

Abstract

Although the literature has analysed how different factors influence the success or failure of fiscal decentralisation processes; it seems that there is a lack of studies focused on the substantial role that the different institutional capacities have had in the outcomes obtained in different jurisdictions within the same subnational government level.

This study attempts to make evident that the states' institutional framework might become a more important factor for determining to what extent a fiscal decentralisation process can be more or less efficient. The differences in professional capacities among public servants, the legal framework, the management systems, and the technical infrastructure, become particularly significant elements in order to explain and determine the achievements and shortcomings of fiscal decentralisation.

The outcomes presented in this study are interesting because they provide more elements in order to understand that in certain contexts, it is necessary to go beyond from the causal assumptions developed in many studies on fiscal decentralisation.