, 170, 171, 172–3, 178, 179–84, 185–7, 188
and decentralization in Uganda 194, 197, 198, 199, 203, 206, 207–10, 211, 212, 216–17, 218
decentralization trends 131, 136, 137, 158–60
and evaluating the effects of decentralization on public service delivery in Spain 260, 266–8, 270–73, 275–8, 279
and information distortion in heterogeneous communities 36, 41

knowledge deficit in monitoring and evaluation 301
outcomes of decentralization 139–40, 141, 142, 144, 146, 147, 148–50
and partial decentralization 102, 103–4, 114
and partial fiscal decentralization 93
and service delivery under partial decentralization 111

see also decentralization of education services in Poland; food-for-education programs; higher education; illiteracy; later-secondary education; learning; literacy; lower-secondary education; obligatory education; preschool education; primary education; private education; secondary education; tertiary education; training; zero classes

education subvention 228, 230, 231, 232
educational equality 251, 258
educational inequality 234–5, 251–2, 258
educational reform 229–32

educational subsidies 229–31

efficiency
and decentralization of education in Poland 233

and decentralization of public service delivery in Spain 148, 150

and decentralization on public service delivery in Spain 258–9, 270–73, 279
and fiscal decentralization 86, 87

and fiscal partial decentralization 94

outcomes of decentralization 268–70
of public service delivery, as motivation for decentralization 119, 125, 129, 132, 135, 257

see also allocative efficiency; cost-effectiveness in public service delivery to the rural poor; inefficiency
Index

383

elections
and accountability under partial
decentralization 107
and cost-effectiveness in public
service delivery to the rural
poor 302, 310
and decentralization in Poland
226
and decentralization in Uganda
196–7
and identity under partial
decentralization 113
and information distortion in
heterogeneous communities 31,
36–8, 39, 41
and short-term versus long-
term benefits under partial
decentralization 111
and subnational insolvency and
governance: cross-country
survey 352–3, 363
and under- and over-provision of
local public goods 85, 274
see also electoral control; voting
electoral control 74, 88–92, 116, 118,
269
electricity access 148, 178, 179, 180–83,
184
elite capture 293, 301–2, 305–6, 307,
310
see also interest group capture; local
elite capture; political party
capture
embezzlement of external resources by
local elites 42–9, 55, 56–7, 60
see also bribery; corruption; moral
hazard
Emergency Financial Control Board
(EFCB) 338
Emergency Social Funds 59
employment 39, 52, 61, 111, 186
see also unemployment; wages/
salaries
empowerment
effectiveness, in participatory
development 61, 62
ineffectiveness, in participatory
development in heterogeneous
communities 30, 31
information distortion in
heterogeneous communities
35–6, 38
and literacy 57
and partial decentralization 109
and participatory development in
homogeneous communities
28
positive effects of community
participation on project
outcomes in participatory
development 52
and publicity campaigns 57
women 36, 57, 302
enforceability, in accountability
framework for analyzing partial
decentralization 104, 105
Engel, S. 38
enhanced-HIPC (Heavily Indebted
Poor Countries) initiative 161,
162, 165
see also HIPC (Heavily Indebted
Poor Countries) resources
equality see equalization grants/
transfers; equitable burden
sharing; equity; income equality;
ingequity; inter-jurisdictional
equality; social inclusion
equalization grants/transfers 264,
265–6, 316, 319, 320, 323, 324
equilibrium 55, 56, 86–7
equitable burden sharing 349–51, 360,
362
equity 35–6, 236, 251, 297
Esman, M.J. 31
Esteller-Moré, A. 148–50, 260, 265,
266–8, 275–8, 279
Ethiopia 102, 128, 129, 135, 136, 158
ethnic group preferences 38–9, 119,
125–6, 135, 138, 153, 257
Europe 125–6, 129, 130–31, 132, 334
see also Eastern Europe; European
Union; individual countries
European Union 96–7, 129, 132,
251–2, 344
evaluating the effects of
decentralization on public service
delivery in Spain
efficiency 258–9, 270–73, 279
equality 258
policy responsiveness 266–8
preference-matching 275–8, 279
scarcity of information 258–9
evaluation 134, 290, 294, 296, 301, 327–8
Eversole, R. 27
ex ante regulation 335, 349, 350, 362
ex post regulation 335–6, 350, 362
excises 264, 265
expenditures
and decentralization in Bolivia 165, 166, 167, 168–71
and evaluating the effects of
decentralization on public
service delivery in Spain 258–9, 275–8, 279
and information distortion in
heterogeneous communities 35, 36, 37, 39, 40
see also gmina expenditures;
household expenditures; local
expenditure responsibilities;
municipal expenditures; Public
Expenditure Tracking Studies
(PETS); regional expenditures
externalities see local spillovers/
externalities
Faguet, J.-P. 147–8, 149, 161
family size 178, 179, 180, 182
federal countries 95–6, 97
federal referenda 95–6
federal transfers 34–5
Farrall, J. 116
Ferraz, C. 116
Finan, F. 116
financial distress 343–4, 355, 357, 364
see also subnational insolvency and
governance: cross-country
survey
financial management, public see
public financial management
financial responsibilities 102, 103, 104, 108, 197–8, 199
financing transactions 290
fiscal accounts 163, 164
fiscal adjustment, and subnational
insolvency and governance 338,
340, 342, 357–9
fiscal centralization
and causes of fiscal decentralization 96–8
versus fiscal decentralization in
political accountability 87–93
versus fiscal decentralization with
benevolent government and
policy uniformity 83–4
versus fiscal decentralization with
policy differentiation 85–7
versus fiscal decentralization with
policy uniformity 84–5
inefficiency in public good provision 94
and over- and under-provision of
local public goods 85, 274
standard approach 81
fiscal decentralization
advantages 257
and cost-effectiveness in public
service delivery to the rural
poor 295, 298–300, 304, 305–6, 307, 308
definitional issues 126–7, 257
motivation and trends 129, 130, 131, 132, 257
outcomes of decentralization
139–40, 141, 142, 143–4, 146–52
and over- and under-provision of
local public goods 85, 274
and participatory development
55–60, 62
and repeated games 55, 56
and subnational insolvency and
governance: cross-country
survey 333
see also political economy
approaches to fiscal
decentralization
Fiscal Decentralization Strategy (FDS)
195–6, 202, 203
fiscal policy instruments for poverty
alleviation programs
design problems 316–17
financing instruments for social
programs 321–4
policy implications 329–30
special purpose transfers 324, 325–30
Index of names and terms:

- fiscal recentralization: 129, 130, 133–4
- fiscal sustainability: 347–8
- Folk Theorem: 56
- food-for-education programs: 34
- food payments: 28
- formal regime, decentralization in Spain: 264, 266
- foreign assistance programs: 317, 328
  see also: debt relief initiatives
- forestry management programs: 38, 47, 54
- Foster, A.D.: 34, 111
- France: 128, 129, 131
- Franke, R.W.: 46‒7, 56, 57
- free-riding: 32, 294, 298
- funding agencies: see donors
- Galasso, E.: 34, 39, 115
- García-Escribano, M.: 126
- Gaspart, F.: 44–6, 303
- gender inequality: 297, 302
  see also: women
- Germany: 131, 151, 152, 322
- global financial crises: 335, 342
- gmina expenditures:
  data sources: 224, 225
  main trends: 227, 228, 229
  preschool education: 229, 233–5, 237–9, 251, 252
- gmina revenues: 224, 227–31, 232, 248, 249
- gminas: 226–9
  see also: decentralization of education services in Poland; gmina expenditures; gmina revenues; rural gminas; urban gminas
- Goetz, A.M.: 116–17
- good policymakers/politicians: 89–90
- Gopalappa, D.V.: 58
- governance
  and decentralization in Uganda: 197, 204–5, 217
  dilemmas in service delivery in developing countries: 73–7
  implications for decentralization: 134, 135, 137–8, 269
  improvement, as motivation for decentralization: 132, 133, 257
  and participatory development: 62–3
  see also: accountability; audits; monitoring; public financial management; reporting; responsibilities
- governance costs: 290, 291, 295, 296, 297
- governance structures: see: cost-effectiveness in public service delivery to the rural poor
- governance traps: 81, 95, 103, 108
- government-controlled elections: 37‒8
- Gram Panchayats: (local governments) 40, 109, 110
- Gram Sabhas: (village assemblies) 57, 75, 110, 302
- grants: 55, 201, 202, 227, 275, 279
  see also: conditional grants/transfers; equalization grants/transfers; transfers
- Grossman, G.M.: 92
- Guéneau, M.: 27, 29
- Habibi, N.: 270, 271
- Hanson, M.E.: 258
- hard budget constraints: 106–7, 153, 322, 347, 362
- Hayek, F.A.: 298
- health inequality: 259
- health services
  and decentralization in Bolivia: 165, 166, 168–9, 170, 171, 172–3, 178, 179, 180–81, 184, 185, 186, 187, 188
  and decentralization in Uganda: 197, 198, 199, 206, 210–11, 213–14, 218
Does decentralization enhance service delivery and poverty reduction?

decentralization trends 131, 136, 137, 158–60
and evaluating the effects of decentralization on public service delivery in Spain 259, 260
outcomes of decentralization 141–2, 143, 144, 145–6, 147, 148, 149
and partial decentralization 114, 116
recentralization trends 129, 130
Seguro Popular in Mexico 319
health worker salaries 136, 186, 187, 210
health workers 136, 186, 187, 210
Helpman, E. 92
Hernandez-Trillo, F. 34–5
heterogeneous community preferences and cost-effectiveness in public service delivery to the rural poor 291, 298, 304, 305–6
and effects of community participation on project outcomes in participatory development 54
and fiscal decentralization versus centralization 85, 87
strategic distortion of information in participatory development
empirical evidence from economic literature 34–41
empirical evidence from social science literature 41–2
general considerations 30–34
higher education 129, 130
Hillhouse, A.M. 349–50, 356
Hindriks, J. 91–2
HIPC (Heavily Indebted Poor Countries) initiative 148, 161, 162, 165, 317
see also enhanced-HIPC (Heavily Indebted Poor Countries) initiative; HIPC (Heavily Indebted Poor Countries) resources
HIPC (Heavily Indebted Poor Countries) resources
and decentralization in Bolivia allocative efficiency 184–6, 189
distribution of health and education resources to municipalities 187
distribution of transfers 165–6, 168–9, 189
expenditure 166, 168–71, 172–3, 189
impact of decentralization and HIPC on social outcomes 171, 174–7
impact of HIPC transfers and spending on social outcomes 177–84
Hoddinott, J. 52, 59
holdout problems, and subnational insolvency and governance 338, 348, 356
homogeneous community preferences 26–30, 85–7
horizontal accountability 198, 202, 204–5, 207, 211, 217, 218
horizontal inequality see inter-jurisdictional inequality
Household Budget Surveys (HBSs) 224–5, 236–9
household data 39, 40, 144, 213–14, 224–5, 236–9, 309–10
household expenditures 225, 236–7, 241, 243–5, 251, 252
household income 225, 241–5, 251, 252
human resource constraints 287, 299
human rights 62
Hungary see subnational insolvency and governance: cross-country survey
Hussain, A. 320
Hutchinson, P. 213
hydrocarbon-related revenues 163–4, 166, 167, 184, 187, 189
Ianchovichina, E. 357–8
Ibanez, A.M. 35, 47, 51
identity, and local elections 113
illiteracy 178, 179, 180, 182
immigrants 33
implementation costs 294, 295, 296, 302
implementation failure costs 294, 296, 302
Inbanathan, A. 58
Index

Inchauste, G. 148, 149
income equality 242–3, 245
income inequality
and cost-effectiveness in public service delivery to the rural poor 296, 297, 302, 307
and decentralization in Bolivia 163, 164, 187, 189
and decentralization of education in Poland 242–3, 245, 251
income per capita 271, 272
income support transfers 259
income taxes 227, 228, 264–5, 322, 323
incumbent policymakers/politicians 88, 89, 90, 91–2, 107
India
audits under partial decentralization 116–17
embezzlement of external resources by local elites 46–7, 56–7
empowerment of disadvantaged groups 57, 58, 61
fiscal decentralization 56–7
and identity and elections under partial decentralization 113
information distortion in heterogeneous communities 31, 32, 34, 35–7, 38, 40–41, 42
information distortion in homogeneous communities 26–8
institutional environment and service delivery 109–10
knowledge deficit in monitoring and evaluation of education services 301
motivations and trends in decentralization 134
political competition and service delivery 75, 109
positive effects of community participation on project outcomes in participatory development 52, 54
primary education services under partial decentralization 111–13
stake delivery of public versus private goods 76, 109–11
subnational insolvency 335, 357
indigenous population 126, 178, 179, 180, 182
individual action 348
Indonesia 52, 58–9, 76, 117, 119, 128–9, 132–3, 257
inefficiency 85, 86–7, 94
see also efficiency; local spillovers/externalities
inequality 60, 61, 75
see also educational inequality;
equity; gender inequality; health inequality; income inequality;
inter-jurisdictional inequality; political inequality; social exclusion; social inequality;
vertical inequality
infant mortality 116, 141–2, 143, 144, 145–6, 213, 214
informal sector 319, 321
information 104, 105, 258–60, 274, 292, 298
see also information asymmetries;
information campaigns;
information dissemination/disclosure; local information;
strategic distortion of local information in participatory development; voter information
information asymmetries
and decentralization in Uganda 195, 218
and fiscal policy instruments for poverty alleviation 316, 317, 324, 325, 326–7, 328, 329, 330
and voting 89, 91–2
see also moral hazard; voter information asymmetry
information campaigns 57, 112, 115–17, 118, 302
information dissemination/disclosure 52, 57, 58, 75, 116, 218, 253, 328–9, 364
see also information campaigns;
public hearings; village assemblies; village committees; village councils
infrastructure projects
and decentralization in Bolivia 165, 166, 168–9, 170, 171, 172–3, 178, 179, 180–85, 189
see also judicial costs; judicial proceedings; legislative bargaining; subnational insolvency and governance: cross-country survey
legislative bargaining 85–7
legitimacy, of corruption 43, 44, 45–6, 60, 303
Levy, S. 318, 319
liberalization 119
lifeline pricing 296
linguistic differences 132, 153
liquidation 345, 346
literacy 57, 148
Liu, L. 335
lobbying 75, 84, 85, 88, 92–3
local accountability
and decentralization in Poland 226
and decentralization in Uganda 198, 201–2, 204–5, 207, 211, 218
and fiscal decentralization 55
and fiscal policy instruments for poverty alleviation programs 316, 322, 323–4, 328–9, 330
and information distortion in heterogeneous communities 39–40
as motivation for decentralization 134
and partial decentralization 102–8, 113, 114, 115–18
and production efficiency of decentralization 268–9
and service delivery in developing countries 77, 113
local autonomy 60, 132, 134, 228, 232–3
local capacity 115, 195, 291, 292
local capacity constraints 136, 195, 200, 202–4, 218, 321, 329
local committees 56–7
local culture 54
local democracy 34, 36–7, 39, 55, 74, 111, 194, 302, 307
local elections 74, 77
local elite capture
and cost-effectiveness in public service delivery to the rural poor 310
and fiscal decentralization 58–9, 94
and fiscal policy instruments for poverty alleviation programs 320, 325
and ineffectiveness of participatory development 60, 61
and information distortion in heterogeneous communities 30–34, 39
and political economy approaches to fiscal decentralization 88, 92–3
and service delivery failure under partial decentralization 109
and service delivery in developing countries 75, 76
local elite exit 31–2, 56, 75–6
local elites, and embezzlement of external resources 42–9, 50–51, 56–7, 60
local expenditure responsibilities 197–8, 199
local financial contributions 49–51
Local Government Accounts Committee (LGAC) 197, 205
Local Government Public Accounts Committees (LGPACs) 197
local incumbent policymakers/politicians 88, 89, 90, 91
local information
and fiscal policy instruments for poverty alleviation 316, 317, 318, 319, 320, 321, 324, 329
and participatory development 23, 115
and preference-matching 274
see also strategic distortion of local information in participatory development
local knowledge 301, 304, 305–6
local leaders 43, 44, 45–6, 47, 50–51, 54
local monitoring 137, 218
local officials 88
local officials’ preferences 40, 41, 317, 325
local policymakers/politicians 88, 89, 90, 91, 106, 107–8
local poverty alleviation schemes 316–17, 319–21
local preferences 316, 317, 320, 325, 329
Does decentralization enhance service delivery and poverty reduction?

see also declared community preferences; ethnic group preferences; heterogeneous community preferences; homogeneous community preferences; local elite capture; local officials' preferences; local preferences; political party capture; poor people's preferences; preference-matching; true community preferences

local public goods
and fiscal decentralization versus centralization 81, 82–4, 85
and information distortion in heterogeneous communities 35, 38–9, 40, 41
inter-regional equality 275
inter-regional inequality 274
and service delivery in developing countries 76–7, 109–10, 111
see also local spillovers/externalities
local responsibilities
and decentralization in Uganda 197–8, 199, 218
and decentralization of education services in Poland 227, 228, 229, 231, 232–3
and partial decentralization 102, 103, 108, 114, 115, 136, 137
and subnational insolvency and governance: cross-country survey 335, 345, 346
see also local accountability; local autonomy
local spillovers/externalities
and cost-effectiveness in public service delivery to the rural poor 298, 299, 304, 305–6, 307
and decentralization versus centralization 274
and fiscal decentralization versus centralization 81, 82–4, 85
and production efficiency of decentralization 269
local taxes 227, 228, 322–4, 337–8, 345
Lockwood, B. 84–7, 91–2, 93, 95–6, 139–40, 141, 270, 271, 274, 321
long-term benefits 61–3, 76, 111
long-term investment projects 73
Lorz, O. 96–7
loyalty 43, 44, 45–6
Macedonia 344
macro governance 62
Madhya Pradesh, India 36–7, 42, 47
Madison, J. 3, 5, 88, 92–3
majority voting 84–5, 86
Malawi 28–9, 32, 50
Mali 48, 135
Mann, S. 309
Mansuri, G. 24, 54, 288
marginal benefits 82–3
marginal costs 83
marginal willingness to pay 83–4
Martinez, L. 328
Mburu, J. 309–10
MDRI (Multinational Debt Relief Initiative) 161, 162
measuring service delivery 301, 310
Mehta, A. 31
Meisel, N. 63
Mexico
fiscal policy instruments for poverty alleviation programs 318–19, 321, 323–4, 329, 330
information distortion in heterogeneous communities 34–5
motivations and trends in decentralization 131, 135
outcomes of decentralization 152
partial fiscal decentralization 93
subnational insolvency and governance: 333, 334, 335, 357
tax revenues 322–3
military power 126, 134
minimum winning coalition 86, 91
Ministry of Finance (MoF) (Poland) 224
mobility 296, 299, 300, 307
monitoring
and cost-effectiveness in public service delivery to the rural poor 290, 294, 296, 300–301
and decentralization in Uganda 197, 205, 217, 218
and fiscal policy instruments for poverty alleviation programs 327–9, 330
and implementation costs 294, 296
implications for decentralization 133, 134, 137–8
and information distortion in heterogeneous communities 31–2
stake delivery of public versus private goods in developing countries 76–7
see also audits; evaluation; performance monitoring; reporting
Montero-Granados, R. 141–2, 145–6
Mookherjee, D. 34, 39, 61, 75, 92–3, 94, 269, 288, 302, 316
moral hazard 294, 317, 327, 342, 347, 349, 350, 360
Moreno, L. 132, 258
Mörk, E. 141, 146
Moscone, F. 260
Mosse, D. 28, 29, 30, 33, 54
motivations and trends in decentralization
China 133–4
Europe 125, 129, 130–31, 132, 226–9, 257–8, 260–66
Indian Sub-continent 126, 134
Indonesia 119, 132–3, 257
Latin America 119, 134–5, 257
overview 1–2
Sub-Saharan Africa 119, 135–8, 158–60, 257
multi-year budgets 328, 329, 330
municipal expenditures
and decentralization in Bolivia 163, 164, 166–71, 172–3, 189
impact of decentralization and HIPC on social outcomes 171, 174–7
impact of HIPC transfers and spending on social outcomes 177–84
Municipal Finance Management Act 2003 (South Africa) 340, 348
municipal revenues
and decentralization in Bolivia 163–4, 165, 167, 168, 169–71, 189
distribution of health and education resources to municipalities 187, 188
impact of decentralization and HIPC on social outcomes 171, 174–7
impact of HIPC transfers and spending on social outcomes 177–84
Musgrave, R. 294, 298
Nair, G. 27, 42, 46
national incumbent policymaker politicians 91–2, 107
National Service Delivery Survey 213–14
natural resource allocation 126, 133, 134, 135
neighboring politicians 90, 91, 117–18
Nepal 56
networks 54
new institutional economics 301
NGOs
as development brokers 48–9
embezzlement of external resources by local elites 44–6
information campaigns under partial decentralization 116–17
and information distortion in heterogeneous communities 31, 32
and information distortion in homogeneous communities 28–9
and local elite exit and service delivery in developing countries 75
and perversion of participation under donor competition 50
and primary education services under partial decentralization 112–13
Nigeria 114, 128–9, 135, 136, 137, 159
no-bailout policy 341, 347, 362
non-democratic countries 39–40
non-participation 24, 28–9, 42, 62
see also local elite exit; participation; social exclusion
Does decentralization enhance service delivery and poverty reduction?

non-technical choices 53
normative issues 2–3, 5–6
see also cost-effectiveness in public service delivery to the rural poor; social norms
Nsibambi, A. 200

Oates, W. 83–4, 89, 90, 96, 97, 139, 273–4, 287, 298
Oberholzer-Gee, F. 146–7, 150
obligatory education 236, 270–71
OECD countries 97–8, 132, 149, 150, 151, 152, 236, 324
officials see administrative officials; civil servants; local officials’ preferences
Olken, B.A. 56, 76, 117, 303
one-shot model of legislative bargaining 86–7

Oportunidades 318–19, 321, 324
opportunism see moral hazard; strategic distortion of local information in participatory development
opportunity costs of time 294, 295, 296
Osmani, S. 61, 62
outcomes of decentralization and convergence of service delivery levels 138, 141–2, 145–6
definitional issues 127–8
and economic growth 138–9, 149–52
impact of decentralization and HIPC in Bolivia 171, 174–7
impact of HIPC transfers and spending in Bolivia 177–84
and performance budgeting 137–8
and preference-matching 138, 146–50
and production efficiency 138, 139–44
and subnational insolvency and governance: cross-country survey 333, 363
outcomes of projects 51–4
over-provision of local public goods 85, 274
overlapping responsibilities 136–7, 316–17, 319
ownership 52
Oyono, P.R. 47

Pakistan 53–4, 102, 126, 134, 302
Palfrey, T. 95–6
Panchayats
and embezzlement of external resources by local elites 46–7
and information distortion in heterogeneous communities 31, 34, 36, 37, 41
and information distortion in homogeneous communities 27
and political favouritism 57
and service delivery under partial decentralization 109, 110
and stake delivery of public versus private goods 76
Pande, R. 35–6
parliamentary countries 97
partial decentralization
and accountability 102–8, 114, 115–18
defined 93–4, 102–3, 107
disadvantages 103
inter-regional equality 275
and local elections versus local accountability 77
and local government responsibility 102, 103, 108, 114, 115, 136, 137
reform implications 115–18, 119
service delivery failures 107–15
and standard versus political economy theory of fiscal federalism 94–5
participation 34, 35–8, 49–54
see also coparticipation transfers; non-participation; participatory development; participatory governance; political participation; social inclusion
participatory development
advantages 23–4
and development brokers 47–9, 54, 56, 60
disadvantages 24
and embezzlement of external resources by local elites 42–7, 51, 55, 56–7, 60
and fiscal decentralization 55–60, 62
and grants 55
information campaigns and accountability 117
perversion of participation under donor competition 49‒51
positive effects of community participation on project outcomes 51–4
and repeated games 55
see also strategic distortion of local information in participatory development
participatory governance 62
Pascual Sanchez, M. 141, 144
Paxson, C. 35
perceived donor preferences 26, 30
performance budgeting 137–8, 329, 330
performance monitoring 104, 105, 205, 207–8, 327‒8, 330
Persson, T. 97
Peru 35, 126, 135, 355
Philippines 41
phone access 178, 179, 184
pinkun hu 319, 320
planning transactions 290
Platteau, J.-P. 23, 30, 33, 44‒6, 54, 303
Poland 129, 131, 226–9, 333, 334
see also decentralization of education services in Poland
policy differentiation 85–7
policy responsibilities 136, 158–60
policy responsiveness, and effects of decentralization on public service delivery in Spain 266–8
policy uniformity, and fiscal decentralization versus centralization 81–5
policymakers/politicians 73–4, 76, 105, 106, 107
see also bad policymakers/politicians; challenger policymakers/politicians; chiefs/village leaders; good policymakers/politicians; incumbent policymakers/politicians; local officials; local officials’ preferences; local policymakers/politicians; neighboring politicians
political competition 57, 75, 76, 109
political decentralization 126, 129, 130, 131, 132, 226–7, 257–8
political economy 4–5, 301–2, 305–6, 307, 308
see also political economy approaches to fiscal decentralization
political economy approaches to fiscal decentralization
causes of decentralization 95–8
partial decentralization 93–5
and political accountability 87–93
preference-matching 81–7
political inequality 302
political non-participation 57
political participation
and decentralization in Uganda 194
disadvantaged groups 57, 302
and information campaigns 115–16, 117–18
and production efficiency of decentralization 269
women 40–41, 57, 302
political party capture 57–9
political patronage 24, 44, 57–9, 62, 74, 108–9, 115–16
political power-sharing 126, 134, 135
politicians see policymakers/politicians
pooling 90, 91
poor people
and elite exit and service delivery in developing countries 75, 76
and embezzlement of external resources by local elites 44, 45–6
and fiscal decentralization 56, 58
and service delivery under partial decentralization 36, 111
and social exclusion 32, 33
see also cost-effectiveness in public service delivery to the rural poor; disadvantaged groups; empowerment; landless people; poor people’s preferences; poverty; poverty alleviation; urban poor
poor people’s preferences 32, 33–4, 35–7, 38, 39, 40
population, and decentralization in Bolivia 163, 165, 171, 174–7, 178, 179–84
post-secondary education see higher education; tertiary education
Does decentralization enhance service delivery and poverty reduction?

Potoski, M. 310, 312

Poverty and decentralization in Bolivia
161, 165, 169, 171, 174–7, 178, 184–6, 189

and evaluating the effects of decentralization on public service delivery in Spain 259

see also cost-effectiveness in public service delivery to the rural poor; disadvantaged groups; poor people; poverty alleviation; urban poor

Poverty Action Fund (PAF) 194, 201

Poverty alleviation and Below Poverty Line (BPL) cards 36–7, 41, 109–10

centralization 135

and cost-effectiveness in public service delivery to the rural poor 299–300, 304, 306, 307

and decentralization in Bolivia 161, 165, 169, 171, 174–7, 178, 184–6, 189

and decentralization in Uganda 194, 201–2

effectiveness, in participatory development in heterogeneous communities 35–6

ineffectiveness, in participatory development in heterogeneous communities 30, 31, 34–5

ineffectiveness of participatory development 24

as motivation for decentralization 125, 133, 135, 137–8, 161, 165

and partial decentralization 109–10, 115

and perversion of participation under donor competition 50–51

see also cost-effectiveness in public service delivery to the rural poor; fiscal policy instruments for poverty alleviation programs

Poverty Eradication Action Plan (PEAP) 194, 201, 202, 210

Power see autonomy; empowerment; military power; political power-sharing; power asymmetries

power asymmetries and embezzlement of external resources by local elites 43, 44, 45, 46

and ineffectiveness of participatory development 60, 61, 62

and information distortion in heterogeneous communities 30–34, 35, 38, 39, 40–41, 42

and service delivery in developing countries 75

powiats 226, 227, 229, 230, 232

Pradhan 40–41, 113

prefecturas 163, 164

preference-matching and decentralization in Uganda 206

and decentralization of education services in Poland 228, 253

and evaluating the effects of decentralization on public service delivery in Spain 275–8, 279

and grants 275, 279

outcomes of decentralization 138, 146–50, 152, 273–5

and partial fiscal decentralization 93

and political economy approaches to fiscal decentralization 81–7

preferences see declared community preferences; donor preferences; elite capture; ethnic group preferences; heterogeneous community preferences; homogeneous local preferences; interest group capture; lobbying; local elite capture; local officials’ preferences; local preferences; perceived donor preferences; political party capture; poor people’s preferences; preference-matching; true community preferences; true donor preferences

preschool education 81–7, 93, 186, 229–31, 232–9, 251–2

presidential countries 97

prestige 29

primary education and cost-effectiveness in public service delivery to the rural poor 304, 305, 307
and decentralization in Bolivia 186
and decentralization in Poland 229–33, 240–45, 252
and decentralization in Uganda 194, 197, 203, 207, 208, 209, 211–12
and decentralization trends 136, 137
and evaluating the effects of decentralization on public service delivery in Spain 267–8
and partial decentralization 111–13
prisoners dilemma 326–7
Pritchett, L. 300
private capital 333
private corporate insolvency 345–6, 360–61, 364
private education 209–10, 229, 230, 271, 272
private goods 40, 41, 76, 109, 110–11
private rents 298
private services 75, 76
production costs 290, 291, 293–4
production efficiency 138, 139–44, 152, 268–73
production transactions 290
Progresa/Oportunidades 318–19, 321, 324
project outcomes 51–4
Prokopy, L.S. 32, 49
property tax 323, 324, 337
proposers, in legislative bargaining under fiscal centralization 86
providers, and accountability framework for analyzing partial decentralization 105, 106, 107
public administration see administration
public capital 333
Public Expenditure Tracking Studies (PETS) 205, 207–8, 309
public expenditures see expenditures
public financial management and accountability framework for analyzing partial decentralization 104, 105
and decentralization in Bolivia 165
and decentralization in Uganda 195–6, 202–4, 218
and fiscal policy instruments for poverty alleviation programs 328–9, 330
implications for decentralization 133, 134, 135, 137–8
improvement, as motivation for recentralization 134
see also allocative efficiency; audits; budget constraints; budget management; budgetary allocations; monitoring; reporting
public financial management costs 294–5, 296
public financial management failure costs 295, 296
public financial management incapacity 102, 103, 108
public good costs 89–90
public goods 94
public hearings 75, 116
public sector workers 194, 195
see also civil servants; health workers; local officials; teachers
public service delivery convergence, outcome of decentralization 138, 141–2, 145–6, 153, 161
and effects of community participation on project outcomes in participatory development 52, 53
governance dilemmas in developing countries 73–7
and institutional environment under partial decentralization 109–10
and political competition in developing countries 75, 109
and private goods in developing countries 76, 109
and subnational insolvency and governance: cross-country survey 335, 341, 345, 346, 348–9
public service delivery failures, and partial decentralization 107–15
publicity campaigns see information campaigns
punishment 45, 46, 47, 55, 56, 327
see also discipline; electoral control
Pur, K.A. 47
quality of decision-making 292–3
quality of financial management 295
quality of services
and cost-effectiveness in public service delivery to the rural poor 294, 295, 296
and decentralization of education services in Poland 225–6, 228, 229, 232, 245–50, 252–3
and evaluating the effects of decentralization on education service delivery in Spain 271
and fiscal policy instruments for poverty alleviation programs 327

Rajasthan, India 42
Rao, V. 24, 35, 47, 51, 54, 288
Ravallion, M. 34, 39, 115, 320, 321
re-election 88, 89, 91, 107
recentralization 129, 130, 133–4, 151
Redoano, M. 92, 96
referenda 95–7, 163, 164
regional autonomy 268
Regional Data Bank (BDR) 224, 225, 226, 234, 237–9, 240–41
regional expenditures 267, 268
regional responsibilities 261, 262, 263, 266, 267–8
regional revenues 264–6, 268, 273
regional taxes 264
regulation
subnational insolvency and governance: cross-country survey 335–44
Albania, Bulgaria, Macedonia and Romania 343–4
Brazil 341–3
Hungary 340–41, 373–5
United States 337–8, 373–5
see also central regulation; legal framework; regulatory decentralization
regulatory decentralization
definitional issues 127, 128, 257
motivation and trends 129, 130, 131, 132, 257
outcomes of decentralization 139–42, 143–4, 145–50, 149, 152
Reinikka, R. 116, 208, 309
rent-maximization 89
rent-seeking 274, 293, 301–2, 304, 305–6, 307
repeated games 55, 56, 326, 328
reporting
and decentralization in Uganda 196, 202–3, 204, 205, 218
and fiscal policy decentralization 56
and fiscal policy instruments for poverty alleviation programs 328–9
and partial decentralization 117
and subnational insolvency and governance: cross-country survey 359, 364
trends in decentralized service delivery 133, 135, 137, 153
representatives, in legislative bargaining under fiscal decentralization versus centralization 85, 86–7
reputation 55, 62, 326, 327
resource utilization 27, 28–9, 30–32
responsibilities
and decentralization in Bolivia 189
and decentralization in Sub-Saharan Africa 136–7, 158–60
and decentralization of education services in Poland 227, 228, 229
and fiscal policy instruments for poverty alleviation programs 330
see also accountability; autonomy; central responsibilities; financial responsibilities; local expenditure responsibilities; local responsibilities; overlapping responsibilities; regional responsibilities
revenue-sharing 162–4, 201, 264, 265–6
revenues
and decentralization in Spain 264–6, 268, 273, 275, 278, 279
and decentralization in Uganda 198–202, 207, 210, 215, 217, 218
and fiscal policy instruments for poverty alleviation programs 319, 320, 321, 322–4
see also gmina revenues; hydrocarbon-related revenues;
municipal revenues; regional revenues; revenue-sharing rewards 327
Richardson, T. 324
Rico, A. 259
road construction/maintenance and decentralization in Uganda 197, 199
and evaluating the effects of decentralization in Spain 148–50, 260, 266–7, 268, 275–8, 279
and information distortion in heterogeneous communities 34, 36, 41
and service delivery under partial decentralization 111
and stake delivery of public versus private goods in developing countries 76
Robalino, D. 142, 144
Romania see subnational insolvency and governance: cross-country survey
Rosenzweig, M.R. 34, 111
Rudaheranwia, N. 215, 216
rules, and subnational insolvency and governance: cross-country survey 347–8
rural gminas 228, 229, 231, 234–5, 236–7, 243–5, 251–2
rural poor see cost-effectiveness in public service delivery to the rural poor
Russia 333, 334, 355, 357
Ruta, M. 92
Sakata, M. 149, 151–2
Sakowski, P. 248
salaries see health worker salaries; teacher salaries; wages/salaries
Salinas, P. 260, 266, 270–73, 279
Salinas Peña, P. 140, 142
Salmon, P. 258
Sanchez, F. 147–8, 149
Sara, J. 52
scarce resources 26
Schady, N. 35
Scharf, K. 96
school attendance/enrolment 178, 179–84, 208–9, 237–9, 270–71
Seabright, P. 269, 274, 275–6
Searle, B. 324
secondary education 137, 186, 194, 197, 207, 208, 209, 267–8
see also lower-secondary education; upper-secondary education
Seguro Popular 319
service delivery see private services; public service delivery
severity of funding agency 33–4
Shaanxi Province, China 38
Shah, A. 119, 257, 269, 270
short-term benefits 74, 111
small-scale public infrastructure projects 304, 305
Smart, M. 88, 89, 90
Smith, P. 141, 143
social audits 303, 307
social capital 23, 38
social differentiation 23, 35–6, 38, 39, 40, 41
see also castes/tribal groups; chiefs/village leaders; disadvantaged groups; elite capture; landless people; local officials’ preferences; poor people’s preferences; social inequality; urban poor; women
social exclusion 32–3, 35, 297, 300
Social Funds (World Bank) 31, 35
social inclusion 33, 40
social inequality 43, 44–7, 296, 297, 302, 307
Social Infrastructure Fund 35
social justice 32–3
social movements 44, 57, 60–61, 76–7
social norms 43–6
social science literature, on strategic distortion of information in heterogeneous communities 41–2
soft budget constraints 55, 298, 347
Solé-Ollé, A. 148–50, 260, 266–8, 270–73, 275–8, 279
Somanathan, E. 54
Somanathan, R. 35
Somville, V. 26, 33–4
South Africa
motivations and trends in
decentralization 119, 128–9,
131, 135, 136, 137, 160, 257
partial decentralization 102
positive effects of community
participation on project
outcomes in participatory
development 52
see also subnational insolvency and
governance: cross-country
survey
Spain
fiscal decentralization 149
motivations and trends in
decentralization 125–6, 131,
132, 257–8, 260–66
outcomes of decentralization 140,
141, 142, 143–4, 145–6, 148–50,
152, 153
political decentralization 257–8
see also evaluating the effects of
decentralization on public
service delivery in Spain
spatial distribution 300–301, 304,
305–6, 307
special purpose transfers 324, 325–30
spillovers, local see local spillovers/
externalities
Sri Lanka 52, 119
standard theory of fiscal federalism
81–5, 94
stays, and subnational insolvency and
governance: cross-country survey
356
Stegarescu, D. 97–8
strategic distortion of local
information in participatory
development
in heterogeneous communities
empirical evidence from economic
literature 34–41
empirical evidence from social
science literature 41–2
general considerations 30–34
in homogeneous communities 26–30
Structural Funds (EU) 129, 251–2
Strumpf, K. 97, 146–7, 150
student survival rate at 16 260, 270–73,
279
Sub-Saharan Africa 30, 43–4, 119, 129,
135–8, 158–60, 257
see also individual countries
subnational bond markets 333–4, 344,
359, 363
subnational insolvency and
governance: cross-country survey
causes 333–4
consequences 335
and development 334–5
lessons and conclusions 361–4
principles of subnational insolvency
clarity of rules 347–9
equitable burden sharing
349–51
hard budget constraints 347
judicial versus administrative
approach 351–3
public versus private corporate
insolvency 345–6
regulation 335–44
Albania, Bulgaria, Macedonia
and Romania 343–4
Brazil 341–3
Hungary 340–341, 345, 373–5
South Africa 338–40, 373–5
United States 337–8, 345, 373–5
subnational insolvency framework
collective enforcement 355–6
debt restructuring and discharge
359–61
fiscal adjustment 357–9
insolvency and commencement of
bankruptcy 354–5
subsidiaries 227, 241–5
subvention, and decentralization of
education services in Poland 228,
230, 231, 232
survival rate at 16 260, 270–73, 279
sustainability 28, 30, 347–8
Svensson, J. 39, 116, 309, 328
Sweden 141, 146
Switzerland 139–40, 141, 145, 151, 152,
153, 322, 352
Tabellini, G. 97
Tamil Nadu, India 75
Tandberg, E. 325–8
Tanzi, V. 125, 138
tax collection 294–5, 296, 299, 307
Index

399

tax rate 89–91

taxes 227, 228, 264–6, 297, 322–4
see also income taxes; local taxes;
property tax; revenues; tax
collection; tax rate; VAT

teacher–pupil ratio 146, 186, 209–10,
211, 212, 231, 271, 272

teacher salaries
and decentralization in Bolivia 186,
187
and decentralization in Uganda 194,
203, 207, 211–12
and decentralization of education
services in Poland 228, 230, 231,
232
and evaluating the effects of
decentralization on public
service delivery in Spain 268

teachers
and decentralization and governance
in Sub-Saharan Africa 136
and decentralization in Bolivia 186,
187
and decentralization in Sweden 146
and decentralization in Uganda 194,
203, 207, 209–10, 211, 212

technical choices 52, 53

technical knowledge 301, 304, 305–6

Tembo, F. 28–9, 30, 31, 32, 50

tendler, J. 59, 115–16

tertiary education 137, 194, 197, 207,
260, 270–73, 279

test scores 246–50

Thiessen, U. 150–51

Thompson, T. 119, 257

Tiebout, C.M. 118, 298, 299

time
and cost-effectiveness in public
service delivery to the rural
poor 294, 295, 296, 300, 304,
305–6
and fiscal policy instruments for
poverty alleviation programs
326, 327, 328, 329–30
and judicial proceedings and
subnational insolvency 362–3
and perversion of participation
under donor competition 51
see also repeated games

Topińska, I. 141, 144, 225, 235, 239,
241, 242, 243, 245, 257

training 28, 31, 51, 76, 115

transaction cost perspective see cost-
effectiveness in public service
delivery to the rural poor

transaction-intensity 291, 300–301,
304, 305–6, 307

transfers
and decentralization in Bolivia 163–4, 165, 166, 167–8, 169–71,
172–3, 189
allocative efficiency 184–6, 189
distribution of health and
education resources to
municipalities 187, 188, 189
impact of decentralization and
HIPC on social outcomes
171, 174–7
impact of HIPC transfers and
spending on social outcomes
177–84
and decentralization in Spain 264,
265–6
and decentralization in Uganda 201
and decentralization of education
services in Poland 252
and fiscal policy instruments for
poverty alleviation programs
316, 319, 320, 322, 323, 324–9
and subnational insolvency and
governance: cross-country
survey 335
see also conditional grants/transfers;
coparticipation transfers;
equalization grants/transfers;
federal transfers; grants; income
support transfers; special
purpose transfers

transparency 74, 303, 328–9, 341, 342,
359, 363

tribal groups see castes/tribal groups
true community preferences 26
true donor preferences 26–9
trust 32–3

Tufte, E.R. 268–9

tullock, G. 293
Does decentralization enhance service delivery and poverty reduction?

Uganda
- accountability and governance 194, 201–2, 204–6, 207, 211, 215, 217, 218
- decentralization process
  - capacity constraints 195, 200, 202–4, 218
  - expenditure assignments 197–8, 199
- historical overview 193–6
- legislative and administrative structure 194, 195, 196–8, 200, 201
- revenue and borrowing arrangements 198–202, 207, 210, 215, 217
- information campaigns 116
- motivations and trends in decentralization 119, 135, 136, 137, 158
- outcomes of service delivery education 207–10, 216–17, 218
  - explanations 216–19
  - health 210–14, 218
  - water supply 214–16, 217, 218
- tax collection 299

*Uganda Demographic and Health Survey* 213, 214

unattended illnesses/respiratory diseases, and health service decentralization in Bolivia 178, 179, 180–81

uncertainty 26, 30, 74

under-provision of local public goods 85, 274

unemployment 271, 272

see also employment

unitary countries 95–6, 97

unitary referenda 95, 96

United Kingdom 128, 131, 132

United States 84, 106–7, 146, 147, 149, 150, 151–2, 322, 324

see also subnational insolvency and governance: cross-country survey

Universal Primary Education (UPE) Program 194, 203, 208

untrustworthiness 32–3

Uphoff, N.T. 31

upper-secondary education 230, 260, 270–73

urban *gminas* 228, 229, 231, 234, 235, 236–7, 243–5, 251

urban poor 259, 317, 320

user charges 227, 228, 234, 251, 265–6

user costs 290, 294, 295, 296, 297

user transactions 290

see also access costs; user costs

Uttar Pradesh, India 32, 47, 111–13

Varshney, A. 113

VAT 264–5, 322, 323

Véron, R. 57

vertical accountability 202, 204, 205, 218

vertical inequality 163, 187

Vijayalakshmi, V. 42, 56

village assemblies 57, 75, 110, 302

village committees 45, 46, 56–7, 111–12, 113

village councils 36–7, 40, 42, 43, 55, 57, 302

village education committees 111–12, 113

village leaders/chiefs 38, 40, 43, 44, 46

village officials 88

village officials’ preferences 40, 41, 317, 325

vocabulary 28, 30

voice 77, 105, 106, 107, 317

*voivodships* 225, 226–7

Volden, C. 269, 275

voluntary bargaining, and subnational insolvency and governance 337, 349, 361–2

voter information 89–91

voter information asymmetry 89, 91–2

voting 34, 36, 39, 58, 84–7, 95–7

see also elections; electoral control; voter information; voter information asymmetry

vouchers 76

wages/salaries

and decentralization in Bolivia 186, 187

and decentralization in Uganda 194, 203, 207, 210, 217
Index

and information distortion in heterogeneous communities 39
and service delivery under partial decentralization 111
Waibel, M. 335
Wang, S. 37–8, 60
water supply projects
and decentralization in Uganda 197, 198, 199, 214–16, 217, 218
and information distortion in heterogeneous communities 32, 36, 41
outcomes of decentralization 148
Webb, S. 335
Weingast, B.R. 5, 133, 152, 258, 269, 274, 295, 298
welfare 45, 293
welfare maximization 81–4, 89
West Bengal, India 40–41, 57, 61, 75, 76, 109–11
White, M.J. 346, 350
widows 32, 33
Williamson, O.E. 288, 289, 290–92, 300–301
willingness to pay 83–4, 85
Willman, G. 96–7
Wittmer, H. 291, 300
women 36, 40–41, 42, 57, 302
Woolcock, M. 300
World Bank
accountability framework
for analyzing partial decentralization 104–6
community-based development (CBD) 29
community-driven development (CDD) 23–4
and decentralization in Uganda 196, 197, 203, 205, 217
and efficiency of service delivery 257
and governance structures 289, 308, 311
and governance trap 94–5
knowledge for monitoring and evaluating public services 301
and lifeline pricing 296
and local democracy 302
and NGOs 48
and partial decentralization 102
and participatory development in heterogeneous communities 31
poverty alleviation programs 316
and service delivery to rural poor 287
and subnational insolvency 334, 362
World Development Report 2004 (World Bank) 104–6
wu bao (five guarantees) 318, 319, 320
Yao, Y. 37–8, 60
yardstick competition 89–91, 118
Yilmaz, S. 149, 151
zero classes 234, 236
Zhang, P. 325–8
Zhang, X. 38