

Local Autonomy, a Multifaceted Concept: How to define it, How to Measure it and How to Create a Comparative Local Autonomy Index?

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Paper presented at the 24th IPSA World Congress, Poznań, Poland, 23-28 July 2016¹

Abstract

Local autonomy has become an increasingly valued feature of local government in recent decades. Indeed, decentralisation reforms implementing the provision of services closer to citizens have been a general trend. Nevertheless, there is little agreement on the definition of local autonomy and the way it can be operationalised and measured. The aim of this paper is to draw upon decentralisation and local government theories to propose a theoretically legitimised index of local autonomy that can be applied in a comparative perspective. The literature on the topic apprehends local autonomy either by disciplinary approaches – legalistic, functional, organisational or political – or by combining similar dimensions in very different ways, without saying whether one is more important than the others. Having created and implemented a code book of 11 indicators to 39 European countries, the empirical findings, combined with theoretical considerations, lead us to suggest regrouping the indicators into 7 constitutive dimensions of local autonomy. They highlight the fact that very different national local autonomy profiles exist among European countries. In addition, the local autonomy index, constructed by weighting the dimensions, shows significant disparities on either side of the continent.

Key words: Local autonomy, local government, local autonomy index, decentralisation, comparative research, Europe

1. Introduction

Local autonomy has become one of the key features of any local government system in the past few decades (Kuhlmann and Wollmann 2014). Indeed, decentralisation reforms devolving political power and responsibilities towards levels of government closer to the citizens have silently been sweeping the globe since the 1980s (Ivanyna and Shah 2014). Both local autonomy and decentralisation have been advocated by many important European and international institutions as a key tool of “good governance” (UN-Habitat 2009, UCLG 2008, White 2011, OECD 2004, Hunter and Shah 1998) to enhance local democracy and efficiency.² This happens through growing involvement of citizens in the political process, an increase in the accountability of the decisions, the improvement of economic efficiency, the encouragement of healthy local competition/cross-functional coordination, the support in policy experimentation, and the protection of macroeconomic and political stability (Hankla 2009, Treisman 2007, Andrews and De Vries 2007). For example, the Council of Europe adopted in 1985 the “European Charter of Local Self-Government” (henceforth: “the European Charter”), an international legal instrument ensuring the protection, evaluation and promotion of decentralisation and local autonomy principles, which “entails the existence of local authorities endowed with democratically constituted decision-making bodies and possessing a

wide degree of autonomy with regard to their responsibilities, the ways and means by which those responsibilities are exercised and the resources required for their fulfilment” (Council of Europe 1985a, preamble).³

A recurrent theme in the fields of local government, federalism, decentralisation and urban studies are the nature of the local-central governments’ relations and the extent to which local governments have autonomy to decide on their political system, on local policies, and on goods and services they offer. According to Goldsmith (1995) it is important to be concerned about local autonomy because it is the necessary condition for local representatives to have the ability to meet citizens’ demands, needs and conditions. In this perspective the higher the degree of autonomy they enjoy, the greater their responsibility, responsiveness and accountability a priori. Expressing the classical Millian liberal conception of local government, it may also increase policy diversity and innovation. In addition, through its possible impact on political interest, leadership development and citizen democratic education at the local level, it may act as a countervailing power regarding the higher levels of government. Of course these “governance values” should be counterbalanced by the arguments of legitimate national interests and equity in local public choices (Wolman 1990: 32). Finally, it may enable economic efficiency distribution of public services, which contributes to legitimise local government (Sharpe 1970).

Using the term “autonomy” to describe “the ability of local governments to make decisions about the services it delivers without interference from the centre”, Page (1982: 21) nevertheless warns academics dealing with this concept against its normative dimension and the variety of divergent views and meanings that can be encompassed in this “label”. In connection with this argument, it turns out that there is no established definition of local autonomy and that the literature is not very specific when it comes to operationalising the various components of local autonomy (Wolman et al. 2010, Vetter 2007, Hansen and Klausen 2002, Pierre 1990, Clark 1984). Further difficulties have been pointed out as far as comparative studies are concerned. These are linked to the concept’s terminology, translation and contingency (Kuhlmann and Wollmann 2014, Pollitt 2005, UCLG 2008), the heterogeneity of territorial frameworks leading to various notions of “local” (Page and Goldsmith 1987: 3), the lack of comparable data on the local level (Bouckaert and Kuhlmann 2016) or the need of adding a policy-area orientation to the institutionalist analysis (Wolman 2008, Braun 2000, Wollmann 2008, Marcou 2010, Knoepfel et al. 2011).

The aim of this paper is then to draw upon the decentralisation and local government theories as well as empirical studies to propose a definition and a related operationalisation of local autonomy. This will lead to the development of a theoretically legitimised “local autonomy index” (LAI) which will be systematically applied in a comparative and policy oriented perspective to 39 European countries and whose results will be compared with other indexes.⁴ The conceptualisation and measurement of local autonomy are fundamental because they allow testing comparatively whether decentralisation does provide the expected implications for local democracy and economic efficiency.

This paper is therefore structured as follows. First, the concept of local autonomy, its links with the notion of decentralisation, its definitions and approaches, and studies having comparatively considered and measured local autonomy are presented to highlight the existing debates and the dimensions taken into account. Second, we propose our definition and operationalisation of local autonomy before the LAI and its underlying methodology. Third, we present our main findings. Fourth, we briefly compare the latter with the results of other indexes of decentralisation. We conclude in discussing the main contributions of the paper and what remains to be done.

2. Theoretical considerations

The concept of local autonomy and its links to decentralisation

As Fleurke and Willemse (2004) pointed out, local autonomy and decentralisation have been treated as closely associated concepts, with local autonomy nearly unanimously expected to give a positive value to decentralisation (Page 1982, King and Stoker 1996, Marcou 1999). Their relation, however, varies with respect to the considered approach of decentralisation.

The more intuitive approach is certainly decentralisation viewed as a *dynamic process* of transferring more power and responsibilities over public policies, from the centre towards the subnational units on a given territory (Rolla 1998, Rezazade 1961, Bennett 1990, De Vries 2000, Falletti 2005). In this case the underlying values of these deliberate decentralisation reforms are not only related to local autonomy but also to efficiency, effectiveness and democratisation of policy process. In this regard, three forms of decentralisation have been originally distinguished in public administration with respect to the extent of downward transfer and the level of autonomy to be granted to lower units for the provision of a defined public good or service in a specific context (Bird 1993, Hutchcroft 2001, Schneider 2003, Kuhlmann and Wayenberg 2016).

First, devolution refers to the transfer of certain powers and resources to independent self-governing lower authorities that are democratically elected (political decentralisation) and have the authority to levy taxes and fees to finance the service packages they want to provide (fiscal decentralisation). Second, delegation implies the transfer of certain responsibilities and of the necessary funding to lower authority, usually semi-autonomous governmental units carrying out the delegated task (administrative decentralisation). Third, de-concentration means that the higher authority keeps its powers and responsibilities for a selected function while its execution is taken over by its field offices, which enjoy no democratic legitimacy.

Even though each forms of decentralisation entails various degrees of local autonomy, the extent of the top-down decentralisation – or conversely of the bottom-up centralisation – is not equivalent to the actual degree of local autonomy because it does not take into consideration the previous situation and the long term state-building process (Bennett 1990). In developing countries for example the result of decentralisation is local autonomy, which is the mechanism through which the effects of decentralisation occur, whereas in some federal states the self-governing local authorities pre-existed the central government. This leads on the one hand to the conceptual confusion highlighted by Elazar (1976: 13): “Non-centralization is not the same as decentralization. (...) Decentralization implies the existence of a central authority, a central government. The government that can decentralize can recentralize if it so desires. Hence, in decentralized systems the diffusion of power is actually a matter of grace, not right, and, as history reveals, in the long run it is usually treated as such. In a non-centralized political system, power is so diffused that it cannot legitimately be centralized or concentrated without breaking the structure and spirit of the constitution”. On the other hand, it implies for the capture of cross-national and/or diachronic variations of local autonomy to consider decentralisation as a *static state* with the extent of decentralisation as a characteristic of the politico-administrative system (Fesler 1965, Smith 1985, Treisman 2002, Mueller 2015). In this case the distribution of the power can be compared by noting their relative positions along a heuristic centralisation-decentralisation continuum whose extremes do not exist in reality: “Total decentralization would require the withering away of the state whereas total centralization would imperil the state’s capacity to perform its function” (Fesler 1968: 371).

In this “static” perspective, the degree of decentralisation implies more or less autonomy enjoyed by the local government. Such local autonomy is traditionally foreseen in its *vertical*

relation to the state. It is mentioned, according to Marcou (1999), to describe the situation claimed by a local government vis-a-vis the central government and, by being established *in* the state, it is simultaneously defined *by* the state. The well-known definitional and classificatory article of Clark (1984) theorised local autonomy in precisely placing local powers in relation with higher levels of government. Having translated the two dependent principles of legal power from Jeremy Bentham (1970) – *contractation* and *imperation* – from individual to institutional powers, he defined local autonomy with two specific powers: initiation and immunity. Initiation is the competence of local authorities to carry out tasks in the local authority's own interests. In contrast, immunity means the possibility for a local authority to act without being under the control of higher tiers of government. Successively, autonomy “defines the extent of local discretion in terms of local government functions, actions, and legitimate behavior. (...) Discretion, or the *ability* of local governments to carry out *in their own manner* their *own particular objectives* in accordance with their own standards of implementation, depends on the *prior specification of local autonomy*” (Clark 1984: 198-199, emphasis added). Clark's approach thus consists in a sort of sequence of conditions that mean more local autonomy if they are satisfied: the powers of initiation and immunity are legitimate under the condition that prior rights to do so exist. The extent of the two respective powers indicates the configuration of local autonomy. This determines local discretion, namely both the freedom to decide about the range of functions to be responsible for and the manner to do so effectively.

Regarding the direction of decentralisation within the state, Gurr and King (1987) attempted to integrate a variety of theoretical perspectives (especially the neo-Marxist analysis in the late 1970 and 1980s) dealing with relative autonomy into their “state-centered approach” (1987: 28). They concentrated not only on the limits imposed by levels of government upon a local government but also on a multitude of local factors: “the autonomy of the local state in advanced capitalist societies at any given historical juncture is a function first of its relationship with local economic and social groups, and second of its relationship with the national or central state” (1987: 56). These two patterns of constraint are summarised in two dimensions which together determine the degree of local autonomy. The first dimension, Type I autonomy depends on local economic and social factors. Hence, decentralisation is organised not only vertically but also *horizontally* within the state. In this case, it is more concretely circumscribed by the extent of the effective revenues which can be extracted from local economy, the capacity of economic actors to control the local political agenda, and the presence of local political organisations and social movements able to resist or reshape the local policies implemented (Gurr and King 1987).

To ensure its perpetuation, a local authority should be able to count on the local economy as well as on local taxes. With the decline of the local economy, a local government will become more and more financially dependent on the higher levels of government. The financial constraints of Type I autonomy can be overcome, but in return higher levels of government increase their control through the financial resources granted to the municipalities. As a consequence, Type II autonomy decreases (Gurr and King 1987). Indeed, this second dimension concerns the extent to which a local government can pursue its interests without being limited by constitutionally-specified constraints, strict objectives accompanying subventions, and national political pressures on policies (Gurr and King 1987). It thus partly matches Clark's immunity power but also involves more detailed elements on the actual conditions affecting the local provision of public goods and services. In the context of a bidirectional decentralisation – i.e. vertical and horizontal decentralisation –, King and Pierre (1990) use the terms “local autonomy” with reference to Type I autonomy and “local government autonomy” with reference to Type II autonomy: “The first means autonomy of the local community (including local government *and* organizations that participate in public-private partnerships, quangos and

the like) and the second refers to the autonomy that local authorities (may) enjoy as part of the state” (King and Pierre 1990: 9-12, as quoted by Fleurke and Willemse 2004: 536).

Regarding the conceptualisation and the definition of local autonomy, the European Charter, opened to signature as a legally binding convention by the member states of the Council of Europe in 1985, constitutes a pivotal change.⁵ From originally being rather negatively/deductively defined as a right of democratically elected local authorities to resist the constraints, the sense of local autonomy has been expanded over time to include the positive ability for the realisation of local interests as well as a means to implement other values (Chapman 2003, Kjellberg 1995, Hansen and Klausen 2002). This is also the cause in the European Charter: “Local self-government denotes *the right and the ability* of local authorities, within the limits of the law, to regulate and manage a substantial share of public affairs under their own responsibility and in the interests of the local population” (Council of Europe 1985a: art. 3, emphasis added). The definition of local autonomy actually integrates the notion of discretion (“the ability of local governments to carry out in their own manner their own particular objectives”) that Clark (1984: 199) saw as a rather logical implication. This wider definition of local autonomy implies the legal right to manage public affairs within the limits of the law, but also the necessary political, administrative and financial resources that a local government should freely dispose of to carry them out effectively. It should not be overlooked that the European Charter is a demonstration of the political will to give substance at all levels of territorial administration to the principles of democracy and human rights (Council of Europe 1985b). The stated objective, “to make good to the lack of common European standards for *measuring* and safeguarding the right of local authorities” (1985b, emphasis added), is then in part unattainable. Indeed, given the non-explicit and flexible way certain requirements are prescribed, the legal and institutional peculiarities of the various member states are taken into account, and thus meet the broadest consensus.⁶ However, by reason of the simultaneous integration of the double criteria of right and ability as well as the great number of principles upon which local autonomy should be based, the European Charter constitutes a big step towards the objectively measurable concept of local autonomy.

Even if this paper is focussed on local autonomy primarily in the traditional sense of local government autonomy, it is worth briefly mentioning – before the presentation of the various approaches surrounding the concept of local autonomy – that local autonomy is not only addressed as a relative concept but also by focussing on its outcomes and the way it is subjectively assimilated, as Pratchett (2004) suggested. Redefining local autonomy as its impact and consequences for local governments is the contribution of Wolman and Goldsmith (1990, 1992). They also consider that local autonomy is constrained by a central set of laws, political factors as well as socio-economic conditions. Nonetheless they go a step further, perhaps influenced by the European Charter, in analysing how capable the local government is with its residual ability to influence the central government in order to have an independent impact on the well-being of its residents. Local autonomy is thus meant as the “freedom to” undertake particular activities in the interests of the citizens (Pratchett 2004: 365-366), and it is its actual consequences and underlying normative values that are brought to the forefront of the analysis and questioned under this innovative approach. Finally, local autonomy might be seen as a subjective concept, being the expression of the local citizens, elected representatives or secretaries’ perception (Ladner 1994). This sociological approach based on the Tocquevillian thought emphasizes the values of participation, commitment, independence and emotional attachment and understands local autonomy primarily as the ability of local governments to define and develop their own sense of place: “Local autonomy, from this perspective, is not freedom in relation to particular legal or other constraints, but is, more broadly, the capacity to define and express local identity through political activity. (...) Consequently, it places much

more emphasis on the activities of communities in defining their own autonomy. From this perspective, the degree of local autonomy found in any given locality depends on what that locality is striving to achieve and what it is seeking to be autonomous from” (Pratchett 2004: 366-367). From that viewpoint of local autonomy as an expression of power, it is considered rather as a complex relational construct than a substantial static thing granted or possessed by a local government (DeFilippis 1999). At the bottom-up side of power relations, the possibility of local autonomy is latent and materialises through the constant quest for local strategies and tactics of resistance and contestation (Brown 1992).

The different debates and approaches around the multiple facets of local autonomy

As an objective reflection of the intergovernmental (vertical) relations, we argue that there is not one theory of local autonomy but rather various debates and definitions surrounding the different facets of local autonomy. First, this relates to the fact that the concept of local autonomy is too diversified for only one theory to be valid (Kjellberg 1995). Second, as both a right and an ability, this comes from the cross-disciplinary nature of the concept of local autonomy: public law, economics, administrative and political science theories all highlight a specific dimension of it (Schneider 2003). This section thus aims at briefly presenting the various approaches for which autonomy is at the core of interest.

The legalistic approach

As mentioned above, literature on local autonomy is mostly focused on the higher legal regulations, defining local autonomy in a defensive mode, according to the formal legal framework. This legalistic perspective, mainly invested by legal experts, designates several different legal indicators.

The first has to do with the necessary prior rights identified by Clark (1984) for power to be formally held by local governments, namely the *right of existence* and the *right to decide upon its territory boundaries*. In this regard, the European Charter prescribes that enforced amalgamations are prohibited since “prior consultation of the local communities” has to be made (art. 5). Whether the citizens or the representative authorities have to be consulted and the means through which this should be done are nevertheless unclear and left to national discretion. These prior rights are closely related to the legal position of local governments within the national institutional structure, which may be formalised through constitutional statutes according to the European Charter (art. 2).

Second, the legal framework prescribes the *general formal distribution of competences* between different levels of government. A distinction is supposed between countries where local governments have a “general competence” to undertake services, and others where local authorities have to find some form of specific statutory basis for their action, as for example in the doctrine of “ultra vires” in United Kingdom. Nevertheless, “it is questionable whether the existence of the principle of general competence *per se* necessarily entails a higher degree of autonomy” (Blair 1991: 51). This question of the formal allocation of competences is inextricably linked with the one of subsidiarity, the general principle of institutional organisation. The European Charter does not refer explicitly to the principle of subsidiarity but a definition can be found in article 4 which is entitled “scope of local self-government”: “Public responsibilities shall generally be exercised, in preference, by those authorities which are closest to the citizen. Allocation of responsibility to another authority should weigh up the extent and nature of the task and requirements of efficiency and economy” (para. 3). In addition to the political choice consisting in favouring the authorities which are closest to their constituency, four criteria for dividing powers between authorities are thus provided: the nature and the extent of the task (two objective criteria), as well as the two more subjective notions of

efficiency and economy (Council of Europe 1994). Furthermore, the European Charter prescribes the obligation for the higher authority to assist the lower authority in accomplishing its tasks when it does not enjoy the actual ability to make local autonomy effective (Council of Europe 1994). Finally, art. 4 para. 2 says that “local authorities shall, within the limits of the law, have full discretion to exercise their initiative with regard to any matter which is not excluded from their competence not assigned to any other authority”. Consequently, it assumes on the one hand an inherent power of local authorities, which suggests that subsidiarity is the underlying principle of the bottom-up state-building process of “non-centralisation”, whereas it is only a recommended modality of organisation of the state institutions in case of “decentralisation” – to use the previously mentioned Elazar’s distinction. On the other hand, it demonstrates that the formal assignment of powers may be interfered with other legal measures, which may imply either decision-making competences or controls for the provision of a specific public function (Wolman 1990, Page 1991).

Third, the *range of formal supervision* may be used, amongst others, as a legal aspect. Considering European national constitutions, Marcou (1999) for example defines local autonomy along four elements: the right of self-government, the democratic character of local institutions, the residual competence of local authorities, and the *control* by higher tiers of government (1999: 34, own translation and emphasis).

Fourth in turn, is the *formal existence of constitutional or legal means to protect local autonomy* against the violation of the principles of rights of existence, to decide upon the territory boundaries and to be competent for the free exercise of their powers in the provision of public tasks can be considered as a legal indicator.

The functional approach

With respect to the vertical structure of the public sector, the *assignment of functions and of fiscal instruments* to the appropriate levels of governments have been longstanding issues in the fiscal decentralisation theory (Oates 1990). Economists of the first generation of fiscal decentralisation proposed a normative framework linking a task allocation model based on a clear separation of tasks by level (dual task model) and a broad decentralisation with system efficiency (Buchanan 1950, Tiebout 1956, Musgrave 1959, Olson 1969, Tullock 1969, Oates 1972). In this perspective, an autonomous local government may enhance their allocative efficiency in fulfilling their public services responsibilities by tailoring the particular preferences and circumstances of the citizens (output). Hence, since the scope of functions for which a local government is actually responsible for is connected with the degree of political decentralisation, it is an indication of local autonomy.

However, this indication can raise some issues (Blair 1991). First, the importance of a public task is not equal from one country to the other. Second, the actual role of local governments may remain unclear in “administrative integrated models” (Kuhlmann and Wollmann 2014: 23) where many tasks are shared between levels. Third, even if competences have been assigned *de jure*, it may be possible that the local government acts *de facto* on behalf of higher tiers of the government (administrative decentralisation) under their supervision and without an own effective decision-making discretion (“mandated” vs. “permitted” functions, e.g. Page 1991: 24f). These are the reasons why the proportion of direct expenditures accounted for by local government is far from an accurate measure of its range of actual responsibilities – yet very often used due to the lack of good general data (Van de Walle, Baker and Skelcher 2009, Bell et al. 2006, Sharpe 1988). The same limits can be directed to the other more widely used statistic in the fiscal decentralisation studies, which is the share of sub-central government revenues in total revenues (Kim 2013, Akai 2013).

The vertical structure of revenues (input) is of primary importance for local autonomy, under the assumption – which does not take into account the multidimensionality of financial autonomy (OECD and KIPF 2016) – that the higher the proportion of a local government revenue is derived from higher tiers of government, the lower the amount of local autonomy. Furthermore, in line with the integration of the criterion of ability in the European Charter, not only economists have emphasised the importance of resources – mainly financial⁷ – for local authorities to be truly autonomous (Vetter 2007, King and Pierre 1990, Pratchett 2004). Vetter (2007), for instance defines local autonomy as “the range of functions the local level performs within a country and the freedom local authorities have in making decisions about how to deliver their services – the scope of their discretion” (2007: 99) and finally constructs an autonomy index with the mean from an expenditure and a revenue index. Regarding the revenues, the most important resources of a subnational government are tax revenues and intergovernmental grants (Bergvall et al. 2006). According to Oates (2011), local autonomy should in the first place imply for the local government the power over its own tax and fees instruments. Since legal standards and their implications are typically not directly reflected in fiscal flows (Stegarescu 2005), recent reports of the Organisation for Economic Co-operation and Development (OECD) have tried to precise the range of the local government’s taxing power as follows: full power over tax rates and bases, power over tax rates, power over the tax base, tax sharing arrangements, and no power over rates and bases at all (Blöchliger 2013, Blöchliger and King 2007).

Regarding intergovernmental grants, their main functions emphasised by the literature are the internalisation of spillover benefits, the equalizing of fiscal imbalance (which can also be achieved by a horizontal equalization system) and the improvement of the overall tax system. They can be either unconditional if they designate non-earmarked transfers to be used under any conditions, or conditional, with earmarked grants to be transferred to local governments for specific programs that foster national priorities and the use of which may thus be subject to strict supervision (Oates 1999, Blöchliger 2013). In consequence, grant funding from higher levels of the government does not necessarily reduce local autonomy (Davey 1971). However, it is crucial according to Oates (1990: 50) that local governments “raise a significant portion of their own funds” in order to preserve their independence on expenditure decisions and the incentives for careful local fiscal decisions.

Finally, the extent to which a local government can borrow to have additional financial resources that it may freely dispose of can also determine to a certain extent local autonomy (Rodden 2002, Swianiewicz 2004).

The organisational approach

This politico-administrative approach is mainly focused on *the way a local government organises itself (self-governance) to perform its functions*. The key concept in this perspective is the “Local Government Capacity”, which among all the varying definitions can be simply defined as “the ability of local government to perform their functions in an effective and efficient way” (Reddy, Nemeč and de Vries 2015: 161). In order to explain the varying capacity of local governments around the globe, the authors, whilst recognizing the enormous variation in existing literature, distinguish four conditions. First, the “contextual conditions” refer to the very general judicial, socio-economic and historical determinants. Second, the “structural conditions” have to do with the relative position of local governments in terms of functional responsibilities and financial autonomy. This factor therefore overlaps entirely the concerns of the fiscal decentralisation theory. Third, the “institutional conditions” are related to the size of local government, its internal organisation, financial budget and infrastructure. Last, the “human resource conditions” refer basically to personnel management considerations (2015: 162).

These conditions are related with a substantial concern, that is the “system capacity” to respond to the collective preferences of citizens, and a procedural concern, that is that the “citizen effectiveness” in acting responsibly and competently fully control the decisions of the polity” (Dahl and Tufte 1973: 20). In this sense, local autonomy may be considered as the constituent element of the “two faces of democratic self-determination” (Scharpf 1970, 1999). On the output-oriented side, it legitimates political choices that effectively respond to citizens’ demands and preferences (government *for* the people). On the input-oriented side, it legitimates political decisions that have been determined through a whole range of procedures, such as public debates, votes or elections (government *by* the people) (Scharpf 1999, Kersting and Vetter 2003).

The democratic dimension is thus the necessary prerequisite for political decentralisation – i.e. for “real” municipalisation (Kuhlmann and Wollmann 2014: 120) – as well as the essence of local autonomy since it implies *the creation and maintenance of political arenas* (Riker 1969). As functions of the degree of local autonomy, the underlying political activity of local autonomy may lead to political profiles with various. First, it may develop a more or less strong local identity, as mentioned in the previous section. Second, it may affect differently the elements regarding the structure of local democracy such as the type of legislative body (representative or direct democracy), the existence of other means for citizen participation at the local level, the criteria of the election suffrage, or the possibility to possess responsible executive organs (European Charter, art. 3 para 2). Third, the degree of local autonomy may be linked to the freedom of determination of the core elements related to the political system (majoritarian or proportional electoral system, number of seats, electoral districts, etc.) (Evans 2014, Kuhlmann and Wollmann 2014). Fourth, it may have an impact on the status of locally elected representatives and the conditions of exercise of their functions (European Charter, art. 7), as well as on the politico-administrative leadership structure, that is the differences between monistic and dual systems (Wollmann 2004) and the role of local political leadership (Haus and Sweeting 2006, Goldsmith and Larsen 2004, Mouritzen and Svava 2002). Some of these aspects may also have an impact on the possibility of local actors to access higher levels of government (see the next subsection).

The degree of local autonomy determines the range of *administrative ability* of a local government, considered as an organisation supplying public services at the local tier (Pollitt 2005), in the provision of (both own and delegated) functions. Facing a growing complexity of tasks coupled with a decrease in the resources at their disposal to provide them, as well as the trend of globalisation and the increasing level of citizens’ demands, many European local governments have since the 1980s launched reforms (Kersting and Vetter 2003). In this regard, local autonomy may be considered as a necessary institutional prerequisite for local governments to take the initiative to reform (Keuffer 2015). The performed reforms have been influenced by the guidelines stemming from economic theories of organisation, managerialism and neoliberalism – especially the spread of what is known as New Public Management (NPM) – in order to enhance the efficiency and effectiveness of public services delivery (e.g. John 2001). The reform movement has aimed (not homogeneously) at redefining of the government’s role and action and strengthening market mechanisms.

At the local level, this horizontal decentralisation (Bennett 1990) has led to a move from local government to local governance (Denters and Rose 2005, Stoker 2010, Rhodes 1996). This denotes the shift towards networks of “single-purpose organisations” (vs. multi-function organisations) that typically operate outside the direct influence of local governments (Wollmann and Marcou 2010, Loughlin 2009, Peters and Pierre 1998). It is aimed on the other hand at restructuring the internal structures, management instruments and personnel profiles in order to increase the “administrative capacity” that a local government has at its disposal, which

may be “reflected through administering local infrastructure effectively and proven track record in terms of provision of public goods and services locally” (Reddy, Nemec and De Vries 2015: 165). These different administrative means are part of the actual means that the European Charter highlights for the local autonomy to be effective: “local authorities shall be able to determine their own internal administrative structures” (art. 6 para 1); “the conditions of service of local government employees shall be such as to permit the recruitment of high-quality staff on the basis of merit and competence”; “to this end adequate training opportunities, remuneration and career prospects shall be provided” (art. 6 para 2). On this matter, internal mechanisms, such as local budgetary for example, may be regarded as an indication of the level of autonomy, as well as the proportion of public workforce or of staff salaries which are accounted for by the local government. But these latter measures meet the same limitations as the proportion of public spending (see the previous subsection).

The politics-related approach of intergovernmental relations

The focus of this approach is not intergovernmental relations viewed as a macro study of the financial, organisational, legal and political relations that occur between constituent tiers of a state but the *actual bilateral vertical relations that take part in the framework of “politics, the actor- and process-related dimension of political life”* (Mueller 2011: 216, emphasis added). These places in an intergovernmental power game individuals organised in political parties, associations, pressure groups or social movements. Hutchcroft (2011) attempts to explain and bridge the administrative and politics respective view of centralisation and decentralisation in order to describe how political-administrative systems are territorially organised. He highlights their distinct but complementary contributions: the political science’s subfield of public administration has referred to “authority”, that is “the formal roles conferred upon individuals in their official capacities” (2011: 26), and its formal distribution through the different territorial levels of government, whereas the political science’s subfield of politics has paid “attention to both authority *and* power, as well as to the complex interactions between the two” but its “general inattention to *territorial* dimensions of power and authority provides little cause for praise” (2011: 27, original emphasis). In the top-down direction, the expression of power is *control (or supervision)*. As the central control is inseparable from local governments’ decisions (e.g. Marcou 1999), the greater its intensity, the lower the degree of local autonomy. In a broad perspective of intergovernmental relations, central government control is meant by Goldsmith (2002: 91) as “setting the rules of the intergovernmental game” and corresponds with the opposite of local autonomy.

On the one hand, a formal control can be operated by the review of the legality of local decisions with respect to the legal framework. The European Charter emphasises this provision for the local autonomy to be preserved (Council of Europe 1994). It specifies the limitations and seeks to objectify the conditions of administrative supervision to which these authorities are likely to be subject: the procedures and cases must be “provided for by the constitution or by statute” (art. 8 para. 1); it “shall normally aim only at ensuring compliance with the law and with constitutional principles” even though it “may however be exercised with regard to expediency” (art. 8 para. 2); it must be exercised “in such a way as to ensure that the intervention of the controlling authority is kept in proportion to the importance of the interests which it is intended to protect” (art. 8 para. 3).

On the other hand, central control can be exercised through various informal means (Goldsmith 2002). First, supervision can be achieved through the control of the local government’s financial autonomy, which concerns the fiscal decentralisation’s objects of study such as the setting of tax rates, the discretion to make any expenditures, the access to borrowing and the financial transfer system. Concerning the latter object, many authors have emphasised the inherent decentralisation contradiction lying in the fact that the establishment of a granting system is

irremediably linked to the increase of control (Prud'homme 1994, Fleurke and Willemse 2004, Gurr and King 1987, Oates 1999). Then comes the control exercised through a process of administrative regulation about the ways in which particular functions should be provided. Administrative supervision reviews in this case expediency of local decisions, whereas it is limited to a review of legality in the case of a more autonomous local government. Finally, the control exercised over the access permitted to local governments may be executed by a non-locally elected but appointed prefect, namely “a central state official whose duties include the supervision of local government actions” (Page 1991: 28), as well as by the selection by central government party officials of the candidates competing in local elections (Rodden 2004).

Yet prefects and politicians – among others local actors – may also have a role in the *defence of local interests towards the higher levels of government*, what Page (1991) has called “political localism”: “in contrast to this [legal localism], local élites can also influence public policy in a very different way by using their political authority as democratically legitimate representatives of the locality, or a significant section of its population, to influence national decisions in so far as they affect the locality” (1991: 5). According to the scholar, both direct and indirect channels of a local government’s access to higher tiers of government exist and offer opportunities for local authorities to shape public services.

Indirect representation takes place collectively through corporate lobbying. Thus, the dimensions for explaining the strengths and weaknesses of local government’s interest groups in individual countries may be the existence of a local government association, its inclusiveness, its internal cohesion, its authority, and its observed impact on national politics (Page 1991). Direct representation, which offers a greater scope for influence, refers to various formal arenas of interaction, of which legislators’ backgrounds and the accumulation of mandates (*cumul des mandats*) are the most important (Page 1991). The problem with such statistical analysis of political backgrounds, as Page (1991) notes, is that it may confuse past environment with current motivation. The other indicators of vertical access may be the existence of a territorial second chamber of representation (Lijphart 1984), the obligation of the consultation of the local authorities “in the planning and decision-making processes for all matters which concern them directly” (European Charter, art. 4 para. 6), the existence of direct democracy means available to the local governments such as initiative or referendum, the possibility to choose the candidates and the features of electoral systems (system of representation, number and size of constituencies) for the election of local as well as higher tiers (prefectural, regional, national) representatives (Mueller 2011, Hutchcroft 2011, Rodden 2004, Horber-Papazian 2004, Kuhlmann and Wollmann 2014, Deschouwer 2006, Riker 1975).

In sum, the degree of influence which a local government is able to directly and indirectly exert over higher levels of government is also an important factor of local autonomy since it may change the public policies decision-making process and the conditions of their provision.

Empirical studies assessing local autonomy qualitatively and quantitatively in a comparative perspective

Local autonomy – in its relative and vertical understanding – has been empirically assessed in a comparative perspective covering a selection of blueprint countries described in detail.⁸ Page and Goldsmith 1987 (see also Goldsmith 1995, Goldsmith and Page 2010) summarise the limits imposed on a local government by higher levels of government under three headings. First, the range of functions is measured through local expenditures as a percentage of total expenditures and local employment as a percentage of total employment, since the functional responsibilities vary from country to country. Second is the discretion to perform these functions, defined as “the ability of actors within local government to make decisions about the type and level of

services it delivers with the formal statutory and administrative framework for local service delivery, and about how that service is provided and financed” (Page and Goldsmith 1987: 5). This can be determined according to the authors with the legal framework, the administrative oversight and the financial competences – i.e. the extent to which local governments can finance their operations with their own revenues. Lastly comes the degree of access or influence over higher levels of government. Comparing seven unitary countries, Page (1991) goes further quantitatively into several points. Regarding the legal scale, he measures the respective weight of total and specific grants. As far as the political scale is concerned, he measures the target and actual membership of the national local interest groups and the percentage of national politicians who have local government background. Note that a greater political localism does not imply a greater legal localism (Page 1991). The framework developed lead Page and Goldsmith (1987) to make the distinction between northern and southern systems of intergovernmental relations in the 80’s and to highlight their radical changes according to various macro-level trends (the rise of the regional tier, the spread of NPM, the process of democratization on the local level or the new patterns of regulation) that have occurred in 20 years (Goldsmith and Page 2010). It is worth mentioning the other well-known typology of local government systems using political, structural and functional criteria, distinguished between three different groups of Western industrialized democracies (Hesse and Sharpe 1991): the Franco group, the Anglo group and the Middle/Northern European group. Kuhlmann and Wollmann (2014) take into account local autonomy in their classification of functional, territorial and political profiles of Western-European countries.

After having explained the reasons why she has not taken into account the horizontal dimension of local autonomy, Vetter (2007) assumes that the political dimension of local autonomy developed by Page and Goldsmith (1987) and Page (1991) primarily serves clientelistic patronage purposes in order to satisfy specific local interests and should thus not be taken into consideration. She concentrates instead on two aspects of legal localism, namely the range of functions and the scope of discretion – with the functions measured through local expenditures – and discretion through the structure of local revenues (local taxes, fees, charges, and non-specific allocations) and the explicit mention of the local government and of the financial protection in constitution (Vetter 2007).

Adding a dimension based on country structure (unitary or federal country) to the typology of Hesse and Sharpe (1991) for their selection of the countries, Denters and Rose (2005) go beyond the provision of services. They comparatively highlight the trends in the range of responsibilities, the adoption of internal (NPM) and external management (collaborative relationships) measures, the strengthening of the local political executive, and the trend in local democratic governance. Stoker (2010) argues that the studies of comparative local governance are largely a western focus and dominated by a concern on formal institutional differences. He then develops a typology of societal roles that local government systems undertake: local identity, economic development, social welfare provision and lifestyle coordination. If local governments are viewed as public organisations (e.g. Rhodes 1983), the conceptualisation and operationalisation of organisational autonomy of Verhoest et al. (2004) cannot be overlooked. Four kinds of organisational autonomy are discerned: structural, financial, legal and interventional autonomy. The different dimensions are linked to the concept of control, considered as the inverse of autonomy and are operationalised on indexes. They have been applied in cross-country comparisons on agencies but can very easily be applied to local governments (Verhoest et al. 2010).

In Marcou’s (2010: 1) “new comparative approach to local authority powers and functions in Council of Europe member states”, local autonomy is defined as the freedom with which a function is exercised and depends foremost on powers intended to exercise it. On this basis, he

compares powers, resources and functions, and develops a method for analysing the degree of local autonomy systematically. The criteria “type of power”, “exercise of regulatory power”, “individual administrative decisions”, “funding” and “supervision” are applied to the local authorities of the sample countries with respect to town-planning functions, but it is specified that it may also be used for other functions (2010: 54f.). Other comparative legal studies have focused on the local government (constitutional) status, the legal competences of local authorities or the nature of the higher level authorities on which they are dependent (Moreno 2012, Loughlin 2001, Norton 1991). Because of the nature of law, these studies are almost necessarily qualitative. Sceptic vis-à-vis financial and legal indicators, Fleurke and Willems (2006) develop a decision-making approach in order to point the local government’s actual decision-making practice. Local autonomy is then measured with three dimensions: the extent to which a local government enjoys initiative to determine its own agenda, freedom of policy choices and dependence on other authorities. The method is only applied to Dutch municipalities but is suggested to be utilised in other contexts.

Do Vale (2015) compares subnational autonomy across three continents in assessing its evolution in the most decentralised countries, respectively Brazil, India and South Africa. Various periods are analysed and the three determined variables measure the degrees of change that countries undergo over time. Fiscal autonomy is assessed through the traditional indicators of fiscal decentralisation, administrative autonomy with the share of public employees, and institutional autonomy by the frequency of meetings of the intergovernmental forums and the number of subnational institutional veto players. The quantitative measures are transformed into qualitative indicators of decentralisation. Using the term “decentralisation” instead of local autonomy, Sellers and Lidström’s (2007) conceptualisation of the relationship between the local and higher tiers of government encompasses both local capacities and supervision of local actions, whose arrangements are related with various types of welfare states. The comparison is built on quantitative indicators and qualitative ones coded quantitatively. A huge variety of resources are mobilised, including country reports produced by the Council of Europe.⁹ Local capacities are measured through two fiscal (share of expenditures and revenues) and three politico-administrative indicators. It is interesting to note that since the sectoral consideration would be too complicated, the share of public employment is used “as proxies for the relative allocation of powers as well as direct indications of relative local capacities” (2007: 618). The supervision indicators are similar to the opposite indicators of the capacities although they are more detailed.

Indexes have been developed not only in a cross-country perspective but also for a comparison between regions within a federalist country. Comparing local autonomy across the U.S. states, Wolman et al. (2008, 2010) draw upon the one-dimensional centralisation index developed by Stephens (1974) to define local autonomy in terms of three dimensions: local government importance in the economy and the intergovernmental system, local government discretion in determining what they will do without undue constraint from higher levels of government, and the local government’s capacity to do so. In their index of 21 variables, three aspects are noteworthy. First, local-purpose direct expenditures as a share of gross state product and local employment as a share of state and local public employment are variables to measure importance. Second, discretion encompasses the legal scope and the structural and functional responsibility of a local government, its ability to raise fiscal revenues and the proportion of local general revenue it can use without undue constraints on its use. Third, local government employment in relation to the local population and the diversity of local revenue sources are measures of capacities. Assessing comparatively the degree of decentralisation of the 26 Swiss cantons, Mueller (2015) distinguishes between the well-known polity and policy dimensions and pushes forward in a third politics dimension. The policy dimension includes fiscal,

personnel and administrative measures. Regarding the polity dimension, the originality consists in the inclusion of a measure of the local secretary's perceived autonomy combined with an existing legal index. Politics decentralisation reflects the complexity of the intergovernmental relations among the Swiss cantons, divided in seven indicators (see the section "The politics approach of intergovernmental relations"). Some remarks need to be made about these two studies. First, some variables are specifically related to the national context, i.e. the Dillon's rule. Then, both qualitative and quantitative indicators are used. Finally, the perspective is focalised on the regional level, whose degree of decentralisation is analysed, and not specifically on the local level and the local autonomy.

In studies that aim to measure quantitatively the degree of decentralisation of a government, the distinction is often made between political, administrative and fiscal dimensions of decentralisation (Schneider 2003, Falletti 2005, Ivanyna and Shah 2012). In order to precisely measure *in fine* the degree of closeness between the government and the people, Ivanyna and Shah (2012) provide an advanced operationalisation, one of the main innovations being the weighting of score made at each stage. Choices are deliberately made to give more weight to certain aspects in particular involving the penalization – or the encouragement – of some countries, be it for the creation of fiscal, political and administrative decentralisation indexes, for the construction of overall decentralisation index or for the development of the final government closeness index.¹⁰

Finally, studies on federalism and decentralisation analyse the distribution of authority between the regional and national tiers. Examining variations among regional authorities across states, Hooghe et al. (2016) distinguish between elements concerning the extent to which a regional unit has authority (meaning formal autonomy) over those who live in its territory – self-rule – and the influence of regional units to shape national decision making – shared-rule. Each dimension is then divided into four further sub-dimensions that allow to quantify regional authority across 81 countries between 1950 and 2010. The eight variables constitutive of the Regional Authority Index (RAI) are not coded with the same weight. In his convergent validation of the RAI, Schakel (2008) compares the RAI with other institutional decentralisation indexes (e.g. Brancati 2006, Hooghe and Marks 2001, Treisman 2002) and shows that they are in great agreement. Even if these other decentralisation indexes do not focus specifically on the local level, the approaches, operationalisation and results are also interesting in the perspective of this paper.

In summary, there is no one theory of local autonomy but different approaches focussing on specific aspects of the multiple but interconnected dimensions of the concept. Furthermore, studies assessing local autonomy in a comparative perspective combine similar dimensions in very different ways. Finally, only a few of these adopt a longitudinal perspective, weight the variables, have clearly and specifically a local government as unit of analysis or differentiate their judgement across various public policies.

3. Conceptualisation, methodology and creation of the LAI

Definition and conceptualisation of local autonomy

Following the theoretical considerations and the European Charter – as it is aimed at applying our index to the European context –, local autonomy is apprehended as a multi-faceted phenomenon considered both as a right and an ability. Indeed, as the legalist approach has specifically pointed out, local autonomy implies right and decision-making powers to manage public affairs, which are included within a *legal framework* that sets legal status and protection. Connected with the extent of functional power are the scope of services delivered and the related

expenses (*output*). In order to make local autonomy effective, however, a local government must also have the ability to carry them out concretely. Therefore, local autonomy is linked, on the one hand, to the financial resources local governments dispose of independently (*input*), and, on the other hand, to their administrative capacities and the possibilities they have to create, organise and maintain their political arenas independently (*self-governance*). Finally, the political *vertical relations*, which take part in the intergovernmental power game, are also related to local autonomy in the sense of control and access.

Consequently, drawing on Page (1982: 21), we define local autonomy as “The [right and] ability of local governments [in a defined legal framework] to make decisions about the services it delivers [and the financial resources needed] without interference from the centre¹¹.” Moreover, we identify *seven constituent dimensions of local autonomy*:

- 1) Legal autonomy: the legal status and protection of local governments;
- 2) Political discretion: the formal distribution of power and the effective decision-making competences relative to services delivery;
- 3) Policy scope: the scope of services for which local governments are responsible;
- 4) Financial autonomy: the financial resources available locally and the possibility to decide on their sources;
- 5) Organisational autonomy: the free organisation of local political arenas and administration;
- 6) Non-interference: the extent of liberty left by higher levels of government in their control;
- 7) Access: the degree of influence of local governments on political decisions at higher levels of government.

The relative importance of these seven dimensions, however, is difficult to establish since it depends on the perspective taken and on the purposes for which the concept is used.

Methodology of the empirical assessment and factor analysis on the variables

In 2014, the European Commission’s Directorate for Urban and Regional Affairs launched a project to analyse and report changes in the extent of decentralisation in 39 countries of the European Union from 1990 to 2014. The central document of this comparative study, which allows to deal with the different local units existing at the local level as well as the existing institutional asymmetries¹², is a standardised code book, including eleven operationalised variables. These variables have been chosen and operationalised on the basis of theoretical and empirical considerations and as far as possible with respect for the methodology of the RAI mentioned above (Ladner, Keuffer and Baldersheim 2016). Since the inclusion in the code book of aspects which cannot be measured with the methodology chosen – the “assessment by experts” (Ladner, Keuffer and Baldersheim 2016: 328) – makes no sense, all the indices highlighted in chapter 2 have not been taken into account. Nevertheless, the following *eleven variables* give a comprehensive understanding of local autonomy in the countries covered:

- Institutional depth: The extent to which a local government is formally autonomous and can choose the tasks they want to perform;
- Policy scope: The range of functions (tasks) where a local government is effectively involved in the delivery of the services (be it through their own financial resources and/or through their own staff);
- Effective political discretion: The extent to which a local government has real influence (can decide on service aspects) over these functions;

- Fiscal autonomy: The extent to which a local government can independently tax its population;
- Financial transfer system: The proportion of unconditional financial transfers to total financial transfers received by the local government;
- Financial self-reliance: The proportion of local government revenues derived from own/local sources (taxes, fees, charges);
- Borrowing autonomy: The extent to which a local government can borrow;
- Organisational autonomy: The extent to which a local government is free to decide about its own organisation and electoral system.
- Legal protection: Existence of constitutional or legal means to assert local autonomy;
- Administrative supervision: Unobtrusive administrative supervision of a local government;
- Central or regional access: The extent to which local authorities are consulted to influence higher level governments' policy-making.

The respective operationalisation and scale are not the same (see columns 3 and 5 of Table 1, in Appendix). They follow in part the code book developed in the RAI, however, some modifications have been made and additional variables have been added in order to meet the local realities of the covered countries (see column 6 of Table 1, in Appendix). On this matter, it should be noted that the public policies selected for the variables “policy scope” and “effective political discretion” correspond to those for which local governments in Europe are mainly responsible (Marcou 2010, Moreno 2012).

Having gathered a large amount of information through the coding of the eleven variables (for 39 countries and for every year of the period covered), a series of factor analyses with imposed number of factors (5, 6, 7 and 8) across all years and countries show which variables are related to each other (see Table 1). This reduction technique combines the related variables into a smaller number of variables, each of which are independent with respect to the others in each factor solution (Wolman et al. 2010). However, the reduction process follows also the theoretical considerations and the pitfalls that have been underlined in the literature with respect to local autonomy.

Table 1: Factor analyses, all years, imposed (5, 6 7 and 8) factor solutions

	1	2	3	4	5		1	2	3	4	5	6	7	8
Institutional depth	.41	.74	.01	.03	.13		.29	.06	.03	.24	.07	.29	.21	.81
Policy scope	.86	.29	.21	.02	.08		.83	.23	.06	.19	-.01	.24	.04	.20
Effective political discretion	.90	.13	-.03	.06	.05		.95	-.04	.06	.09	.05	.03	.09	.10
Fiscal autonomy	.30	.09	.87	.11	.01		.24	.89	-.02	.16	.09	.18	.00	-.02
Financial transfer system	.15	.15	.35	-.36	.69		.18	.41	.60	-.30	-.19	-.10	.01	.44
Financial self-reliance	-.14	.29	.82	-.18	.18		-.12	.81	.13	-.06	-.19	.06	.33	.15
Borrowing autonomy	-.01	.71	.32	.30	.04		.12	.20	.08	.13	.12	.15	.91	.15
Organisational autonomy	.44	.22	.09	.54	.19		.24	.08	.17	.89	.10	.04	.12	.15
Legal protection	-.01	.07	-.06	.84	.02		.03	-.05	.08	.09	.98	.02	.10	.03
Administrative supervision	.06	.14	-.03	.37	.83		.04	-.02	.88	.27	.16	.18	.09	-.03
Central and regional access	.22	.73	.15	.00	.13		.19	.19	.14	.04	.02	.90	.15	.19
	1	2	3	4	5	6		1	2	3	4	5	6	7
Institutional depth	.38	.73	.01	.13	-.04	.15		.45	-.03	.58	.14	.14	.41	-.03
Policy scope	.85	.29	.21	.08	-.01	.16		.85	.24	.10	.08	.18	.25	-.01
Effective political discretion	.90	.14	-.03	.06	.06	.12		.93	-.02	.08	.07	.11	.02	.07
Fiscal autonomy	.29	.09	.87	.01	.09	.10		.25	.90	.01	.03	.11	.16	.07
Financial transfer system	.19	.15	.35	.73	-.22	-.24		.21	.28	.15	.82	-.16	.02	-.17
Financial self-reliance	-.15	.28	.82	.19	-.19	-.03		-.13	.77	.36	.27	-.05	.07	-.20
Borrowing autonomy	-.05	.71	.32	.02	.18	.26		.07	.24	.85	.06	.16	.11	.17
Organisational autonomy	.27	.19	.07	.09	.09	.88		.29	.09	.22	-.04	.87	.06	.07
Legal protection	.04	.10	-.05	.03	.97	.09		.05	-.04	.12	-.03	.09	.02	.97
Administrative supervision	.00	.13	-.05	.80	.23	.38		-.03	-.06	-.01	.69	.54	.22	.26
Central and regional access	.23	.73	.15	.15	.04	-.04		.18	.20	.18	.09	.07	.91	.03

Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalisation

The results show that three variables stand on their own when the number of factors increases: legal protection, central or regional access, and organisational autonomy. Hence, these variables measure distinct dimensions of local autonomy. Then, fiscal autonomy and financial self-reliance load on the same factor in the four solutions tested, which is quite logical since fiscal autonomy may give to the local governments a greater access to financial resources. Regarding the financial issue, it is interesting to note that the financial transfer system is not related to these latter variables but to administrative supervision. This finding seems to give reason to scholars that have underlined that the earmarked grants may be subject to strict supervision. The variables “financial transfer system” and “administrative supervision” will be analysed together. As it has been said in the literature section, borrowing autonomy has to do with the restrictions that higher levels of governments may impose within the law. Despite borrowing autonomy is mainly correlated with institutional depth in the factor analysis solutions, it also contributes to financial autonomy, as suggested in the art. 9 of the European Charter. This is partly shown by the positive loading on the factor combining fiscal autonomy and financial self-reliance on solutions with five to seven factors (between 0.24 and 0.32).

Policy scope and effective political discretion load on the same factor in all solutions tested. This potentially means that the principle of fiscal equivalence (e.g. Olson 1969) is respected: if local governments are involved in the delivery of services through their own financial resources and/or through their own workforce, they also have the possibility to decide at least on some aspects of service delivery. Following the often expressed local concerns that they only have to pay and execute (administrative decentralisation) without any decisional competences (political decentralisation), or scholarly concerns that delivering services and effectively deciding politically upon them are distinct aspects, they will be analysed separately. This gathering is justified by both an empirical and a theoretical reason. Empirically, the loading of institutional depth on the factor combining policy scope and effective political discretion shows relative high scores in five to seven factor solutions (between 0.38 and 0.45). Theoretically, both are elements relative to political discretion, with institutional depth concerning the formal general distribution of power and effective political discretion regarding the real decision-making competences relative to specific functions.

Creation of the LAI

The creation of a local autonomy index (LAI) takes into account that not all aspects of local autonomy are of equal importance. The construction is realised in two steps: first, the weighting of the variables included in the 7 dimensions; second, the weighting of the dimensions which together compose the LAI. This approach has also been followed by Ivanyna and Shah (2012); however, their empirical assessment is very different from the present one in many aspects (not the same goal, context, method, etc.). Therefore, since the literature on the topic fail to tell how to assign different degrees of importance to the multiple dimensions of local autonomy, choices are made drawing upon theoretical and empirical considerations as well as the generic judgement of the experts involved in this study (Ladner, Keuffer and Baldersheim 2015: 65). As far as the weighting of the eleven variables is concerned, the experts have chosen to consider as “very important” effective political discretion, fiscal autonomy, financial self-reliance and organisational autonomy. Policy scope and legal protection are considered to be “important” aspects, whereas financial transfer system, borrowing autonomy, administrative supervision, and central and regional access as “rather important” (see column 4 of Table 1, in Appendix).¹³

The seven dimensions (D) are then constructed (for each year) as follows:

- $D_{\text{legal autonomy}} = 100/3 * \text{legal protection}$
- $D_{\text{political discretion}} = 100/15 * (\text{institutional depth} + 3 * \text{effective political discretion})$

- $D_{\text{policy scope}} = 100/4 * \text{policy scope}$
- $D_{\text{financial autonomy}} = 100/24 * (3 * \text{fiscal autonomy} + 3 * \text{financial self-reliance} + \text{borrowing autonomy})$
- $D_{\text{organisational autonomy}} = 100/4 * \text{organisational autonomy}$
- $D_{\text{non-interference}} = 100/6 * (\text{financial transfer system} + \text{administrative supervision})$
- $D_{\text{access}} = 100/3 * \text{central or regional access}$.

Out of the seven dimensions, the experts have judged that three are “very important” (political discretion, financial and organisational autonomy), one is “important” (policy scope) and three are “rather important” (legal autonomy, non-interference and access) (see column 2 of Table 1, in Appendix). Successively, the overall LAI is constructed (for each year) as follows:

- $LAI = (1 * D_{\text{legal autonomy}} + 3 * D_{\text{political discretion}} + 2 * D_{\text{policy scope}} + 3 * D_{\text{financial autonomy}} + 2 * D_{\text{organisational autonomy}} + 1 * \text{non-interference} + 1 * D_{\text{access}}) / 13$.

The LAI being created, the next chapter presents the main results obtained by the 39 European countries covered and their evolution from 1990 to 2014 with regards to the seven dimensions and the LAI.

4. Main results

With regards to the seven dimensions of local autonomy

As a multi-faceted concept, local autonomy is interesting to be analysed through its seven constituent dimensions. Based on the construction of the dimensions presented above for 2014, the 39 countries covered have very different scores (see Table 2, in Appendix). What shall be emphasised is that very distinct local autonomy country profiles exist among European countries (see Figure 1).

As far as *legal autonomy* is concerned, Finland (as an example of Nordic countries), Spain (as an example of Mediterranean countries) and Georgia (as an example of Central and Eastern countries) have scores that correspond to the mean, whereas Switzerland (as an example of German-speaking central countries) has one of the highest.

Regarding *political discretion* and *policy scope*, Finland is in the leading European countries, far ahead compared to the three others whose scores are below average, apart from the score of Switzerland for policy scope. Swiss local governments provide a large scope of services but without necessarily enjoying the related effective political discretion. Nordic local governments are strong and seem to not need far-reaching legal protection (Norway scores the lowest on legal autonomy).

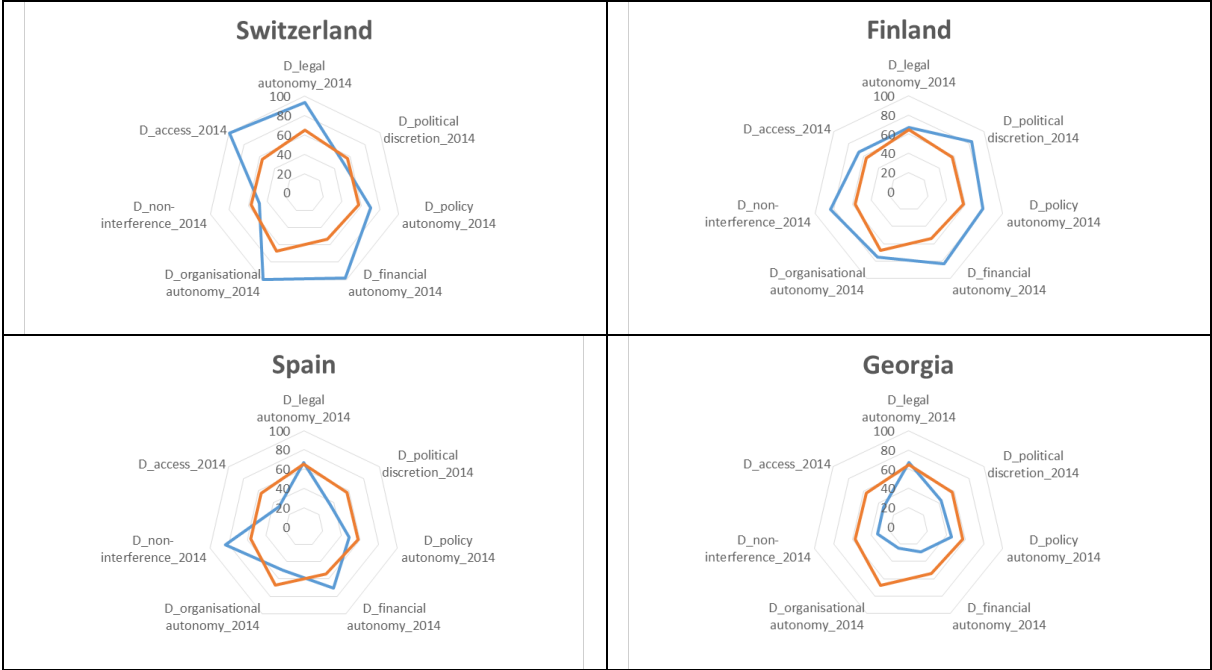
In terms of *financial autonomy*, Switzerland has the highest score, ahead of the Nordic, other German-speaking or Mediterranean countries, which are just above the mean. It is clear that Georgia and other Central Eastern countries do not enjoy the same degree of financial autonomy and resources (Ukraine has the lowest score).

The results are about the same with respect to the *organisational autonomy* – Switzerland = 100, Finland = 75, Spain = 50 and Georgia = 25 –, but more general patterns are difficult to establish.

As far as the *interference* is concerned, local decisions and financial transfers of Georgia and numerous other Central and Eastern local governments seem to be subject to a strong

supervision. Finland (as well as other Nordic countries) and Spain have the highest scores whereas Switzerland’s score is under the mean, partly because of its federal structure. This is also reflected in the high score of Switzerland concerning *access*, among the highest in Europe, whereas for this dimension the score of Finland is near the mean and the ones of Georgia and Spain represent the lowest.

Figure 1: Local autonomy profiles of Switzerland, Finland, Spain and Georgia (7 dimensions, 2014)



Note: in red is the mean of the 39 countries covered (2014).

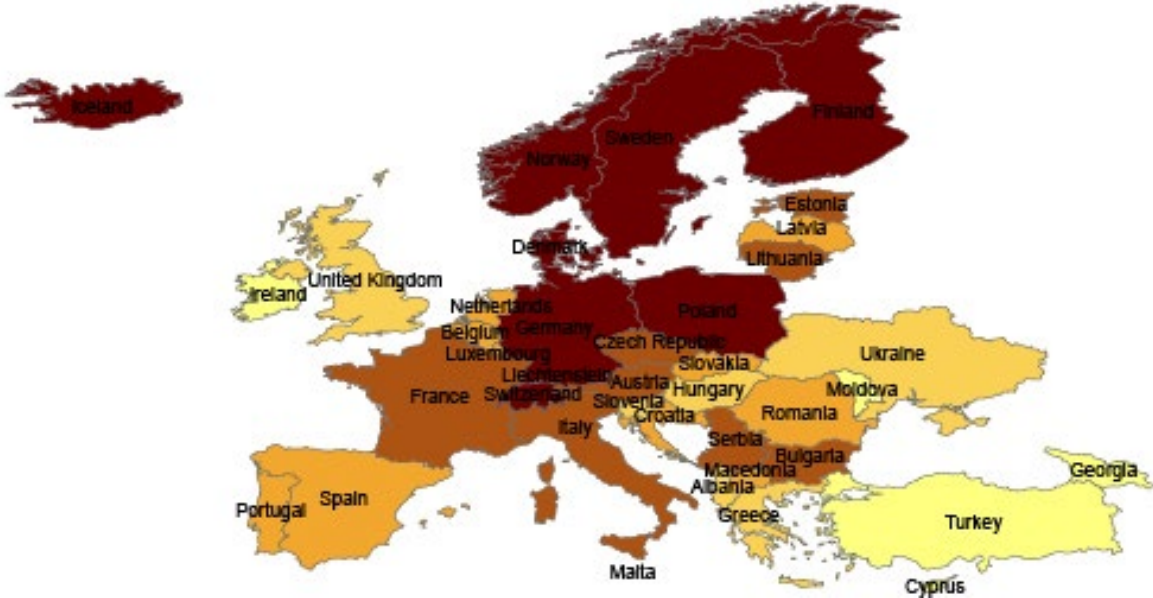
With regard to the LAI

The main results with regard to the LAI, calculated for the year 2014, show that the fist ranks are occupied by the Nordic countries, Switzerland, Germany and Poland, whereas countries where local governments enjoy the lowest degree of autonomy are situated in the South-East of Europe, with the exception of Ireland (see Figure 2). More generally, we can actually identify five groups¹⁴:

1. A group with the Nordic (Finland, Island, Denmark, Sweden and Norway) and German-speaking central countries (Switzerland, Germany and Poland), all having a LAI score higher than 69.55;
2. Countries whose LAI score in 2014 is between 60.78 and 69.55, namely Liechtenstein, Italy, Serbia, France, Bulgaria, Lithuania, Austria, Czech Republic and Estonia;
3. Countries where local autonomy is medium (LAI score in 2014 between 50.07 and 60.77): Portugal, Slovakia, Belgium, The Netherlands, Macedonia, Romania, Croatia, Luxembourg, Latvia and Spain;
4. A group of countries whose LAI score in 2014 is between 41.77 and 50.06, namely Hungary, Albania, Slovenia, Ukraine, Greece and the United Kingdom;
5. A group of countries where local government enjoy a low degree of local autonomy (LAI score in 2014 under 41.76): Southern and Black See countries (Cyprus, Turkey, Georgia, Malta and Moldova) as well as Ireland.

Regarding the general changes, the results show that an increase of local autonomy took place between 1990 and 2014, especially in the new democracies of Central and Eastern Europe (see Table 3, in Appendix). This occurred more precisely until 2009 (mean = 58.62), since the general picture shows a slight tendency towards more centralisation since then. The financial crisis 2007/08 is certainly not unconcerned to this stabilisation of local autonomy.

Figure 2: LAI results (2014)



Notes: 5 classes (from light to dark) 34.23-41.76; 41.77-50.06; 50.07-60.77; 60.78-69.55; 69.56-79.00; N=39.

5. Discussion

Any construction of an index and any form of weighting implies decisions which might be questioned. Small changes in the weights given to the different variables and to the overall index may considerably alter the ranking of the countries. In this respect, the results presented above should be taken with caution and we suggest concentrating on the more general picture. In their critical comment of the vertical formal/static decentralisation approach, Fleurke and Willemse (2004) warn that “the use of indicators of decentralization as features of a political system will result in rather accidental conclusions. A simple change of indicator can lead to a completely different judgment. Several scholars acknowledge this (e.g. Fesler, 1965; Smith, 1985; Wolman, 1990)” (2004: 529). In this chapter, we shall briefly discuss the constructed LAI and its composing seven dimensions by comparing them to other indexes of local autonomy and decentralisation. In other words, after having discussed the “content validity” of our LAI, we will assess its “convergent validity”, i.e. calculate whether our measures correlate with alternative measures of the same concept across a given set of cases (Schakel 2008: 144).

On the one hand, we compare the different dimensions of local autonomy and the LAI to the indexes of the OECD fiscal decentralisation database and those suggested by Ivanyna and Shah (2012) and by Sellers and Lidström (2007). In general, most of our dimensions correlate quite well with other indicators of local autonomy and decentralisation, but it is the LAI which shows the highest number of significant correlations. Furthermore, quite a few of the correlations are stronger than those between the dimensions (see Table 4, in Appendix). Regarding the OECD database more especially, the LAI correlates with all the OECD fiscal measures, with the

exception of the local level transfer as a percentage of general government revenues (RTrans). As expected due to their component variables, financial autonomy correlates strongly with part of the local government's own tax income as a percentage of the general government tax income (TaxAut3) and non-interference with unconditional transfers (NonEar1). Non-financial measures such as legal autonomy, political discretion, non-interference and access do not correlate with OECD indicators, which show that they measure something additional. The LAI also correlates significantly with the indicators proposed by Ivanyina and Shah (2012) with the exception of political discretion (PDI). As this indicator has to do with the extent of direct election of the local representatives and of existence of direct democracy provisions, it is not a surprise that it is correlated with access. Finally, more than half of the indexes of decentralisation suggested by Sellers and Lidström (2007) are correlated with the LAI. As it could be expected, the indicators of supervision are very often negatively correlated with the LAI.

On the other hand, we compare the different dimensions of local autonomy and the LAI with the RAI and other indexes of decentralisation that have been used by Schakel (2008) to validate the RAI. Indeed, as mentioned above, we have followed in this project the methodology of the RAI project by Hooghe, Marks and Schakel (2016) and the respective operationalisations show similarities on many aspects. There is a slight positive correlation between the LAI and the RAI Self-rule index (.322) as well as the RAI (.301). This suggests that some countries are overall more decentralised than others and that decentralisation generally involves both regional and local levels (see Table 5, in Appendix). The only dimensions of the LAI which correlate with one of the RAI indexes are the financial autonomy and policy scope. Astonishingly, the indicators of regional revenue as a percentage of total government revenue (revshare) and of regional expenditures as a percentage of total government expenditures (expshare) suggested by Brancati (2006) are very highly positively correlated with the LAI. Many indicators proposed by Treisman (2002) are positively correlated with it.

Taken all together, the relative and varying degrees of closeness of our measures of local autonomy to the other indexes of local autonomy and decentralisation can be taken both as a sign that our data measures the relevant aspects of autonomy, and that it adds new elements to the measurement of local autonomy.

6. Conclusion

Drawing upon the decentralisation and local government theories, this paper propose a theoretically and empirically based index of local autonomy which can be applied in a comparative perspective. The literature review that was realised showed local autonomy as a complex and multifaceted concept, which is at the core of interest of various disciplinary approaches. These define local autonomy differently and focus on specific aspects. However, much like the dimensions of local autonomy, these approaches are interconnected and sometimes focus on the same aspect. In the same way, empirical studies assessing local autonomy in a comparative perspective combine very differently the dimensions, without saying whether one is more important than the others.

After having defined local autonomy and implemented a code book of eleven variables for 39 European countries during the period 1990-2014, the empirical findings combined with the theoretical considerations lead us to suggest regrouping the indicators into seven local autonomy dimensions. We then propose a process of weighting for the construction of the LAI which has been used to measure local autonomy in a comprehensive manner across a high

number of countries and over such a longer period of time, which allow us to underline the main changes. The main results show that Nordic countries and Switzerland rank highest on the LAI, though for very different dimensions. In addition, a general increase in autonomy took place between 1990 and 2005, especially in the new democracies of Central and Eastern Europe. Finally, the comparisons with other indicators of decentralisation have shown that the data measures the relevant and additional aspects of autonomy.

In order to do so, certain choices have of course been made. First, local autonomy has been considered as a relative concept and assessed in a formal vertical approach. In further researches, perhaps in-depth national case studies, the horizontal direction of decentralisation and the conception of local autonomy as a complex relational construct may also be taken into account. More emphasis could also be placed on the explanations of the variations of local autonomy over time and across policy fields or on the spatiality of the decision. Regarding the assessment of the local autonomy's impacts and consequences, we hope that the LAI will constitute a springboard for further comparative studies addressing the implications of local autonomy for local democracy or local government efficacy.

Second, the definition and seven dimensions of local autonomy stem from the different criteria for assessing local autonomy proposed by various approaches and disciplines. Yet some debates exist within the approaches and there exists overlaps between them. The proposed distribution of local autonomy's indicators in four approaches is a classification attempt among others possible. Indeed, other focusses could have of course been put together, i.e. financial and administrative capacities, political organisation and access or formal competences and responsibilities for the services. It might be interesting to further push the analysis by also focusing on the respective theories of different disciplines.

Third, any construction of an index requires should be taken with caution in dealing with the results and suggests concentrating on the more general picture, because a simple change of indicator can lead to a completely different judgment. Furthermore, the criteria for the apprehension of local autonomy are consistent with the normative foundations of a local government. Consequently, the inclusion of certain variables and the weighting process potentially imply the "implicit selection" of a normative system of local government, i.e. clientelistic/patronage (mainly in South-European countries), welfare-state (mainly in North-European countries) or economic-development models (Goldsmith 1990, Pierre 1990). In this respect the construction of the LAI should lead to an in-depth exploration of the causes of local autonomy to better understand the national trajectories. It is finally on its explanatory power that the quality of this comparative instrument depends.

Fourth, the values of the other empirical studies that have also assessed local autonomy in a comparative perspective but differently have been compared with our results and show relative good agreement. However, the sources and cases of disagreement may be investigated in more detail. Arises in parallel the question of the applicability of the LAI beyond the European context.

Notes

1. A short and revised version of this paper has been published in French in the “Revue Internationale de Politique Comparée”. The article is available at: <https://www.cairn.info/revue-internationale-de-politique-comparee-2016-4-page-443.htm?contenu=resume#>. Please cite as: Keuffer, N. (2016). “L’autonomie locale, un concept multidimensionnel : comment le définir, comment le mesurer et comment créer un indice d’autonomie locale comparatif ?” *Revue internationale de politique comparée*, 23 (4): 443-490. doi:10.3917/ripc.234.0443. Heartfelt thanks to the Professor S. Kuhlmann, A. Ladner and K. Horber-Papazian for their precious advices during the different stages of production of this article.
2. Within the World Bank operational experience, for instance, over one-quarter of development policy operations approved in fiscal years 1995-2005 listed at least one condition with a decentralisation theme (Kaiser 2006).
3. In 2016, 47 member states of the Council of Europe have ratified the European Charter. It has constituted the base and served as a model for the development of a draft text of a worldwide charter for local self-government by the United Nations Centre for Human Settlements (UNCHS Habitat) and the World Associations of Cities and Local Authorities Coordination (WACLAC). The United Cities and Local Governments (UCLG) declared in 2004 that the adoption of a World Charter for Local Self-Government remains one of its key objectives.
4. The conceptualisation of a “Local Autonomy Index” (LAI) results from a research project launched by the European Commission’s Directorate for Urban and Regional Affairs: see <http://local-autonomy.andreasladner.ch/>. It is aimed at analysing and reporting changes in the extent of decentralisation in countries of the European Union between 1990 and 2014. For the report see Ladner, Keuffer and Baldersheim (2015).
5. Local autonomy is to be understood in the sense of local government autonomy. But we will use the former expression as it has traditionally been used in the fields of local government and urban studies, even to refer only to the governmental relations system. In addition, “local self-government” as employed by the European Charter, means “local autonomy” since the French version of the treaty is called “Charte européenne de l’autonomie locale”. For the terminology issues, see Kuhlmann and Wollmann (2014), Marcou (2014); for the text and the chart of signatures and ratifications of the Treaty, see <https://www.coe.int/en/web/conventions/full-list/-/conventions/treaty/122> (consulted in 2016).
6. According to the Explanatory Report to the European Charter (Council of Europe 1985b), the formulation of some articles represents a political compromise: no enshrinement of the principle of local autonomy in the constitutions in all the countries (art. 2); The expression “manage a substantial share of public affairs” (art. 3) is not quantified and expressions such as “local affairs and “own affairs” were rejected since the traditions of member states as to the affairs which are regarded as belonging to the preserve of local authorities differ greatly; The scope of responsibilities which should appertain to European local governments are not enumerated, as well as the consultation (art. 4); Regarding the protection of local authority boundaries, it has been regarded as unrealistic to expect the local community to have power to veto such changes (art. 5); Even though financial resources are seen to be the necessary condition for a meaningful local autonomy, the proportion of revenues that derives from local taxes and charges (“part at least”, art. 9 para 3) as well as the proportion of block grants compared to grants earmarked for specific projects (“as far as possible”, art. 9 para 7) are not prescribed; A recourse to an extraordinary remedy has been integrated as the properly judicial remedy (art. 11); Finally, the possibility is given to the parties to exclude certain provisions (the “compulsory nucleus” system, art. 12).
7. In the European Charter, the amount of financial autonomy may come from a variety of different sources and shall be sufficient: the right “within national economic policy, to adequate financial resources of their own” (art. 9 para 1), “commensurate with the responsibilities” (art. 9 para 2), composed in “part at least” of “local taxes and charges of which, within the limits of statute, they have the power to determine the rate” (art. 9 para 3), “of a sufficiently diversified and buoyant nature to enable them to keep pace as far as practically possible with the real evolution of the cost” (art. 9 para 4), “financial equalisation procedures or equivalent measures” “shall not diminish the discretion local authorities may exercise within their own sphere of responsibility” (art. 9 para 5), “The provision of grants shall not remove the basic freedom of local authorities to exercise policy discretion within their own jurisdiction” (art. 9 para 7), “For the purpose of borrowing for capital investment, local authorities shall have access to the national capital market” (art. 9 para 8).
8. For a complete literature review of the studies comparing local government systems between countries, see Wolman (2008) or Kuhlmann and Wollmann (2014).
9. The Congress of Local and Regional Authorities of the Council of Europe regularly monitors the situation of local and regional democracy in the member states of the Council of Europe. The countries are monitored every five years. Some 50 country reports have been drafted since 1995. These reports may give a first insight into the situation in these countries but some of them, however, are not focused on the local level, and are to some extent policy driven and thus fail to produce comparable data.

10. The data used comes from different databases on local government and decentralisation. Number of these sources have been elaborated over the past several years. The United Cities and Local Governments' (UCLG) Global Observatory on Local Democracy (GOLD) provides reports that include national profiles describing qualitatively territorial, management, political and financial structures of local governments. The World Bank (WB) database provides quantitative fiscal indicators based on the International Monetary Fund's (IMF) Government Finance Statistics (GFS) and qualitative indicators on fiscal and administrative decentralisation. There is also a considerable amount of data produced by the OECD. The problem with these sources is that they are mainly dealing with financial aspects of local autonomy and that they are not distinguishing the subnational levels.

11. "The centre" is meant in this paper as the higher levels of government since federal countries are also taken into account whereas Page (1991) was more interested in unitary countries.

12. It is necessary to emphasize that the important issue of the spatiality of the decision – e.g. at what scale the decisions of local authorities are actually taken – is not addressed here, in accordance with the limits fixed to empirically and comparatively assess local autonomy. However, the unit of analysis should be defined at this stage: local autonomy refers to the local government (commonly labelled "municipality"), administrative unit located at the lowest level of the state architecture and classified below a province, region or state (usually the level "LAU 2" according to the nomenclature of territorial units for statistics of the European Commission). When local governments enjoy a different degree of autonomy within the same country – as is for example the case in federal countries or when the status of local governments vary – these asymmetries have been taken into account in operating a weighting by the population of the allocated scores (Ladner, Keuffer and Baldersheim 2016: 315).

13. In addition to the relative weighting of the variables (a variable is weighted, when it is the case, as a function of the other variable which constitutes the given dimension), the values are transformed from their original scale (see column 3 of Table 1, in Appendix) to a scale reaching from 0 to 100 (100 being the highest level of local autonomy).

14. This classification is based on the algorithm Natural breaks (Jenks). The classes of natural thresholds depend on natural groupings inherent in the data. The terminals of the classes designated by this method and used to group similar values to better optimize and class differences.

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Appendix

Table 1: The multiple dimensions of local autonomy, operationalisation and weighting and comparisons of the LAI variables with RAI

Dimensions	Weight	Variables and scale	Weight	Operationalisation	Comparison with the RAI
Legal autonomy	1	Legal protection (0-3)	2	<p>0 no legal remedy for the protection of local autonomy exists</p> <p>1 constitutional clauses or other statutory regulations protect local self-government</p> <p>2 local authorities have recourse to the judicial system to settle disputes with higher authorities (e.g. through constitutional courts, administrative courts or tribunals, or ordinary courts)</p> <p>3 remedies of types 1 and 2 above, plus other means that protect local autonomy such as e.g. listing of all municipalities in the constitution or the impossibility to force them to merge</p>	LAI variable indirectly related to RAI through focus on legal processes of influence open to LG, but different since RAI items is about formal participation in law-making
Political discretion	3	Institutional depth (0-3)	1	<p>0 local authorities can only perform mandated tasks</p> <p>1 local authorities can choose from a very narrow, predefined scope of tasks</p> <p>2 local authorities are explicitly autonomous and can choose from a wide scope of predefined tasks</p> <p>3 local authorities are free to take on any new tasks (residual competencies) not assigned to other levels of government</p>	LAI variable conceptually related to RAI but operationalisation different
		Effective political discretion (0-4)	3	<p>No, some, or real authoritative decision-making in:</p> <p>Education (0-2) Social assistance (0-2) Health (0-2)</p> <p>Land-use (0-2) Public transport (0-1) Housing (0-1)</p> <p>Police (0-1) Caring functions (0-1)</p>	LAI variable not included in the RAI
Policy scope	2	Policy scope (0-4)	2	<p>Not at all; partly; fully responsible:</p> <p>Education (0-2) Social assistance (0-2) Health (0-2)</p> <p>Land-use (0-2) Public transport (0-1) Housing (0-1)</p> <p>Police (0-1) Caring functions (0-1)</p>	LAI variable conceptually related but coding different
Financial autonomy	3	Fiscal autonomy (0-4)	3	<p>0 local authorities do not set base and rate of any tax</p> <p>1 local authorities set base or rate of minor taxes</p> <p>2 local authorities set rate of one major tax (personal income, corporate, value added, property or sales tax) under restrictions stipulated by higher levels of government</p> <p>3 local authorities set rate of one major tax (personal income, corporate, value added, property or sales tax) with few or no restrictions</p> <p>4 local authorities set base and rate of more than one major tax (personal income, corporate, value added, property or sales tax)</p>	LAI variable coded in the same way
		Financial self-reliance (0-3)	3	<p>0 own sources yield less than 10% of total revenues</p> <p>1 own sources yield 10-25%</p> <p>2 own sources yield 25-50%</p> <p>3 own sources yield more than 50%</p>	LAI variable not included in the RAI

		Borrowing autonomy (0-3)	1	<p>0 local authorities cannot borrow</p> <p>1 local authorities may borrow under prior authorisation by higher-level governments and with one or more of the following restrictions:</p> <ul style="list-style-type: none"> a. golden rule (e. g. no borrowing to cover current account deficits) b. no foreign borrowing or borrowing from the regional or central bank only c. no borrowing above a ceiling, absolute level of subnational indebtedness, maximum debt-service ratio for new borrowing or debt brake mechanism d. borrowing is limited to specific purposes <p>2 local authorities may borrow without prior authorisation and under one or more of a), b), c) or d)</p> <p>3 local authorities may borrow without restriction imposed by higher-level authorities</p>	LAI variable coded in the same way
Organisational autonomy	3	Organisational autonomy (0-4)	3	<p>Local Executive and election system:</p> <p>0 local executives are appointed by higher-level authorities and local authorities cannot determine core elements of their political systems (electoral districts, number of seats, electoral system)</p> <p>1 executives are elected by the municipal council or directly by citizens</p> <p>2 executives are elected by the citizens or the council and the municipality may decide some elements of the electoral system</p> <p>Staff and local structures:</p> <p>Local authorities:</p> <p>Hire their own staff (0-0.5) Fix the salary of their employees (0-0.5)</p> <p>Choose their organisational structure (0-0.5) Establish legal entities and municipal enterprises (0-0.5)</p>	LAI variable conceptually related but coding and operationalisation on different
Non-interference	1	Financial transfer system (0-3)	1	<p>0 conditional transfers are dominant (unconditional = 0-40% of total transfers)</p> <p>1 there is largely a balance between conditional and unconditional financial transfers (unconditional = 40-60%)</p> <p>2 unconditional financial transfers are dominant (unconditional = 60-80%)</p> <p>3 nearly all transfers are unconditional (unconditional = 80-100%)</p>	LAI variable not included in the RAI
		Administrative supervision (0-3)	1	<p>0 administrative supervision reviews legality as well as merits/expediency of municipal decisions</p> <p>1 administrative supervision covers details of accounts and spending priorities</p> <p>2 administrative supervision only aims at ensuring compliance with law (legality of local decisions)</p> <p>3 there is very limited administrative supervision</p>	LAI variable not included in the RAI
Access	1	Central of regional access (0-3)	1	<p>0 local authorities are never consulted by higher level governments and there are no formal mechanisms of representation</p> <p>1 local authorities are consulted and/or have access to higher-level decision-making through formal representation but influence is limited</p> <p>2 local authorities are regularly consulted through permanent consultation channels and have substantial influence</p> <p>3 local authorities are either consulted or have access to higher-level decision-making through formal representation; and substantial influence</p>	LAI variable conceptually related but operationalisation on different

Weight: 1 = rather important; 2 = important; 3 = very important.

Sources: Code book Local Autonomy Index (LAI): Ladner, Keuffer and Baldersheim (2016); Code book Regional Authority Index (RAI): Regional Scores Dataset, version July 2015: Hooghe et al. (2016)

Table 2: seven dimensions calculated for the 39 countries covered (2014)

Country name (in alphabetic order)	D_legal auton- omy_2014	D_political discre- tion_2014	D_policy scope_2014	D_financial auton- omy_2014	D_organ- izational auton- omy_2014	D_non-in- terference _2014	D_access_ 2014
Albania	66.67	50.00	54.17	41.67	62.50	33.33	33.33
Austria	66.67	53.33	65.76	69.62	51.39	66.67	100.00
Belgium	66.67	56.67	54.17	70.83	75.00	20.27	52.50
Bulgaria	100.00	66.67	79.17	45.83	75.00	33.33	66.67
Croatia	33.33	61.80	56.93	49.48	75.00	61.80	33.33
Cyprus	66.67	24.36	22.12	62.34	50.00	38.47	33.33
Czech Republic	100.00	76.67	45.83	37.50	100.00	66.67	33.33
Denmark	33.33	70.00	87.50	66.67	100.00	83.33	66.67
Estonia	100.00	70.00	62.50	33.33	100.00	50.00	33.33
Finland	66.67	83.33	79.17	83.33	75.00	83.33	66.67
France	100.00	59.77	83.05	70.83	25.00	83.33	66.67
Georgia	66.67	43.33	45.83	29.17	25.00	33.33	33.33
Germany	66.67	73.33	87.50	81.47	62.50	66.31	66.67
Greece	66.67	43.33	37.50	45.83	50.00	66.67	33.33
Hungary	66.67	60.00	70.83	29.17	62.50	16.67	33.33
Iceland	33.33	80.00	75.00	70.83	100.00	66.67	100.00
Ireland	33.33	23.33	20.83	66.67	25.00	16.67	33.33
Italy	66.67	60.00	62.50	66.67	75.00	83.33	66.67
Latvia	66.67	76.67	62.50	16.67	50.00	66.67	66.67
Liechtenstein	100.00	50.00	45.83	87.50	100.00	66.67	33.33
Lithuania	66.67	76.67	70.83	33.33	75.00	50.00	100.00
Luxembourg	66.67	63.33	50.00	66.67	25.00	83.33	33.33
Macedonia	66.67	66.67	58.33	54.17	75.00	33.33	33.33
Malta	66.67	23.33	12.50	29.17	25.00	83.33	100.00
Moldova	33.33	46.67	33.33	29.17	50.00	0.00	33.33
Netherlands	66.67	63.33	62.50	45.83	75.00	33.33	66.67
Norway	0.00	66.67	91.67	70.83	100.00	83.33	66.67
Poland	66.67	64.33	79.06	58.33	100.00	66.67	100.00
Portugal	66.67	63.33	54.17	58.33	50.00	83.33	66.67
Romania	100.00	70.00	66.67	41.67	62.50	33.33	33.33
Serbia	66.67	62.09	69.28	58.33	75.00	83.33	66.67
Slovakia	66.67	53.33	50.00	58.33	75.00	33.33	100.00
Slovenia	66.67	65.62	51.43	16.67	75.00	33.33	33.33
Spain	66.67	35.61	48.68	70.83	50.00	83.33	33.33
Sweden	33.33	73.33	75.00	87.50	75.00	83.33	66.67
Switzerland	93.70	50.72	69.99	98.02	100.00	47.84	99.23
Turkey	33.33	29.18	19.81	41.67	50.00	83.33	33.33
Ukraine	66.67	56.41	57.69	15.38	75.00	41.03	33.33
UK	65.69	26.32	32.90	41.67	75.00	76.11	40.45
Mean	64.77	57.42	57.76	53.88	67.34	56.88	56.21
Highest	100.00	83.33	91.67	98.02	100.00	83.33	100.00
Lowest	0.00	23.33	12.50	15.38	25.00	0.00	33.33

N=39.

Table 3: LAI scores (2014, 2010, 2000, 1995 and 1990) and changes (1990-2014)

Country name	LAI_2014	LAI_2010	LAI_2005	LAI_2000	LAI_1995	LAI_1990*	Changes 1990-2014*
Switzerland	79.00	78.17	78.84	78.53	77.76	77.72	1.28
Finland	78.85	78.85	78.85	78.85	75.77	74.49	4.36
Iceland	77.12	77.95	77.95	75.38	69.74	66.92	10.19
Denmark	74.49	74.49	73.08	75.96	75.96	75.96	-1.47
Sweden	74.29	74.29	74.29	74.29	74.29	72.88	1.41
Germany	74.16	73.53	74.05	74.10	73.84	73.79	0.37
Poland	73.80	73.83	73.85	74.15	73.22	67.69	6.11
Norway	72.76	72.76	72.76	69.23	69.23	64.10	8.65
Liechtenstein	69.55	72.44	72.44	72.44	72.44	72.44	-2.88
Italy	67.05	63.85	63.85	56.99	57.37	52.12	14.94
Serbia	66.65	65.85	54.10	47.76	47.76	48.53	18.13
France	65.99	65.99	65.99	63.43	63.42	63.42	2.57
Bulgaria	65.06	63.01	57.24	58.27	41.22	25.90	39.17
Lithuania	64.49	63.08	63.08	60.51	50.90	46.79	17.69
Austria	64.35	63.82	62.52	63.01	62.29	63.14	1.20
Czech Republic	64.17	62.88	64.17	67.05	64.49	42.12	22.05
Estonia	62.95	63.72	63.72	68.85	69.62	64.23	-1.28
Portugal	60.77	59.23	59.23	56.35	50.45	50.45	10.32
Slovakia	60.38	60.38	57.56	46.54	43.21	42.56	17.82
Belgium	60.02	60.03	59.75	58.27	59.55	50.58	9.44
Netherlands	59.17	59.94	57.37	56.47	53.14	53.01	6.15
Macedonia	58.65	58.65	58.65	33.46	33.46	33.46	25.19
Romania	58.46	57.69	55.38	52.31	38.65	28.65	29.81
Croatia	55.86	54.73	48.15	42.01	40.06	40.06	15.80
Luxembourg	55.64	55.64	58.46	58.46	61.28	62.56	-6.92
Latvia	54.23	51.35	55.83	55.83	54.04	50.96	3.27
Spain	53.85	59.84	61.73	61.69	59.11	59.12	-5.27
Hungary	50.06	58.53	58.53	58.53	56.73	61.54	-11.47
Albania	49.36	49.36	52.24	23.21	13.46	13.46	35.90
Slovenia	48.70	51.25	51.89	51.91	51.98	24.62	24.08
Ukraine	47.83	48.39	47.53	45.44	44.12	42.39	5.44
Greece	46.86	41.86	42.82	42.18	41.54	40.00	6.86
UK	46.31	46.32	47.52	47.51	47.53	47.53	-1.22
Cyprus	41.76	41.78	41.82	41.82	36.95	36.36	5.40
Turkey	38.63	38.93	39.01	39.07	39.11	39.16	-0.54
Georgia	37.88	31.22	36.67	34.10	23.27	23.27	14.62
Malta	37.12	37.12	31.73	31.73	28.85	28.85	8.27
Moldova	35.45	32.56	28.46	34.17	19.23	16.35	19.10
Ireland	34.23	35.51	35.51	35.51	32.95	30.13	4.10
Mean	58.61	58.43	57.86	55.52	52.51	49.42	9.20

From higher to lower (LAI_2014). N=39.

* Albania, Latvia, Malta, Romania and Ukraine were not independent in 1990. The data for these countries starts in 1991, 1992 or 1993.

Table 4: Correlations between the 7 LA-dimensions and the LAI with other indicators proposed by the OECD, Ivanyna and Shah (2012) and Sellers and Lidström (2007)

	OECD_LG_D Net_2014	OECD_LG_T Net_2014	OECD_LG_R Trans_Net_2014	OECD_LG_I Govt_Net_2014	OECD_LG_T awkt_2011	OECD_LG_T awkt_2011	OECD_NonE art_2010	OECD_NonE art_2010	Yanyna_RI	Yanyna_SE	Yanyna_FDI	Yanyna_PDI	Yanyna_ADI	Yanyna_DI	Yanyna_GCI	Sellers_LocA I_Capacities_A	Sellers_LocB I_Capacities_B	Sellers_LocC I_Capacities_C	Sellers_LocD I_Capacities_D	Sellers_LocE I_Capacities_E	Sellers_LocF I_Capacities_F	Sellers_LocG I_Capacities_G	Sellers_LocH I_Capacities_H	Sellers_Supr revision_A	Sellers_Supr revision_B	Sellers_Supr revision_C	Sellers_Supr revision_D	Sellers_Supr revision_E	Sellers_Supr revision_F	Sellers_Supr revision_G	Sellers_Supr revision_H	Sellers_Supr revision_I	Sellers_Supr revision_J
D_legal_autonomy_2014	-0.361	-0.295	-0.177	-0.359	-0.144	-0.384	-0.399	-0.461	-0.277	-0.183	-0.049	0.150	-0.140	-0.301	-0.213	0.213	-0.282	-0.570	-0.247	-0.580	-0.456	-0.534	-0.408	0.138	0.107	-0.369	0.317	0.223	-0.187	-0.258	-0.174	-0.316	-0.077
D_organizational_autonomy_2014	0.041	0.114	0.204	0.057	0.247	0.029	-0.100	0.066	0.046	0.135	0.365	0.184	0.202	0.032	-0.100	0.215	0.145	0.011	-0.178	0.009	0.037	0.017	0.058	0.306	0.346	0.080	0.116	0.203	0.244	0.168	0.280	0.117	0.389
D_policy_autonomy_2014	0.596	0.447	0.437	0.410	0.257	0.389	0.298	0.389	0.430	0.520	0.201	0.217	0.401	0.475	0.480	-0.060	0.223	0.640	0.343	0.517	0.561	0.629	0.508	0.001	0.141	-0.380	-0.352	-0.178	-0.040	-0.155	-0.362	-0.366	-0.408
D_political_freedom_2014	0.580	0.588	0.266	0.560	0.276	0.559	0.480	0.714	0.308	0.635	0.528	0.137	0.653	0.567	0.568	0.267	0.277	0.611	0.525	0.402	0.640	0.643	0.624	0.535	-0.093	-0.085	0.033	0.239	-0.367	-0.168	-0.459	-0.478	-0.197
D_fiscal_autonomy_2014	0.004	0.002	0.190	0.009	0.024	0.009	-0.116	0.061	0.007	0.002	0.019	0.362	0.001	0.014	0.014	0.040	0.071	0.010	0.003	0.088	0.008	0.007	0.002	0.012	0.381	0.372	0.283	0.045	0.129	0.425	0.004	0.004	0.264
D_financial_autonomy_2014	0.194	0.434	-0.245	0.431	0.071	0.568	0.332	0.416	0.146	0.413	0.573	0.334	0.103	0.485	0.539	0.107	0.069	0.278	0.211	0.173	0.546	0.422	0.331	0.365	-0.258	-0.516	-0.351	-0.212	-0.415	-0.092	-0.316	-0.479	-0.481
D_non-interference_2014	0.378	0.464	0.126	0.396	0.223	0.377	0.413	0.444	0.087	0.287	0.421	0.047	-0.088	0.306	0.205	-0.189	0.223	0.443	0.387	0.148	0.430	0.445	0.448	0.599	-0.650	0.209	0.123	0.086	-0.380	0.448	-0.241	-0.212	-0.098
D_access_2014	0.267	0.340	0.009	0.335	0.157	0.371	0.329	0.472	0.149	0.372	0.272	0.374	0.228	0.353	0.422	0.188	0.441	0.212	0.372	0.110	0.383	0.301	0.365	0.377	-0.047	-0.494	-0.167	-0.001	-0.372	0.000	-0.480	-0.557	-0.428
D_LAI_2014	0.809	0.700	0.159	0.618	0.324	0.647	0.481	0.839	0.408	0.859	0.590	0.318	0.458	0.610	0.640	0.297	0.311	0.592	0.547	0.347	0.887	0.858	0.643	0.556	-0.111	-0.320	-0.090	0.130	-0.434	0.014	-0.617	-0.690	-0.424

* La corrélation est significative au niveau 0.05 (unilatérale)
 ** La corrélation est significative au niveau 0.01 (unilatérale)

OECD measures: Fiscal Federalism Database; LG_RI, LG_SE, FDI, PDI, ADI, DI and GCI: Ivanyna and Shah (2012); Local Capacities and Supervision indicators: Sellers and Lidström (2007). See §2 for more info.

Table 5: Correlations between the 7 LA-dimensions and the LAI with other indicators proposed by the RAI (2016), Brancati (2006) and Treisman (2002)

	RAI_indestdp h_2010	RAI_policy_2 010	RAI_fiscauto 010	RAI_borrowa up_2010	RAI_rep_201 0	RAI_lawmak ing_2010	RAI_econco m_2010	RAI_fiscoon _2010	RAI_borrowe on_2010	RAI_const_2010	RAI_selfite _2010	RAI_sharede ute_2010	RAI_RA1_201 0	Brancati_dce n	Brancati_dce n_index	Brancati_dce n_index2	Brancati_exp share	Brancati_rev share	Brancati_RGI	Treisman_V D_nb_of_tiers	Treisman_D D_Weak autonomy	Treisman_D D_Residual authority	Treisman_D D_Subnational at Veto (non financial)	Treisman_D D_Subnational at Veto (financial)	Treisman_A D	Treisman_E D	Treisman_F D_Subnational at share of budget spending	Treisman_F D_Subnational at share of tax revenues	Treisman_N D_Non- central share of total government employment
D_legal_autonomy_2014	0.091	0.098	-0.021	0.096	0.053	0.130	0.147	0.146	0.033	0.112	0.066	0.123	0.092	0.232	0.148	0.228	0.173	-0.215	0.096	-0.180	0.137	0.140	0.145	0.145	0.056	0.003	-0.191	-0.200	-0.014
D_organizational_autonomy_2014	-0.010	0.094	0.105	0.008	0.016	0.057	0.046	0.090	-0.161	-0.021	0.045	-0.001	0.032	-0.037	-0.020	0.101	0.212	0.456	-0.192	-0.343	-0.152	0.002	0.168	0.168	0.000	-0.074	0.269	0.380	0.165
D_policy_autonomy_2014	0.478	0.296	0.274	0.481	0.464	0.373	0.397	0.304	0.178	0.452	0.398	0.498	0.428	0.450	0.473	0.366	0.307	0.152	0.356	0.027	0.185	0.496	0.171	0.171	0.468	0.340	0.083	0.028	0.210
D_political_freedom_2014	0.255	0.282	0.263	0.322	0.266	0.133	0.118	0.150	0.110	0.099	0.285	0.126	0.255	-0.114	-0.120	-0.058	0.318	0.580	-0.095	-0.152	-0.140	0.132	0.214	0.214	-0.169	0.087	0.411	0.584	0.383
D_financial_autonomy_2014	0.008	0.001	0.008	0.008	0.001	0.007	0.008	0.001	0.011	0.011	0.005	0.001	0.027	0.109	0.049	0.000	0.001	0.021	0.175	0.005	0.002	0.029	0.328	0.272	0.003	0.001	0.001	0.001	
D_non-interference_2014	0.179	0.162	0.079	0.170	0.156	0.156	0.007	-0.188	0.081	0.032	0.160	-0.032	0.101	0.024	-0.008	-0.063	0.599	0.568	-0.130	0.240	0.041	-0.032	-0.015	0.023	-0.058	0.254	0.394	0.373	
D_access_2014	0.482	0.203	0.151	0.154	0.465	0.180	0.214	0.130	0.322	0.224	0.305	0.195	0.250	0.428	0.496	0.314	0.110	0.041	0.480	0.396	0.447	0.138	0.052	0.052	0.317	0.474	0.010	0.003	0.066
D_LAI_2014	0.249	0.341	0.344	0.334	0.297	0.203	0.238	0.237	0.107	0.162	0.322	0.199	0.301	0.132	0.006	0.127	0.727	0.908	0.036	-0.130	0.224	0.228	0.308	0.308	-0.046	-0.087	0.502	0.736	0.480

* La corrélation est significative au niveau 0.05 (unilatérale)
 ** La corrélation est significative au niveau 0.01 (unilatérale)

RAI measures (2010): Hooghe, Marks and Schakel (2016); dcen, dcen_index, dcen_index2, expshare, revshare, RGI (2000): Brancati (2006); Vertical decentralization (number of tiers), Decision-making decentralization (weak autonomy, residual authority, subnational veto non-financial and financial), Appointment decentralization, Electoral decentralization, Fiscal decentralization (subnational share of budget spending and of tax revenues) and Personnel decentralization (non-central share of total government employment) (mid-90s): Treisman (2002). See Schakel (2008) for further information.