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Abstract

The distributional cons ns. The legitimacy of this approach is establi ler the fiscal incidence of service pro a positive fiscal residual. Six urban serv ed with respect to race, regardless of income or tenure status. This result calls into question conclusions from previous studies that have analyzed equity in terms of service inputs and outputs, rather than service outcomes. The analysis also indicates that local officials may be able to redress inequities in service outcomes through their planning and expenditure decisions.

1\.

1\. The model outlined in this section was first developed in McDougall and Bunce (forthcoming). Further details are presented in McDougall and Bunce (1982).

2\.

2\. A foundation for this approach is developed in Black (1948), Bowen (1948), and Downs (1957). A recent example of its application to the demand for public services is DeBartolo and Fortune (1982). A political definition of support seems to be an appropriate perspective because we are evaluating outcomes from collective action (see McDougall and Bunce, forthcoming: Section III).

3\.

3\. If U(S,Y) is the individual's preference function, then S-min is defined so that the fiscal residual, defined as U(S-min, Y-T) minus U(S^*,Y), equals zero, where Y is income, T is the tax cost imposed on the individual, and S^*

is the initial urban condition. Thus, minimum required service outcomes reflect both preferences and tax costs (see McDougall and Bunce, 1982).

4.

4. See Amacher et al. (1976) and Savas (1978) for a discussion of alternative equity norms. Because the equity norms defined below use the concept of a fiscal residual, they take into consideration preferences, tax costs, and relative service deprivation (i.e., the incidence of service provision). For details, see McDougall and Bunce (1982).

5.

5. Both ex post and ex ante relative equity are based on the presumption that preferences and tax costs are relevant to equity; that is, they are tolerant of the pluralism that exists in local communities. Ex post absolute equity ignores this pluralism and equates equality with equity.

6.

6. Though we are able to detect inequitable treatment using citizen evaluations, it is not possible to make statements about absolute service levels without additional information about service production functions, preferences, and tax costs. Unfortunately, very little is known about these at the local level (see Oates, 1981). Interesting policy implications do arise from this type of analysis, as shown in the conclusion.

7.

7. A logit is the logarithm of odds or log (P/I P), where P, for our purposes, is the probability that an individual is dissatisfied with a service.

8.

8. All responses are drawn from the Annual Housing Survey for the years 1974, 1975, and 1976. If a survey instrument were constructed solely for the purpose of investigating the question of service delivery, it would probably include a series of questions about service provision and tax costs rather than a single question asking if services are satisfactory or unsatisfactory. Nonetheless, the questions in the survey do permit an initial inquiry into the distribution of service outcomes.

9.

9. This is contrary to an observation made by Rich (1979a: 144), "We should not expect, when investigating service distributions among geographic, class or racial groups, to find systematic glaring inequities in every service." Two reviewers suggested that a cultural bias may exist in individual evaluations, making them suspect as a basis for analyzing service outcomes and equity. An increasing number of studies indicate that such a bias in survey responses is either nonexistent or negligible (see Casey, 1980; Marans, 1979; Bielby, 1979).

10.

10. Notice that a high degree of responsiveness, as indicated by a high probability of being satisfied, may still be associated with an inequitable distribution of service outcomes, as reflected in differences in the probability of being satisfied.

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