Rational Mayors Call: "Do Not Close Registry Offices!"

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Abstract

Why would mayors insist on providing a public service almost no one uses? Motivated by the 2018 proposal for optimization of the Czech civil registration network, which was met with unexpectedly fierce opposition from nationwide municipal associations and subsequently abolished, this paper analyzes the role of funded mandates in intergovernmental fiscal relations as well as their impact on municipal budgets and the quality of local democracy. The estimation of between effects on a sample of over 4,500 small Czech municipalities during the period 2010-2017 reveals that municipalities entrusted with registry-keeping attract up to 80% higher current grants from subnational government units (in comparison to municipalities which do not run registry offices) and are able to spend up to 90% of the registry transfer, which they receive as compensation for keeping the registry, on non-administrative expenditures. In light of these findings the intensity of mayors’ protests appears fully understandable.

Keywords

Funded mandates, civil registration, municipal budgets, intergovernmental fiscal relations

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