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Municipal Amalgamation in Israel

Lessons and Proposals for the Future

Yaniv Reingewertz

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Translation: Ruvik Danieli
Editing and layout: Laura Brass

Center address: 15 Ha'ari Street, Jerusalem
Telephone: 02 5671818 Fax: 02 5671919
Email: info@taubcenter.org.il Website: www.taubcenter.org.il

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Yaniv Reingewertz*

Abstract

This policy paper deals with municipal amalgamations in Israel, and puts forward a concrete proposal for merging 25 small municipalities with adjacent ones. According to an estimate based on the results of the municipal amalgamations reform carried out in Israel in 2003 (Reingewertz, 2012), thanks to the economies of scale in providing public services, these unifications are expected to generate savings of approximately NIS 131 million per annum. The policy paper also discusses the drawbacks stemming from merging municipalities and proposes ways to minimize them. It then specifies the preconditions and criteria for amalgamation, e.g., the desirability of unifying small municipalities that are contiguous and that share similar cultural attributes. In that context, it is important to ensure the participation of the municipalities being merged in the decision making process, and to allow them to choose their partners to the process.

* Dr. Yaniv Reingewertz, Department of Economics, George Washington University, reingewertz@gwu.edu.

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Table of Contents

	Introduction	5
1.	Background: Advantages and Disadvantages of Municipal Amalgamation	6
2.	Criteria for the Amalgamation of Municipalities	11
3.	Which Municipalities Should Be Merged?	14
4.	How Should Amalgamations Be Done?	16
5.	Expected Gains of the Amalgamations	16
6.	Summary and Conclusions	20
	Appendix	22
	References	23

Introduction

This policy paper deals with municipal amalgamations in Israel, and puts forward a proposal for a future amalgamation of municipalities. In Israel today, there are 257 municipalities: 75 cities, 126 towns, 54 regional councils (RCs), and two industrial municipalities (according to the Ministry of the Interior website). The number of residents per municipality – the average is about 31,000 – varies considerably, from 1,100 residents (Megilot Yam HaMelach regional council) to 773,000 residents (Jerusalem) (data taken from the Central Bureau of Statistics, 2011). The responsibilities of municipalities in Israel are similar to those of their counterparts in other countries, and include services such as sewage, garbage collection, street lighting, education, road maintenance, and welfare.

The municipality's share of the overall public sector budget in Israel is relatively small – about 16 percent of the government budget. Nonetheless, the municipalities' expenditures are by no means negligible: about NIS 43 billion, according to 2010 figures. For the purpose of funding their activities, the municipalities are dependent to a large extent on the central government. About 35 percent of their expenditures are funded through transfers from the central government. The remainder comes from independent income and loans.

The Ministry of the Interior has long been in favor of municipal amalgamations, as a means of generating savings and improving municipal management. Nonetheless, due apparently to political considerations, from the state's establishment until 2003, municipalities were merged only sporadically and to a relatively limited extent. In 2003, a program for amalgamation of relatively greater scope was implemented, in the framework of which 12 amalgamations were completed. Following this, the overall number of municipalities dropped from 266 to 255. In the following years another three amalgamations were completed, but in the course of this process, four of the amalgamations completed in the framework of the 2003 reform were

dissolved, one of them after only half a year. The initiative for the merging of municipalities nearly always comes from the central government. Although the Ministry of the Interior does permit it at the initiative of the municipalities themselves (Ministry of the Interior Director-General's circular, 2/2008), in actual fact to date there have been no such initiatives.

1. Background: Advantages and Disadvantages of Municipal Amalgamation

Municipal amalgamation reforms are a common policy in Western countries. Over the past few decades, the overwhelming majority of developed countries have implemented at least one reform of municipal amalgamations. The most prominent countries in this movement are Canada, Sweden, Denmark, and Japan. A survey of the international experience shows that the central purpose of most such amalgamations is to benefit from the economies of scale stemming from the amalgamation (Fox and Gurley, 2006). Indeed, a vast literature provides support for the existence of economies of scale in the provision of several local public services, e.g., garbage collection, firefighting, roads, public transport, and libraries (Callan and Thomas, 2001; De Boer, 2004; Duncombe and Yinger, 1993; Farsi et al., 2007; Kraus, 1981). However, some contend that economies of scale are exhausted above a certain threshold, and the costs to residents may even rise (Breunig and Rocaboy, 2008; Solle-Olle and Bosch, 2005). Solle-Olle and Bosch¹ found that the economies of scale in municipalities in Spain are exhausted at a population size of 5,000 residents.

¹ Others reject the reverse correlation between cost per resident and municipality size, contending that municipal amalgamation brings no economies of scale, see Bodkin and Conklin (1971) and Dreksen (1988) regarding all of an authority's services, and Gyimah-Brempong (1987) regarding police stations.

From an economic perspective, economies of scale mean that the larger the municipality, the lower its costs per resident. Thus, for example, every municipality employs a head of the authority and a variety of officeholders, such as treasurer, director-general, and comptroller. In a large municipality, these costs are divided among more residents, so the cost that each resident must bear is lower than in a small municipality. Economies of scale are manifested as the result of fixed costs that are not dependent on the municipality's size. For example, in the area of providing education services: operating a school requires the construction of a suitable structure and the employment of a principal and of other officeholders. Some of these costs are fixed and not dependent on the number of students. So when a school accommodates more students, the average cost per student drops.

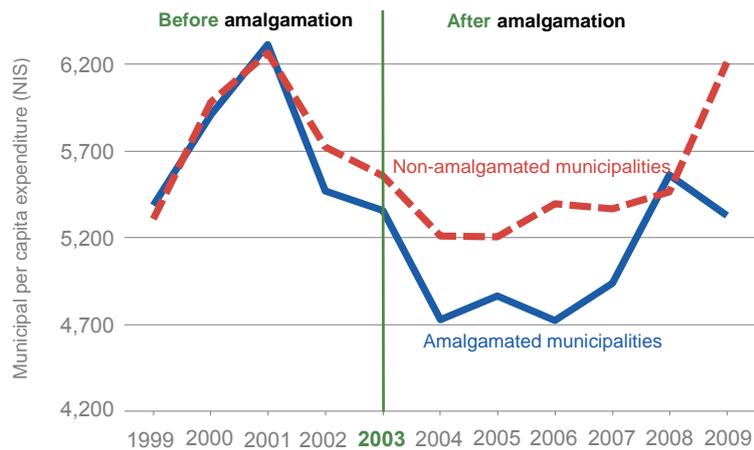
Benefiting from economies of scale may result in greater efficiency as the unified municipalities will be able to reduce costs at no detriment to the level of services per resident, and in other cases to offer a higher level of services per resident while maintaining the same level of expenditures. Furthermore, the employees in a large municipality are likely to be professionals of a higher caliber, since a large municipality might be able to attract better-quality workers. Likewise, a reduction in the overall number of municipalities may enable more efficient supervision by the Ministry of the Interior (Fox and Gurley, 2006).

An earlier study on the merging of municipalities in Israel found that the program implemented at the end of 2003 led to budgetary savings of 7-9 percent of the total expenditures of the unified municipalities (Reingewertz, 2011; 2012). Figure 1, taken from that study, shows the difference in the level of expenditures between the municipalities that were merged and those that were not. In 2004, the expenditures of the municipalities that had been unified dropped relative to those that had not been, and no corresponding reduction was found in the level of services provided to the residents of those municipalities. For example, pupil achievements in the education system were not found to decline.

Figure 1 shows that in both types of municipalities there were budgetary cuts during the years 2000 to 2004, apparently due to the economic recession Israel experienced in that period. Beginning in 2003, the municipalities that had been merged cut their budgets at a higher rate. The difference in expenditures between the two types of municipalities persisted even when their expenditures stabilized, over the years 2005-2007. In 2008, the gap was closed, apparently because it was an election year, but in 2009 it widened again. The average over the entire period since unification shows that the expenditures of the merged municipalities remain substantially low relative to the expenditures of the municipalities that were not unified.

Figure 1

Annual per capita expenditure of municipalities
municipalities that amalgamated and those that did not,
in 2009 shekels, 1999-2009



Source: Reingewertz, 2011

Although the findings as regards Israel show that merging municipalities contributes to budgetary savings, there is no consensus in the international literature regarding the budgetary impact of amalgamation. Many studies hold that amalgamations do not improve the budgetary situation of those municipalities (Bish, 2001; Dollery, Byrnes, and Crase, 2007; Hanes, 2003; Hinnerich, 2009; Jordahl and Liang, 2009; Luchinger and Stutzer, 2002; Rouse and Putterill, 2005; Sancton, 1996). Most of these studies, however, are based on descriptive statistics and are not accompanied by empirical analyses.² Therefore, since the anecdotal reports are few and not unequivocal, some conclude that the effect of amalgamation on the budgetary situation is unclear (Fox and Gurley, 2006; Vojnovic, 2000).

The merging of municipalities is not the only way to make prudent use of economies of scale. Another possibility is the establishment of city unions, or alternatively city corporations. A city union is a form of cooperative in which a certain service is provided centrally to several municipalities. In Israel, such unions exist mainly in the areas of sewage, environmental services, and firefighting services, and also in the provision of veterinary services, sanitation, and secondary educational services. One of the advantages of forming city unions lies in preserving the jurisdictional independence of the municipalities. Although this advantage might have been expected to enable the formation of city unions more easily than municipal amalgamation, actually the share of city unions is very small relative to the total activities of local government (Appelbaum and Hazan, 2005).

² The two exceptions are Jordahl and Liang (2009) and Hinnerich (2009), who found that the announcement of a program to merge municipalities provides an incentive to those municipalities to increase their expenditures (and thus their debts) in the period prior to unification, due to the phenomenon of the “common-pool problem.” Both studies focus solely on the pre-amalgamation period, and do not report the results of the amalgamation or the budgetary situation of the municipalities after unification in comparison to the pre-amalgamation situation.

Finally, even if economies of scale exist, municipal amalgamations might not bring them into effect, since realizing these advantages requires administrative changes that have to be factored in, such as consolidating departments and laying off workers. Such changes are not easy to implement and may be postponed in the short term, or even abandoned in the long term. For instance, labor agreements may complicate making any changes in the workforce, and these costs might not diminish, preventing the realization of the economies of scale in the unified municipality.

Disadvantages of Municipal Amalgamation

While merging municipalities may improve the budgetary performance of a municipality, it may also bring negative effects in its wake. First, the level of services to the residents may be harmed. Second, there may be a loss of correspondence between the residents' preferences and the municipality's activities (Ben-Bassat and Dahan, 2009). Since the number of residents in the municipality rises, it is liable to find it difficult to satisfy everyone's preferences, especially if there is a large discrepancy between the various residents' preferences. Ben-Bassat and Dahan (2009) find a negative correlation between municipality size and the subjective satisfaction of its residents. Third, citizens have less choice when it comes to deciding in which municipality's jurisdiction to reside (Tiebout, 1956). Fourth, reducing the number of municipalities may decrease the competition among municipalities in attracting new residents, competition that is likely to have positive effects (Besley and Case, 1995).

All of these factors may diminish the benefit that derives from merging municipalities. However, most of the negative effects detailed above are not expected in the unification program proposed here. First, there is no evidence that the amalgamations implemented in Israel in 2003 led to a drop in the level of services provided to the residents. Second, the amalgamations proposed in this paper should not

significantly increase the differences between residents (see Section 3 below). Therefore the correspondence between residents' preferences and the municipality's activities should not be harmed in any essential way.

2. Criteria for the Amalgamation of Municipalities

Earlier studies (Razin, 1999; Reingewertz, 2009) have shown that the economies of scale in managing municipalities are exhausted when a municipality has 7,000-10,000 residents, and apparently there are no significant financial savings to be gained from the amalgamation of larger municipalities. Furthermore, Razin (1998) has shown that small municipalities suffer from budgetary weakness. It follows that the first criterion for municipal amalgamation is **municipality size**. Taking into account the population growth in Israel (1.7 percent on average per year) and the possible delays in implementing the reform, a lower threshold – about 6,000 residents – may be set, making it possible to adhere to conservative working assumptions. In municipalities with more than 6,000 residents the economies of scale may be near exhaustion, so if amalgamation has negative effects, they will cancel out any advantages stemming from the move.

The second criterion for merging municipalities is **geographic proximity**, since from a practical aspect only contiguous municipalities can be unified.³ Geographic proximity contributes to benefiting from the economies of scale, among other things because it becomes more expensive to administer public services when the population is spread out geographically.

³ Theoretically, municipalities that are not adjacent to each other can also be merged, and indeed there are in Israel regional councils characterized by a lack of geographical contiguity, but what benefit accrues to merging such municipalities remains unclear.

The final criterion is the **similarity of the residents' cultural and socioeconomic attributes**. The amalgamation of municipalities where residents are of differing cultural or religious backgrounds may give rise to tensions inside the municipality and even deepen political divisions in the municipal council, with negative impact (Reingewertz, 2009). Furthermore, in situations of great discrepancy between the residents' preferences – whether the gap is cultural, socioeconomic, or religious – the municipality must provide a wider variety of services, so the potential for realizing economies of scale diminishes accordingly. The definition of the cultural or socioeconomic attributes may be arbitrary to some degree. Therefore, this study focuses on amalgamations that as far as is known are not controversial. The cultural groups used for the purpose of classification are Jewish municipalities that are not Haredi (ultra-Orthodox), Haredi Jewish municipalities, Muslim, Christian, and Druze municipalities.⁴

Another difference between municipalities lies in the socioeconomic dimension. The socioeconomic measure used by the Central Bureau of Statistics divides municipalities into ten clusters. Most of the amalgamations proposed in this paper involve localities situated in the same cluster, although in some cases there are differences in the socioeconomic classification of the municipalities being unified. In cases where the differences are large, i.e., one municipality is classified more than two clusters below another one, amalgamation is not recommended.

⁴ In addition to differences between municipalities, there are differences within them. The definition of the cultural attributes is based on the attributes of the majority of municipality residents.

These criteria for unifying municipalities accord with the three central criteria defined in the municipal amalgamation program implemented in 2003:⁵

- A. **Municipality size.** A municipality that has fewer than 6,000 residents is a candidate for amalgamation.
- B. **Geographical contiguity.** A municipality will be merged with bordering municipalities.
- C. **Social and cultural affinity.** Municipalities whose residents are as similar as possible in their social and cultural attributes are to be amalgamated. Municipalities that differ significantly in their residents' socioeconomic background or level are not to be merged.

Amalgamation with Regional Councils

The municipalities that are candidates for amalgamation are divided into regional councils, towns, and cities.⁶ When a town is a candidate for amalgamation, it is probably better to merge it with another town or with a city in order to preserve the municipal structure of the locality and to optimize the economies of scale. Nonetheless, when a locality has fewer than 3,000 residents it is worthwhile to consider amalgamation with an adjacent regional council. In that context, the Ministry of the Interior in the past set a minimum threshold of 3,000 residents for establishing a new local authority (Razin, 1999b). Likewise, many localities that do not enjoy municipal status and have more than 3,000 residents belong to regional councils, e.g., the locality of Bat-Hefer has about 5,400 residents and belongs to the Emek Hefer regional council. The solution of unifying a town with a regional council is recommended mainly in cases where the former is not adjacent to any other town.

⁵ In the 2003 amalgamation of municipalities program, the threshold was set at 10,000 residents, whereas here it is set at 6,000 residents.

⁶ Since a city is a municipality with more than 10,000 residents, the economies of scale from amalgamation are likely to be relatively small.

Besides the merging of a town with a regional council, unifying two regional councils may also be advisable. Section 3 details nine regional councils that should be merged with neighboring regional councils. The size threshold set in this paper – 6,000 residents – constitutes a conservative working assumption in everything pertaining to regional councils: Feinerman et al. (2011) found that the optimal size of a regional council in Israel is about 20,000 residents. In most of Israel's regional councils the number of residents is significantly smaller, so in the future more amalgamations among them may be considered.

The regional councils detailed in Section 3 are characterized by one of two administrative drawbacks: first, they include unusually small ones such as the Alona regional council, which numbers 2,000 residents. Second, there are regional councils whose territory is small and who lack contiguity, e.g., Gderot and Hevel Yavne.

3. Which Municipalities Should Be Merged?

On the basis of the criteria set out in Section 2, Table 1 displays a list of 25 municipalities that are candidates for amalgamation and meet all of the conditions: they are small and adjacent to another municipality of similar social attributes. Appendix Table 1 displays a list of the 51 municipalities that have fewer than 6,000 residents, but many of them are isolated or not adjacent to any municipality with similar social attributes. For example, Mitzpe Ramon is not adjacent to any other township, and it may be too large to be merged with a regional council. Another example is the town of Emanuel, which is not near any other municipality of a haredi character. Beside each of the municipalities that are candidates for amalgamation, the table presents a list of the municipalities with which it may possibly be unified. For example, Yesod HaMa'ale can be amalgamated with Rosh Pina, Galil Elyon regional council or Mevo'ot Hermon regional council.

Table 1. Municipalities suited for amalgamation

Municipality for Amalgamation	Potential Receiving Municipality
Ma'ale Efraim	⇒ Shomron RC, Aravot HaYarden RC
Yesod HaMa'ale	⇒ Galil Elyon RC, Mevo'ot Hermon RC, Rosh Pina
Migdal	⇒ Tiberias, Emek HaYarden RC, Galil Tachton RC
Metula	⇒ Mevo'ot Hermon RC, Galil Elyon RC
Kfar Shmaryahu	⇒ Herzliya, Hof HaSharon RC
Ein Kinyeh	⇒ Mas'ada, Majdal Shams
Rosh Pina	⇒ Yesod HaMa'ale, Galil Elyon RC, Mevo'ot Hermon RC
Kauchab Abu Al Hija	⇒ Kfar Manda
Ma'ilya	⇒ Ma'ale Yosef RC
Fasouta	⇒ Merom HaGalil RC
Kfar Bara	⇒ Kafer Kassem, Drom HaSharon RC
Elyachin	⇒ Emek Hefer RC, Hadera
Savyon	⇒ Ganei Tikva
Mas'ada	⇒ Ein Kinyeh, Majdal Shams
Sajour	⇒ Rama, Merom HaGalil RC
Ka'abya	⇒ Bosmat Tiv'on
Pardesiya	⇒ Kfar Yona
Megilot Yam HaMelach RC	⇒ Arvot HaYarden RC
Tamar RC	⇒ HaArava HaTichona RC
Alona RC	⇒ Megido RC, Menashe RC
HaArava HaTichona RC	⇒ Tamar RC
Arvot HaYarden RC	⇒ Megilot Yam HaMelach RC
Gderot RC	⇒ Hevel Yavne RC, Brenner RC, Gan Rave RC
Gan Rave RC	⇒ Gderot RC, Brenner RC, Hevel Yavne RC
Hevel Yavne RC	⇒ Gderot RC, Brenner RC, Gan Rave RC

4. How Should the Amalgamations Be Done?

In merging municipalities, it is very important to secure the cooperation of those involved in the unification reform, as made evident for example by the municipal amalgamation reform that was implemented in Denmark in 2007 (Blom-Hansen, 2009). In that reform, the municipalities were able to choose the partnering municipalities for amalgamation. The Israeli experience also attests that in the absence of cooperation, unification will not succeed. Three of the amalgamations implemented in 2003 were dissolved in the years 2009-2010 due to local resistance on the part of both residents and the local political echelon.

In order to gain cooperation in implementing an amalgamation program, it is important to ensure the participation of the political and administrative echelons of local government in the decision making process. It is also best to provide adaptation grants to the municipalities being merged in order to meet the one-time costs stemming from amalgamation, such as compensation to laid-off workers or the construction of shared public buildings for the newly merged municipality. Finally, it is necessary to change the structure of the parity grant by decreasing the grants to small municipalities, in order to incentivize them to unify. That way a small but established municipality that chooses not to merge will have to shoulder a greater budgetary burden, and the subsidy it gets from the state will diminish.

5. Expected Gains of the Amalgamation

As stated, municipal amalgamations can be expected to bring budgetary savings. A study that examined the effect of municipal mergers in Israel in 2003 on the budgets of the relevant municipalities found that the unifications had contributed to savings of about 7-9 percent of an

authority's expenditures (Reingewertz, 2011; 2012).⁷ This estimate will serve for the purpose of predicting the financial savings to be gained from the municipal amalgamations detailed in Section 4.

When comparing the benefits from the merging of municipalities that was implemented in 2003 to the benefit from the program proposed in this paper, it is necessary to take into account the difference in the size of the municipalities. The recommendation here is to merge only municipalities with fewer than 6,000 residents, whereas in 2003 much larger municipalities were unified as well. That difference has an impact in two opposite directions. On one hand, it is reasonable to assume that it is possible to achieve more substantial financial savings with the program proposed in this paper, since the larger the municipality the less the benefit from economies of scale. Therefore, the estimated benefit from the 2003 amalgamations should be smaller than that from the program proposed here. On the other hand, since the municipalities proposed here are smaller, in absolute values their total expenditures are lower, hence the benefits accruing from amalgamation are expected to be of lower sums.

In the estimated benefit from the municipal amalgamation program in 2003, the financial savings are stated as a percentage of the total expenditures of the municipalities that were merged, since once municipalities are unified there is no way of knowing the exact origin of a savings. Consequently, in this paper, too, the anticipated savings are estimated as a percentage of the total expenditures of the municipalities being amalgamated. For the purpose of determining the prospective benefits of unification, one of the potential candidates for amalgamation (see Table 1) has been chosen arbitrarily. In other words, the list of

⁷ The estimate of 7 percent savings in the expenditures of the municipalities being merged was obtained by the Difference-in-Differences method, i.e., by comparing the change in the expenditures of the municipalities being merged (post- versus pre-amalgamation) to the change in the expenditures of the municipalities that had not been unified.

amalgamations described in this Section and in Table 2 serves only for the purpose of estimating the anticipated benefits.

Table 2 describes the estimated expected financial savings from the proposed merging of municipalities. The middle column (expenditures) presents the expenditures in 2010 for each group of municipalities. For example, the total expenditures of Ma'ale Efraim, Arvot HaYarden RC and Megilot Yam HaMelach RC in 2010 amounted to NIS 81.1 million. The middle column (projected expenditures post-amalgamation) presents the expenditures of each group of municipalities after amalgamation, on the assumption that unification contributes to savings of 7 percent in the expenditures of the relevant municipalities. For example, for Ma'ale Efraim, Arvot HaYarden RC and Megilot Yam HaMelach RC the anticipated expenditures are NIS 75.4 million. The right-hand column (expected annual savings) shows the difference between total expenditures in 2010 and the expected expenditures after amalgamation. For Ma'ale Efraim, Arvot HaYarden RC and Megilot Yam HaMelach RC, the expected annual financial savings amounts to NIS 5.7 million.

The projected financial savings from the 18 amalgamations presented in Table 2 amounts to about NIS 131 million annually. This projection is an underestimation of the expected savings, for several reasons. First, in this paper the low estimate of savings in the municipal expenditures – 7 percent – was chosen, although the estimate ranges from 7 to 9 percent. Second, the expenditure figures are updated to the year 2010 (more recent data were unavailable at the time of writing the study). Since municipal expenditures rise on average over time, the expenditures in 2013 are expected to be higher than in 2010, and correspondingly the savings may be expected to be greater. A small change in these conservative assumptions, i.e., estimated savings of 9 percent instead of 7 percent and a rise of 1 percentage point in annual municipal expenditures would bring these estimated savings up to NIS 174 million.

Table 2. Annual expected financial savings from amalgamation
in millions of new shekels, according to 2010 data

Amalgamation	Expenditures	Projected expenditures post-amalgamation	Expected annual savings
Ma'ale Efraim - Arvot Hayarden RC - Megilot Yam HaMelach RC	81.1	75.4	5.7
Yesod HaMa'ale - Rosh Pina - Galil Elyon RC	166.6	155.0	11.6
Migdal - Emek HaYarden RC	123.8	115.1	8.7
Metula - Mevo'ot HaHermon RC	61.3	57.0	4.3
Kfar Shmaryahu - Hof HaSharon RC	110.1	102.4	7.7
Ein Kinyeh - Mas'ada	32.0	29.8	2.2
Kaochab - Abu al Hija - Kfar Manda	81.3	75.6	5.7
Ma'ilya - Ma'ale Yosef RC	99.2	92.3	6.9
Fasouta - Merom HaGalil RC	96.2	89.5	6.7
Kfar Bara - Kafer Kassem	97.8	91.0	6.8
Elyahin - Emek Hefer RC	253.7	236.0	17.7
Savyon - Ganei Tikva	105.8	98.4	7.4
Sajour - Rama	53.4	49.7	3.7
Ka'abiya - Tebash - Hajajra - Bosmat Tivon	44.0	40.9	3.1
Pardesiya - Kfar Yona	104.6	97.3	7.3
Tamar RC - HaArava HaTichona RC	125.7	116.9	8.8
Alona RC - Megido RC	76.5	71.1	5.4
Gan Rave RC - Brenner RC - Gderot RC - Hevel Yavne RC	167.1	155.4	11.7
Total	1,880	1,749	131.4

Source: Yaniv Reingewertz (2013), *Municipal Amalgamation in Israel: Lessons and Proposals for the Future*, Taub Center

Data: Ministry of the Interior, Department for Oversight of Local Government

6. Summary and Conclusion

This policy paper has discussed the desirability of municipal amalgamations in Israel, and has presented a concrete proposal for the merging of 25 small municipalities with adjacent ones. The provision of public services is in most cases characterized by economies of scale, at least as long as the municipality is relatively small (fewer than 7,000 residents). Since some of the municipalities in Israel are below this threshold, after their amalgamation with adjacent municipalities, budgetary savings may be expected. Following implementation of the mergers as described in this document, the projected annual financial savings is about NIS 131 million.

The actual budgetary savings, stemming from the merged municipality's ability to provide the same level of services at lower cost, should benefit the residents of the municipalities first and foremost. The savings may be reflected in a reduction in property taxes, or alternatively may make it possible to direct budgetary resources to other public services for the residents. Beyond improving the situation of the residents of the municipalities being amalgamated, the savings from unification can also serve as a budgetary source for the central government, through a reduction in the transfers to these municipalities. In these times of significant cuts to the state budget, a reduction in these transfers could come in place of planned cuts in allocations to welfare, education, healthcare, etc.

This policy paper has also discussed the drawbacks of merging municipalities, including a possible detrimental effect on services provided to the residents. Previous studies have estimated that such harm is relatively small. Furthermore, the proposed reform tries to minimize the harm as much as possible, and it encompasses only very small municipalities, whose amalgamation has significant potential in the context of benefiting from economies of scale. Additionally, the proposed list of municipalities includes only contiguous ones that share similar attributes, since similar characteristics in municipalities being

merged are a prime factor in reducing any harm to citizens and in ensuring the proper functioning of the local political system.

Finally, this paper identifies the municipalities that should be merged, but leaves open the question regarding the partner in amalgamation, because in the author's opinion, municipalities being unified should be able to choose the municipality that they want to be amalgamated with. Cooperation between the central government and local government is a prime factor in the success of a reform in merging municipalities, as it is in the overall ongoing conduct of the State of Israel's internal affairs.

Appendix

Table A1. List of municipalities with fewer than 6,000 residents, 2011 data

	Authority	No. of residents		Authority	No. of residents
Towns					
1	Ma'ale Efraim	1,197	27	Kedumim	3,904
2	Yesod HaMa'ale	1,520	28	Bet Arye	4,057
3	Migdal	1,559	29	Ka'abia-Tebash-Hajajra	4,578
4	Metula	1,568	30	Mitzpe Ramon	4,915
5	Kfar Shmaryahu	1,759	31	Ilabun	5,000
6	Ein Kinya	1,806	32	Shibli	5,255
7	Ajar	2,256	33	Peki'in	5,452
8	Rosh Pina	2,691	34	Pardesya	5,460
9	Fasouta	2,916	35	Kfar Vradim	5,605
10	Ma'ilya	2,932	36	Horfeish	5,693
11	Emanuel	2,952	37	Bet El	5,808
12	Jish (Gush Halav)	2,954	38	Julis	5,868
13	Kauchab-Abu al Hija	2,986	39	Toba Zangria	5,871
14	Kfar Kama	3,005	40	Yanuach-Jat	5,878
15	Kfar Tavor	3,006	41	Zemer	5,883
16	Kfar Bara	3,012	42	Buka'ata	5,989
17	Elyachin	3,109	Regional councils		
18	Savyon	3,124	43	Megilot Yam HaMelach	1,100
19	Kiryat Ye'arim	3,158	44	Tamar	1,300
20	Mas'ada	3,253	45	Alona	2,000
21	Katzir-Harish	3,300	46	Ha'Arava HaTichona	2,800
22	Mazra'a	3,484	47	Eylot	3,600
23	Har Adar	3,622	48	Arvot HaYarden	3,600
24	Yavniel	3,686	49	Gderot	4,800
25	Elkana	3,746	50	Ramat Negev	5,100
26	Sajour	3,842	51	Gan Rave	5,200
			52	Hevel Yavne	5,700

Source: Yaniv Reingewertz (2013), *Municipal Amalgamation in Israel: Lessons and Proposals for the Future*, Taub Center for Social Policy Studies in Israel

Data: Central Bureau of Statistics, *Local Authorities in Israel, 2011*

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