

## Document de treball de l'IEB 2010/23

CITIZEN'S CONTROL AND THE EFFICIENCY OF LOCAL PUBLIC SERVICES

**Núria Bosch, Marta Espasa, Toni Mora**

Fiscal Federalism

Document de  
treball de l'IEB

**CITIZENS' CONTROL AND THE EFFICIENCY  
OF LOCAL PUBLIC SERVICES**

Núria Bosch, Marta Espasa, Toni Mora

The **IEB** research program in **Fiscal Federalism** aims at promoting research in the public finance issues that arise in decentralized countries. Special emphasis is put on applied research and on work that tries to shed light on policy-design issues. Research that is particularly policy-relevant from a Spanish perspective is given special consideration. Disseminating research findings to a broader audience is also an aim of the program. The program enjoys the support from the **IEB-Foundation** and the **IEB-UB** Chair in Fiscal Federalism funded by Fundación ICO, Instituto de Estudios Fiscales and Institut d'Estudis Autònoms.

The **Barcelona Institute of Economics (IEB)** is a research centre at the University of Barcelona which specializes in the field of applied economics. Through the **IEB-Foundation**, several private institutions (Caixa Catalunya, Abertis, La Caixa, Gas Natural and Applus) support several research programs.

Postal Address:

Institut d'Economia de Barcelona

Facultat d'Economia i Empresa

Universitat de Barcelona

C/ Tinent Coronel Valenzuela, 1-11

(08034) Barcelona, Spain

Tel.: + 34 93 403 46 46

Fax: + 34 93 403 98 32

[ieb@ub.edu](mailto:ieb@ub.edu)

<http://www.ieb.ub.edu>

The IEB working papers represent ongoing research that is circulated to encourage discussion and has not undergone a peer review process. Any opinions expressed here are those of the author(s) and not those of IEB.

**CITIZENS' CONTROL AND THE EFFICIENCY  
OF LOCAL PUBLIC SERVICES**

Núria Bosch, Marta Espasa, Toni Mora

**ABSTRACT:** It is generally accepted that fiscal decentralization increases citizens' control over politicians, fostering accountability and increasing efficiency. This article identifies the socioeconomic characteristics of citizens (potential voters) that increase their control over local policy-makers and thus generate greater efficiency in a decentralized context. We also highlight the fiscal characteristics of local governments that influence this control and efficiency. The study examines a sample of Spanish municipalities, applying a methodology based on the conventional procedure of two-stage estimation. In the first stage we estimate the efficiency of local public services by calculating a new version of a global output indicator using the DEA technique. In the second stage, using a Tobit type estimation (censored models) and bootstrap methods, we show how the factors mentioned may influence efficiency. The results suggest that strong presence of retailers, retired people, and people entitled to vote favour citizens' control, which fosters accountability and efficiency. A factor that facilitates this control, and therefore greater efficiency, is the presence of low opportunity costs for obtaining information regarding local public service management.

JEL Codes: H11, H71, H72

Keywords: Technical efficiency, local governments, citizens' control, socioeconomic and fiscal variables.

Núria Bosch  
Universitat de Barcelona  
Faculty of Economics and Business  
Department of Public Finance  
Avda. Diagonal, 690, Torre 4, 2<sup>a</sup>  
08034 Barcelona (Spain)  
E-mail: [nbosch@ub.edu](mailto:nbosch@ub.edu)

Marta Espasa  
Universitat de Barcelona  
Faculty of Economics and Business  
Department of Public Finance  
Avda. Diagonal, 690, Torre 4, 2<sup>a</sup>  
08034 Barcelona (Spain)  
E-mail: [mespasa@ub.edu](mailto:mespasa@ub.edu)

Toni Mora  
Universitat Internacional de Catalunya  
Faculty of Economy & Social Sciences  
Dpt. Economy & Business Managmt.  
Immaculada, 22  
08017 Barcelona (Spain)  
E-mail: [tmora@cir.uic.es](mailto:tmora@cir.uic.es)









































































U  
UNIVERSITAT DE BARCELONA  
B

[ieb@ub.edu](mailto:ieb@ub.edu)  
[www.ieb.ub.edu](http://www.ieb.ub.edu)

Fiscal Federalism

Document de  
treball de l'IEB