



Reports are being compiled as part of research by Northumbria University and the Local Democracy Research Centre to compare local government finance systems in England, Germany, Italy, and Japan.

Jul 26, 2023 09:57 BST

Associate Professor leads new international analysis of local government finance

The Local Democracy Research Centre has commissioned experts at Northumbria University, led by Dr Kevin Muldoon-Smith, to look at how local government is funded in different countries around the world.

The research considers local government finance as a system operating within varied national contexts, including the constitutional and legal

framework, respective political landscape, relative expectations, roles, and responsibilities and the availability of local and shared income streams for local government. It aims to identify the most effective ways of managing public sector finance for the benefit of all.

Several reports are being compiled as part of the research to compare local government finance systems in [England](#), [Germany](#), Italy, and Japan, culminating in a final report that will frame principles and mechanisms for enhanced local government financial autonomy in England.

The international case studies have been selected because they all feature local authorities with broad responsibilities, local financial autonomy, a wide range of revenue-raising powers, and an established role within the territorial governance of the state.

Germany, Italy, and Japan are also all non-Anglophone countries, allowing for greater analysis of different systems to be made. Local government and local government finance systems in Anglophone countries often have a common ancestor in English practice and share many historical similarities. These include local revenue consisting primarily of property taxes; a lack of constitutional protection; limited functions; and more restrained legal or financial supervision by central officials.

“By providing an in-depth analysis of these different systems, we will enhance our understanding of the options available for local government financial autonomy and better understand the context of local government finance pressures,” said [Dr Muldoon-Smith](#), and Associate Professor within Northumbria’s Department of [Architecture and Built Environment](#) who also teaches on the University’s [Real Estate](#) programmes.

“The [first report](#) is an essential assessment of how local government is financed in England, the historical context, the restrictions of the system and the reasons it has come under sustained criticism.

“As the reports on [Germany](#), Italy and Japan are released, each will reveal more about the options available for funding local governments – useful not only to readers in England, but to anyone working in or interested in local government around the world.”

The [Local Democracy Research Centre](#) brings together experts from local government and academia to carry out research on some of the key challenges facing local democracy around the world. The centre is run by the [Local Government Information Unit \(LGIU\)](#) – a thinktank, registered charity and membership body for local government.

Dr Andrew Walker, Head of Research at the LGIU, said: “By building our understanding of the different ways local services are funded across the world – especially outside of the English-speaking world – we can look for better ways to fund local government and enable councils to serve local people.

“We’re delighted to be working with Northumbria University and Dr Muldoon-Smith on these reports, which have been brought to life thanks to his knowledge and expertise in strategic public sector finance.”

Discover more about the research project, *Local government finance: a comparative study*, by visiting www.lgiu.org

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