Which Level of Government

Economics

Deciding what belongs to central, regional and local government.

Assignment principles.

Central level suits

Nationwide public goods, such as defence	Redistribution, to avoid a race to the bottom
Macroeconomic stabilisation	Regulation of national markets

Local level suits

Services with local benefits only	Where local preferences differ
Where local information matters	Where accountability is more direct

Devolving a spending duty without a matching revenue source produces an unfunded mandate, which is the common failure.