
Contents

1	Introduction	1
1.1	General Scope	1
1.2	Topics and Related Literature	4
1.2.1	Existing Studies	4
1.2.2	Plan of the Work	5
2	Public Sector Decentralisation: Measurement and International Trends	11
2.1	Introduction	11
2.2	Measuring Public Sector Decentralisation	12
2.2.1	General Definitions	12
2.2.2	Common Measures of Fiscal Decentralisation	13
2.2.3	Non-Fiscal Measures of Public Sector Decentralisation	16
2.2.4	Different Approaches to Measuring Fiscal Autonomy	17
2.3	Corrected Indicators of Revenue Decentralisation	19
2.3.1	Tax Autonomy	19
2.3.2	Degree of Tax and Revenue Decentralisation	21
2.4	A Current Overview of OECD Countries	23
2.4.1	Public Expenditures	23
2.4.2	Fiscal Autonomy and Revenue Decentralisation	25
2.5	Fiscal Decentralisation Trends in OECD Countries	31
2.5.1	Public Expenditures	31
2.5.2	Fiscal Autonomy and Revenue Decentralisation	34
2.6	Discussion and Conclusions	39
3	Costs, Preferences, and Institutions: The Determinants of Fiscal Decentralisation	41
3.1	Introduction	41
3.2	Decision-Making Institutions and Government Decentralisation	44
3.3	An Institutional Overview of OECD Countries	49

3.3.1	Participation of Subnational Entities in Central Decision-Making	49
3.3.2	Direct Democracy at the National Level	57
3.4	Quantitative Analysis	60
3.4.1	Empirical Model	61
3.4.2	Institutions	63
3.4.3	Costs and Preferences	66
3.5	Results	71
3.6	Discussion and Conclusions	79
4	Economic Integration and Fiscal Decentralisation	81
4.1	Introduction	81
4.2	Theoretical Framework	84
4.2.1	Basic Assumptions	84
4.2.2	The Optimal Degree of Decentralisation	87
4.2.3	Political Integration	90
4.3	Empirical Analysis	92
4.3.1	Empirical Considerations	93
4.3.2	Descriptive Statistics	95
4.3.3	Investigation Approach	98
4.4	Results	101
4.4.1	Basic Estimations	101
4.4.2	Sensitivity Analysis and Robustness Checks	107
4.5	Discussion and Conclusions	112
5	Long-Term Trends in the Public Sector: An Inquiry into German History	115
5.1	Introduction	115
5.2	A Brief History of German Federalism	117
5.2.1	The German <i>Kaiserreich</i> (1871-1918)	117
5.2.2	The Inter-War Period (1919-1938)	120
5.2.3	The Postwar Period (since 1949)	121
5.3	Quantification of Long-Term Trends in the Public Sector	124
5.3.1	Growth of the Public Sector	124
5.3.2	The Process of Public Sector Centralisation	127
5.4	Determinants of Fiscal Decentralisation in Germany	137
5.4.1	Quantitative Approach	137
5.4.2	Results	139
5.5	Discussion and Conclusions	142
6	Summary and Conclusions	145
A	Theoretical Model	151
B	Tables and Figures	153

C	Data Sources and Definitions	203
D	Descriptive Statistics	211
	List of Figures	213
	List of Tables	215
	References	219

<http://www.springer.com/978-3-7908-1669-3>

Decentralised Government in an Integrating World

Quantitative Studies for OECD Countries

Stegarescu, D.

2006, XII, 232 p. 22 illus., Softcover

ISBN: 978-3-7908-1669-3

A product of Physica-Verlag Heidelberg