Overview

- Are there trends?
- Comparing countries
- Models of local finance
- Some questions
Are there trends?

- Not really noticeable in world or regional terms
- Data comparability and interpretation problems
- Within countries, it’s sometimes a different story
- But that story needs to be told very carefully
Comparing Countries

- Two examples:
  - OECD (2009)
  - Martinez-Vazquez/Vaillancourt (2010)

- Both are interesting; but both show some of pitfalls to be avoided and lessons to be learned from such exercises
Pitfalls and Lessons

- Why comparisons are useful
- Why they can be dangerous
- The need to go both ‘broader’ – into murky interdisciplinary questions – and ‘deeper’ – into path-dependent and context-specific aspects of different countries
Models of Local Finance

1. Territorial public administration
2. Administrative federalism
3. Local government as a business (benefit model)
4. Delegation (agency) model
5. Local autonomy
Questions about Local own revenue

- 1. Why so little use of user charges?
- 2. Are we thinking clearly about the property tax?
- 3. Should local governments tax business?
Questions about transfers

4. What is the role of conditional (earmarked) transfers?

5. Is a system of local equalization transfers necessary or desirable?
Questions about Capital finance

6. Should local borrowing be tightly controlled?

7. What is the role of PPP (public-private partnerships) in financing capital improvements?
Conclusion

- Universal Questions?
- Local Answers?