

# THE ROLE OF THE JOINT SERVICES COUNCILS (JSCs) IN THE EFFICIENCY OF PUBLIC SERVICES DELIVERY IN PALESTINE

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## ABSTRACT

*The mechanisms of inter-municipal Cooperation IMC are crucial to the efficient delivery of public services. Proceeding from this argument. The purpose of this study is to investigate the role of the Joint Service Councils (JSCs) in the efficiency of public service delivery in the West Bank in Palestine. To achieve the objectives of this applied research, the descriptive analytical approach was used, and the questionnaire as a tool for collecting data. The statistical population consisted of all employees at the top and middle administrative levels in the (JSCs), amounting to 160 individuals distributed over 31 councils in all governorates of the West Bank. According to Thompson statistical formula, the research questionnaire was randomly distributed among 114 individuals in the research population. The necessary statistical treatments for data analysis were carried out through the IBM SPSS software. The findings revealed that the JSCs had positively role in achieving economies of scale in public service, and negatively role in achieving economies of scope. As a practical implication, the findings of this research could be useful for the JSCs managers, policy, and decision-makers in the Palestinian ministry of local government to focus on sources of economic savings to improve the role of JSCs in the efficiency of public service delivery to citizens. With the need for further study of the phenomenon.*

**Keywords:** Inter-municipal cooperation (IMC); Joint service councils (JSCs); Efficiency; Public service; Economies of scale; Economies of scope; Palestine; West Bank.

## INTRODUCTION

Since the 1950s, local governments in developed countries have played a prominent part in the provision of public services. Over the past decades, local governments have faced pressures to produce higher-value public services at lower costs. Especially the smaller communities have experienced their territorial scale as no longer compatible with the increasing scale of production required to efficiently provide for high standard public services (Hulst et al., 2009; Bocchino, 2018). Therefore, the optimal size of local units is a subject of long debate and controversy (Ostrom, 2010). According to public choice, scholars and the traditional theory on fiscal federalism suggest that the provision of public goods and services should be located at the lowest level of government, which has the capacity to achieve specific objectives, an exception being a limited set of basic responsibilities prerogative of the central government (Luca & Modrego, 2021). On the other hand, excessive fragmentation may prevent economies of scale and scope, and give rise to problems linked to sub-optimal jurisdiction size (Ferraresi et al., 2018). Therefore, municipalities, especially the small ones, could find it difficult to meet the demands of standard levels of local public goods while reducing their expenditure. Their

territorial scales more than is often too small to provide high standard level of public services efficiently (Swianiewicz, 2011). Identifying optimal governance arrangements is particularly relevant in periods of limited resources. Across the EU, for example, the budget constraints caused by the recent waves of austerity have imposed a new strain on local administrations, for whom providing key goods and services to citizens under scarcer resources is increasingly difficult (Bel & Warner, 2016). Numerous governments around the world have identified excessive fragmentation as a problem to tackle, and promoting inter-municipal cooperation (hereafter IMC) among local governments has been increasingly seen as one of the strategies that local governments, especially, the smaller municipalities, apply to face this difficult task (Bocchino, 2018). Moreover, as a tool to improve the management of public services by reaping economies of scale and scope in the provision of public services (Breuillé et al., 2018) public cooperation has been discussed as a potential alternative to cost reduction while increasing public service coverage and quality. Public cooperation is not a new phenomenon, but it has become a public sector reform idea within the new public governance approach (Silva et al., 2020). On theoretical grounds, IMC main goal is cost reduction, to decrease the financial burden on local governments Bel & Warner (2015).

IMC is an agreement between two or more municipalities to work together in order to gain mutual benefits to develop and provide Joint public services (Council of Europe, 2010), which may involve different functions such as administrative services, water provision, solid waste management, public transport (Swianiewicz, 2011). The joint provision of public services through inter-municipal cooperatives, which are Public entities with legal personality and financial autonomy such as Joint service councils (Katarína & Lukas, 2020). These entities contribute to creating economies of scale and scope and thus offer possibilities to overcome scale-related production obstacles, to meet the rising expectations of citizens, and to achieve cost-efficiencies (Hulst et al., 2009). The rationale behind promoting IMC is that it may be a tool to reap the benefits of returns to scale, exploit economies of scale/scope, and reduce negative externalities resulting from uncoordinated actions of individual jurisdictions (Bel & Warner, 2016).

In spite of IMC has become a fashionable topic (Swianiewicz, 2011), and the literature mapping the diffusion of IMC, and exploring its effects on local management practices has grown significantly over the last decade (Allers & van Ommeren, 2016; Bel & Warner, 2016; Breuillé et al., 2018; Kwon & Feiock, 2010). Nevertheless, rigorous empirical analyses on the effects of IMC on local efficiency in the provision of public services are still scarce and reach contradictory conclusions (Frère et al., 2014; Bocchino, 2018; Ferraresi et al., 2018; Luca & Modrego, 2021). Moreover, IMC has hardly been subject to international comparative research (Hulst et al., 2009). The need for more studies on inter-municipal cooperatives and small municipalities has been explicitly identified as a gap to be filled in the literature (Mohr et al., 2010; Teles, 2016).

Due to the existing theoretical discussion, it is critical to improve knowledge about this particular social phenomenon. The current article assesses the state of inter-municipal cooperatives in Palestine, with a special focus on the case of Joint service councils (hereafter JSCs), specifically exploring the factors that are perceived to be relevant for the efficiency of public service delivery. We pay special attention to economies of scale and scope. The main objective of our article is to investigate their role in the efficiency of public service delivery. We define efficiency as the possibility of achieving economic savings represented in both economies of scale and scope in the provision of public services, which contribute to reducing the cost,

whether the average cost of the service or the total cost of providing two or more services together. The specific objectives of the study are First, to assess the views of the managers about the role of JSCs in achieving economies of scale and scope in the provision of public services. In addition, to identify the extent to which there are differences in the perceptions of managers about this role. Second, to find out the key aspects of the efficiency of public service delivery. Ultimately, the study aims to develop recommendations that can be applied to improve the role of JSCs in the efficiency of public service delivery. The analysis adds to the growing efforts interested in identifying the effects of IMC (Bel & Warner, 2015; Allers & de Greef, 2018; Bocchino, 2018; Breuillé et al., 2018; Ferraresi et al., 2018), and contributes to filling this gap in Palestinian studies that have not focused on IMC and its mechanisms of JSCs and sought solutions for this phenomenon. As far as researchers are aware, this role has not been assessed beforehand. Where most studies on cooperation focus on Western countries, Empirical evidence from different contexts is needed (Silva et al., 2020).

The study adopted the analytical descriptive approach, to analyze, compare, explain and evaluate in order to organize meaningful results. It presents an empirical research study using a survey approach to assess the perceptions of managers in the Palestinian JSCs were selected using a random stratified sample which consists of 114 individuals at two (Top, Middle) managerial levels Working in (31) Joint Service Council distributed overall West Bank governorates. The data were collected by a questionnaire to identify the perceptions of the Palestinian JSCs managers to measure the efficiency of the councils in achieving economies of scale and scope in the provision of public services; the data were treated by One-Sample T-Test and within this by univariate analysis of variance (ANOVA).

The structure of our article is the following: begins with the review of the theoretical background of JSCs, efficiency, economies of scale & scope to conceptualize the research conceptual and theoretical framework and develop appropriate hypotheses. Then, the research methodology consisting of data collection and data analysis is described in the next session. Next, the research findings and implication are discussed and finally, conclusion and future research.

## THEORETICAL BACKGROUND AND HYPOTHESES

### Joint Service Council (JSCs) as a Mechanism of IMC

The choice of governance arrangements has significant consequences for the well-being of citizens, economic performance, and environmental outcomes (OECD, 2015). Public choice scholars and the traditional theory of fiscal federalism suggest that the provision of public goods and services should be located at the lowest level of government, which has the capacity to achieve specific objectives (Luca & Modrego, 2021). As (Ostrom, 2010) points out, polycentric governance arrangements and smaller jurisdictions may optimize welfare by (1) matching local public goods to local preferences. Decentralizing the provision of goods and services would be particularly relevant when preference heterogeneity is high, and when public goods and services have highly localized effects; (2) allowing politicians and civil servants to monitor more easily the performance of their service provider; (3) letting citizens have a stronger say in the decision process. At the same time, excessive territorial fragmentation is when municipalities can be too small to supply certain goods or services (Irene, 2010). May affect administrative outcomes by

missing economies of scale in the delivery of public services, and increasing bureaucratic costs (Luca & Modrego, 2021).

To counteract this, many local governments, in their search for new methods and tools for reducing expenditures while maintaining the quality of services, are reviewing their service delivery systems, setting priorities, and determining which services can be provided through alternative arrangements. The alternatives available to local governments for service delivery include contracting with private firms, using volunteer organizations or neighborhood groups; franchising; subsidizing direct-service providers; using donated labor (Coon, 2011), and amalgamation of municipalities and inter-municipal cooperation (Luca & Modrego, 2021). The use of cooperative agreements to provide services is one of the most useful alternatives available to local governments (Coon, 2011); gains can be made by cooperating with the other municipalities (Irene, 2010). Therefore, much literature has emphasized that IMC is an important local government reform more than any alternative arrangements (Austin & Mildred, 2018). IMC facilitates the functional consolidation of individual services across jurisdictions (Holzer & Fry, 2011). Small municipalities could make use of special arrangements to act jointly to provide services when the municipal boundary is suboptimal (Mohr et al., 2010).

IMC can be described as a specific form of local governance adopted by municipalities (Bocchino, 2018) defined it as a form of institutionalised interaction between municipalities concerning a common task or goal. Generally, it represents the joint provision of public services in order to overcome the production-related obstacles and meet the rising expectations of citizens. Joint planning and policy coordination allow incorporating mutual interdependencies between neighboring municipalities and enhancing the quality and efficacy of local policies. From this viewpoint, it can be considered both a political resource and a useful strategy for greater efficiency in administrative activity. Coon (2011) defined as an arrangement between or among two or more local governments for achieving common goals, providing a service, or solving a mutual problem. In order to better respond to the needs of their citizens, the implementation of this cooperation must support efficiency, effectiveness, synergy, mutual benefit, good faith, equality, transparency, and justice (Council of Europe, 2010). This agreed-upon by Sujatmoko et al. (2016); and Bel & Warner (2016). IMC in public service delivery has attracted the interest of local authorities seeking to reform public service provision in recent years (Bel & Sebó, 2021). Based on several basic considerations and drivers, which aimed at improving efficiency and gaining economies of scale and scope, as well as helping to address fiscal constraints. However, motivators extend beyond these factors to include regional coordination and improved effectiveness of service delivery. Holzer & Fry (2011) published a review of the literature exploring a range of issues (economies of scale, motivators, obstacles, and impacts). Sharing services also help small rural and suburban communities confront limited managerial and technical capabilities (Mohr et al., 2010; Bel & Warner, 2015). It also helps to counteract fragmentation and promote service coordination (Bel & Warner, 2016), and allow capital investment that would be unaffordable otherwise and eliminates duplicate services (Council of Europe, 2010).

IMS is commonly implemented officially and unofficially in many countries. Particularly, inter-municipal cooperation is widespread throughout Western Europe in various forms and is adapts to the historical, geographical, legal, or political background of each country (Hulst et al., 2009; Coon, 2011). According to Hulst et al. (2009); and Akiko & Michikazu (2020) arrangements of cooperation can be classified into three perspectives: (i) composition (only municipalities or mixed of different actors, i.e., public and/or private ones). (ii) Scope

(single-purpose or multi-purpose), and (iii) degree of organisational integration (public services are delivered by separately established organizations or through agreements of collaborating cities). Surveys have revealed that local governments in New York maintain many hundreds of both formal and informal cooperative agreements between or among themselves (Coon, 2011). Formal agreements are more regularly used and can evolve from contracts, or inter-local agreements into a formal organization (Niaounakis & Blank, 2017).

Despite the various forms of formal cooperation organizations, they all agree on a common concept and have common features. Defined (Council of Europe, 2010), as entities representing two local authorities or several local authorities, on the first level of territorial administration, having a status of legal persons, endowed with competencies, powers, and resources in accordance with the European Charter of Local Self-Government. While Katarína & Lukas (2020) defined them as existing umbrella organizations, it has a membership, representation at the national, regional, continental, and international levels and is a permanent body as an independent entity in accordance with the legislation in force in the country, such as Associations of Local Authorities (ALAs), JSCs.

JSCs are one of the most prominent IMC mechanisms. They are public entities that involve a high degree of complementary and the tasks entrusted to them are of a service nature. Among the countries that use this model are France, Portugal, Spain, Luxembourg, Belgium, Finland, the United States of America, and others (Council of Europe, 2010). The nomenclature of such councils may vary between countries, but they are consistent in their substance and content. In Finland, they are called joint municipal councils, which operate as public entities with legal personality and financial independence and provide various services such as solid waste, sewage, water, regional planning, which includes roads, transportation, and the environment, and other services (Katarína & Lukas, 2020). In Slovakia, they are called joint municipal offices, joint local authorities and in Slovenia, joint municipal administration and joint projects are the most common and applicable models. Another example inter-communal public institution (EPCI), the most widely used model in France (Kuhlmann & Bouckaert, 2016; Michel & Christine, 2018).

In view of the foregoing, it is evident that the topic of IMC has gained momentum in the scientific debate (Meneguzzo et al., 2013; Bel & Warner, 2015). Moreover, it became a common phenomenon and practice for the provision of public goods and services. IMC is one of the policies traditionally proposed to reduce local government spending and Cost savings (Giacomini et al., 2018) especially in States with small and fragmented local governments. It is becoming a viable alternative and an institutional solution to improve the management and provision of public services to bring about the gains of efficiency.

From the diversity, in theory, there are many arguments in favor of inter-municipal cooperation and perspectives by which IMC has been approached, resulting from different theoretical frameworks: policy-making perspective (Hulst et al., 2009; Giacomini et al., 2018). The political economy model; the network theory approach; the public choice argument, and the collective action approach (Kettunen & Teles, 2015). This work intends to consider two of these approaches, considering, on one hand, the expectations of the policymakers (first of all, the expected cost reduction) (Giacomini et al., 2018). On the other hand, looking at the political economy (the economic efficiency argument considers cooperation a way of generating cost savings in capital-intensive initiatives, of dealing with externalities between adjacent municipal territories, or of gathering the technical and financial capacity to respond to new competencies (Kettunen & Teles, 2015). That has been chosen by the Palestinian JSCs. Accordingly, the

following analysis is based on the economic results of JSCs as a mechanism of the IMC, more specifically on the efficiency of cooperation on public service delivery, which consists of two types as mentioned by (Bocchino, 2018; Bel & Sebő, 2021): (i) economies of scale, and (ii) economies of scope. Thus offers possibilities to overcome scale-related production obstacles, to meet the rising expectations of citizens, and to achieve cost-efficiencies (Hulst et al., 2009).

### **The Efficiency of Public Service Delivery**

The drivers of IMC are aimed at improving efficiency, gaining economies of scale and scope in the provision of public services, and overcoming fiscal constraints (Bel & Warner, 2015). The concept of efficiency, in the environment of IMC, is similar to the economic sectors in that, it is expressed in the optimal use of available resources to maximize the output of services. However, some considered that the environment of cooperation has special advantages as opposed to unilateral organizations. This has been the case in many previous studies (Frère et al., 2014; Labianca, 2014; Soukopova & Daniel, 2016; Eythorsson, 2017; Giacomini et al., 2018), which have indicated, that judging the efficiency of cooperative entities in the provision of services is based on criteria linked to economic savings, based on the advantage of scale and scope. The achievement of which is the main motivation for the formation of such entities.

The Efficiency of public service delivery related to both economies of scale and economies of scope (Bel & Warner, 2015; Kettunen, & Teles, 2015). This would confirm by both of the political economy model and economic theory. The political economy model considers local agents as able to ponder costs and benefits both the political and the economic aspects of service delivery cooperation. This sets the rationale for economic efficiency of supra municipal arrangements, explaining why economies of scale and scope can justify cooperation to provide a specific service. The economic efficiency argument considers cooperation a way of generating cost savings in capital-intensive initiatives, of dealing with externalities between adjacent municipal territories, or of gathering the technical and financial capacity to respond to new competencies (Kettunen & Teles, 2015). According to economic theory, increasing the size of the provider of public services would allow partners to realize economies of scale, economies of scope (Giacomini et al., 2018). These arguments formed an important link between JSCs as inter-municipal cooperatives and the efficiency of public service delivery and was reinforced by (Hulst et al., 2009; Bel & Warner, 2015; Kettunen, & Teles, 2015; Giacomini et al., 2018).

Therefore, efficiency consists of two types as mentioned by (Bocchino, 2018; Bel & Sebő, 2021): (i) economies of scale, and (ii) economies of scope. Thus offers possibilities to overcome scale-related production obstacles, meet the rising expectations of citizens, and achieve cost-efficiencies (Hulst et al., 2009). This will be covered in the subsequent paragraph.

### **Economies of Scale in Public Services**

Size is an important variable to be considered for analyzing IMC (Bel & Warner, 2015; Giacomini et al., 2018). One of the most common arguments for cooperation is based on the idea that gains can be obtained by producing on a larger scale. Two or more municipalities serve a larger part of the population than just one municipality, no matter how big or small they are. This means that they have a larger demand for their products and services if they join their forces into a cooperative venture, which indicates the size of local government influences efficiency. The reason for this is characterized by the idea of economies of scale (Irene, 2010). Achieving better

economies of scale is possible in many local services. The cost of service delivery is lower if more people benefit from the service or if the size of the service is greater. When a service is provided for two or more municipalities, the number of service users increases; this allows a reduction in unit costs (Council of Europe, 2010). Oxford University (2016), addressed the definition of economies of scale as reducing the average cost of production by increasing the volume of output, thereby reducing the unit cost when production is increased. Villalobos et al. (2018), referred to the cost advantage created by the inverse relationship between the fixed cost per unit and the quantity produced, the higher the amount of output produced, the lower the fixed cost per unit.

Linked to size there is the presence or not in the IMC of a bigger municipality not obliged by law to participate in the IMC. In this respect, previous studies on IMC (Hulst et al., 2009; Giacomini et al., 2018) have shown positive effects from the presence of a “big brother” in the IMC. In addition, studies on contract management capacity in municipal and county governments found how governments that have small populations and are more isolated from metropolitan areas have fewer capacity investments and can therefore be favored by collaboration with larger municipalities with more expertise. The argument of the economy of scale is especially important in countries with territorially fragmented administrative systems, but for some services, it may also be important in countries in which municipal units are usually relatively large. Solid waste management provides a good example. It is a municipal function in most European countries, but it cannot be effectively organized within the scale of a typical single municipality (Swianiewicz, 2011). Many previous studies identified a number of sources of economies of scale contributed by the cooperative entities, which increase the quantity of services and reduce their cost. The economies of scale resulting from those sources, that may be influenced positively by the role of JSCs, and which are generally approved in the literature (Lorraine et al., 2007; Irene, 2010; Anwar & Ali, 2015; Allers & De Greef, 2018) as follows:

- Specialization and the Division of Work.
- Technical economies of scale.
- Purchasing economies of scale.
- Financial economies of scale.
- Research and development economies of scale.

Hence, we include in our analysis these five factors to measure economies of scale. These factors have been addressed in many studies, whether partial, implicit, or explicit. A lot of literature has shown to have a positive impact, not only on the efficiency of public services but also on other variables. It contributes to achieving efficient performance, whether economic, organizational, or functional, as some studies have indicated a positive impact for service innovation, administrative process innovation, and technological process innovation on organisational performance (Tajpour et al., 2020). As found by Hidayati & Sunaryo (2019) that Public service motivation had positive effects on job performance. Some scholars also highlighted the role of social co-creation activities positively affecting customer citizenship behavior on service innovativeness (Moghadamzadeh et al., 2020) excellent service has a positive effect on public perception (Mansur et al., 2022). Resource and administration have a positive influence on public entrepreneurship (Karnsomdee, 2022). In the same context, Rangpan & Khaemoh (2022) confirmed the role of the committee of cooperation in communication cooperation education public. The capability of obtaining an economic effect from improving the process (Sidorova et al., 2022).

## Economies of Scope in Public Services

Economies of scope are among the most prominent drivers of much inter-organizational cooperation, mergers, and clusters aimed at reducing the cost of their goods and services through the advantage of diversification (Production mix). Takeshima et al. (2020) expressed as an economic expression that refers to the cost advantage of producing many outputs rather than individual specialized outputs. Defined by (Bel & Warner, 2016), as cost savings resulting from lower average cost of production when the number of services is increased, where the total cost of producing producers is less than the cost of producing each component. McGee & Sammut (2015) described scope economics as the cost savings that arise when the average cost of a single product is reduced by co-producing it with other products in a multi-product organization. In the sense of there are economies in scope when the cost reduction of producing two services together is greater than producing them separately. Several studies indicated a number of sources that enable IMC mechanisms to achieve economies of scope, contribute to the diversity of services, and reduce their cost. The following are the factors of economies of scope that may be affected positively by the role of JSCs, as agreed upon in the literature (Dollery & Fleming, 2006; Khemani & Shapiro, 2006; Wouters et al., 2012; Bell & Warner, 2016; Mydland et al., 2020):

- Co-products Relationships between outputs.
- Shared production inputs.
- Complementary production Processes).

Hence, we include in our analysis these three factors to measure economies of scope in the provision of public services.

## The Role of JSCs in the Efficiency of Public Service Delivery

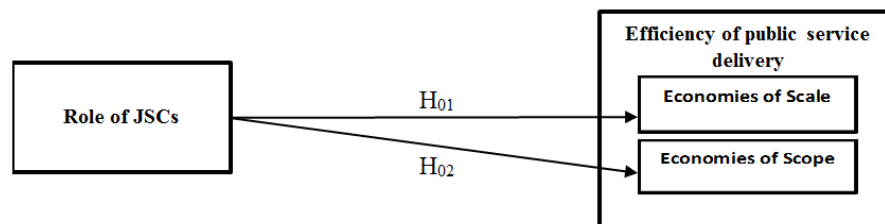
As for the role of JSCs in achieving those motivations Rudie and André (2007); Kovács (2018) and Wolfschütz (2020), showed that IMC councils, particularly in Western Europe, are an efficient mechanism for achieving economies of scale and scope. Since the objectives are associated with increasing the efficiency of the services previously provided by municipalities alone, this be done by taking advantage of the size feature to reduce the cost of resources; and an increase in the number of services without an increase in resources. In the same context, the findings of several studies found a correlation between cooperation and efficiency. Niaounakis & Blank (2017) found a relationship between IMC and cost efficiency, and that the relationship could be explained by size and scope. The Efficiency of public service delivery related to both economies of scale and economies of scope (Bel & Warner, 2015; Kettunen & Teles, 2015). This would confirm by both of the political economy model and economic theory. The political economy model sets the rational for economic efficiency of supra municipal arrangements, explaining why economies of scale and scope can justify cooperation to provide a specific service. The economic efficiency argument considers cooperation a way of generating cost savings in capital-intensive initiatives, of dealing with externalities between adjacent municipal territories, or of gathering the technical and financial capacity to respond to new competencies (Kettunen & Teles, 2015). According to economic theory, increasing the size of the provider of public services would allow partners to realize economies of scale, economies of scope (Giacomini et al., 2018). These arguments formed an important link between JSCs as Inter-municipal cooperatives and the efficiency of public service delivery, and was reinforced by



(Hulst et al., 2009; Bel & Warner, 2015; Kettunen & Teles, 2015; Silva et al., 2020; Ferraresi et al., 2018). Despite the arguments mentioned above, the empirical evidence on the impacts of IMC on the local governments' efficiency is scarce and inconclusive (Bel & Warner, 2015; Kettunen, & Teles, 2015). However, IMC can have high failure rates when coordination problems between municipalities in steering and monitoring cannot be resolved (Voorn et al., 2017). In addition, its cost-efficiency can be limited (Bel & Sebő, 2021). In the same direction, Luca & Modrego (2021) found that municipal unions did not have a significant effect on the administrative efficiency of the member municipalities. In general, The literature mapping the diffusion of IMC, and exploring its effects on local management practices has grown significantly over the last decade (Kwon & Feiock, 2010; Bel & Warner, 2015; Allers & van Ommeren, 2016; Breuillé et al., 2018;). Nevertheless, rigorous empirical analyses on the effects of IMC on local efficiency are still scarce and reach contradictory conclusions (Frère et al., 2014; Ferraresi et al., 2018).

### Theoretical Framework

Based on the above arguments, this research examines the role of JSCs in the Efficiency of public service delivery in the West Bank in Palestine. Figure 1 presents the study framework and variables, which was developed by researchers.



**FIGURE 1**  
**RESEARCH MODEL**

Based on the previous literature review, the following hypotheses were developed:

**H<sub>0</sub>:** *The first Main hypothesis. There is no statistically significant role at the level ( $\alpha \leq 0.05$ ) of the joint services councils in the efficiency of public services Delivery in the west bank.*

The following sub-hypotheses arise from this hypothesis:

**H<sub>01</sub>:** *There is no statistically significant role at the level ( $\alpha \leq 0.05$ ) of the joint services councils in the Economies of Scale of public services Delivery in the west bank.*

**H<sub>02</sub>:** *There is no statistically significant role at the level ( $\alpha \leq 0.05$ ) for the joint services councils in the Economies of Scope of public services Delivery in the west bank.*

### RESEARCH METHODOLOGY

The study adopted the analytical descriptive approach, with the intention of describing the phenomenon under study, which is represented in the description of the role of the joint

services councils in the efficiency of public services Delivery that is because the descriptive approach is used to compare, explain and evaluate in order to organize meaningful results.

As for the study population and the sampling unit the target population in the current study consists of all individuals at two managerial levels (Top, Middle) totaling (160) individuals Working in (31) Joint Service Council distributed over all West Bank governorates. The sample size of 113 was selected, Representing about 71% of the study population, were selected using a random stratified sample, and selecting its size by using the (Thompson, 2012) statistical formula for calculating minimum sample proportion. With regard to data collection, The main approach for collecting data was a survey through a questionnaire to cover the dimensions of the study and its variables included two parts: firstly, demographic factors. Secondly, the fields of the study consisted of two major dimensions: Economies of Scale and Economies of Scope. Responses to the statements will follow the five 5-point Likert scale used according to the following weight scale: (Strongly Agree, Agree, Neutral, Disagree, and Strongly Disagree) where 1=Strongly Disagree, 5=strongly agree. To collect the data, 120 questionnaires were distributed. Of these, 116 answered questionnaires were returned, 114 were approved, and two were invalid. As a result, 114 completed questionnaires were used for statistical analysis using the (SPSS) program.

### Reliability Test of the Study Tool

Cronbach's Alpha was used to determine questionnaire validity, as specified in Table 1. Table 1 shows that Cronbach's Alpha values for all the dimensions indicate satisfactory reliability (0.756-0.890), above the (0.70) threshold, According to (Sekaran & Bougie, 2010), the coefficient of 0.70 is desirable. Therefore, reliability and validity were established.

| No. | Field/Variable     | Alpha. |
|-----|--------------------|--------|
| 1   | Economies of Scale | 0.756  |
| 2   | Economies of Scope | 0.795  |
| 3   | All paragraphs     | 0.890  |

### Test of Normality

1-Sample K-S test was used to determine whether the data follow the normal distribution as specified in Table 2 which shows that the data follow the normal distribution since the *p-value* for each variable is greater than (0.05), therefore, the researchers should use parametric tests.

| No. | Field                          | Statistic | <i>P-Value (Sig.)</i> |
|-----|--------------------------------|-----------|-----------------------|
| 1   | Economies of Scale             | 0.081     | 0.377                 |
| 2   | Economies of Scope             | 0.094     | 0.211                 |
| 3   | All items of the questionnaire | 0.114     | 0.161                 |

## RESEARCH RESULTS

### Personal and Occupational Characteristics

As illustrated in Table 3 below, the majority of the respondents (72%) were males versus (28%) females; which reflects the reliance of the joint councils on the male category. As well, regarding Age, it indicates that most respondents were less than 40 years with a percent value of (67%) this indicates the highest concentration in JSCs on the youth group. As for the Scientific Qualifications, it appears that the majority of the respondents had a bachelor's degree or higher with a percent value of (98%), which indicates that the respondents were well-qualified. According to the Scientific Specialty, more than half of the respondents related to engineering with a percent value of (52%), which indicates the specialized nature of the work in JSCs. As well, regarding Job Title, shows that (40%) of the respondents are at a top managerial level, while (60%) at the Middle managerial level, reflects the nature of the representation of administrative degrees in the organizational structure of the councils. In regards to years of experience, the majority of the respondents had been in their current roles for 5 years or more with a percentage (82%). According to the nature of service, the statement showed that (39.5%) of respondents had worked in JSCs of solid waste management (23.7%) belonged to JSCs for water (16.7 %) were of JSCs for planning and development (14%) were of JSCs for a wastewater, this reflects the priorities in the Palestinian local community for the type of services required. According to the governorate variable, the data revealed that (55%) of respondents were from Governorates of the northern West Bank, (25%) belonged to the Central of the West Bank, while (19%) from the southern West Bank, this indicates the concentration of the largest number of councils in the governorates of the northern West Bank.

| Variables                 | Categorization         | Frequency | (%)     | Variables            | Categorization                        | Frequency | (%)  |
|---------------------------|------------------------|-----------|---------|----------------------|---------------------------------------|-----------|------|
| Gender                    | Male                   | 82        | 72      | Job title            | Chairman                              | 7         | 6    |
|                           | Female                 | 32        | 28      |                      | Deputy Chairman                       | 8         | 7    |
| Age                       | <30 years              | 19        | 17      |                      | Executive Manager                     | 31        | 27   |
|                           | 30 ≤ 40 years          | 57        | 50      |                      | Director of Department                | 68        | 60   |
|                           | 40 ≤ 50 years          | 28        | 24      | Years of Experience  | <5 years                              | 18        | 16   |
|                           | ≥ 50 years             | 10        | 9       |                      | 5 D 10 years                          | 34        | 30   |
| Scientific Qualifications | Secondary or less      | 0         | 0       |                      | 10 D 15 years                         | 46        | 40   |
|                           | Diploma                | 2         | 1.8     | ≥ 15 years           | 16                                    | 14        |      |
|                           | Bachelor               | 83        | 72.8    | Scientific Specialty | Administrative and financial sciences | 38        | 33.3 |
|                           | Master/PHD             | 29        | 25.4    |                      | Engineering                           | 59        | 51.7 |
| Nature of JSC service     | Tourism                | 3         | 2.6     |                      | Computer Science                      | 13        | 11.4 |
|                           | development            | 19        | 16.7    |                      | Law                                   | 4         | 3.6  |
|                           | Water Supply           | 27        | 23.7    | Governorate          | Ramallah                              | 11        | 9.6  |
|                           | Waste Water            | 16        | 14      |                      | Hebron                                | 12        | 10.5 |
|                           | Electricity            | 4         | 3.5     |                      | Bethlehem                             | 10        | 8.8  |
|                           | Solid Waste management | 45        | 39.5    |                      | Eastern Jerusalem                     | 14        | 12.3 |
|                           |                        |           | Jericho |                      | 4                                     | 3.5       |      |
|                           |                        |           | Nablus  |                      | 15                                    | 13.2      |      |
|                           |                        |           | Tubas   | 10                   | 8.8                                   |           |      |
|                           |                        |           | Salfeet | 7                    | 6.1                                   |           |      |

|  |  |  |  |  |          |    |      |
|--|--|--|--|--|----------|----|------|
|  |  |  |  |  | Jenin    | 12 | 10.5 |
|  |  |  |  |  | Tulkarm  | 7  | 6.1  |
|  |  |  |  |  | Qalqilia | 12 | 10.5 |

## Hypotheses Testing

**H<sub>01</sub>:** *There is no statistically significant role at the level ( $\alpha \leq 0.05$ ) of the joint services councils in the Economies of Scale of public services Delivery in the west bank.*

A One-Sample T-Test was used and the results are as shown in Table 4. Table 4 shows that there is a statistically significant role for the joint services councils in achieving the Economies of Scale of public services delivery, as this result can be inferred from the average mean of the responses, which amounted to (3.63), with a standard deviation of (0.320), and the value of the t-test, which amounted to (7.359). As shown in the table the level of significance is *P-Value* (0.000), which is less than the significance level ( $p \leq 0.05$ ). Based on these outcomes, the null hypothesis H<sub>01</sub> is rejected, and the alternative hypothesis is accepted.

| Field              | N   | Mean | Std. Deviation | T-Value | df  | P-Value (Sig.) | Mean Difference | 95% Confidence Interval of the Difference |        |
|--------------------|-----|------|----------------|---------|-----|----------------|-----------------|---|--------|
|                    |     |      |                |         |     |                |                 | Lower                                     | Upper  |
| Economies of Scale | 114 | 3.63 | 0.342          | 7.359   | 113 | 0.000          | 0.23571         | 0.1722                                    | 0.2992 |

**H<sub>02</sub>:** *There is no statistically significant role at the level ( $\alpha \leq 0.05$ ) for the joint services councils in the Economies of Scope of public services Delivery in the west bank.*

A One-Sample T-Test was used and the results are as shown in Table 5. Table 5 shows that there is no statistically significant role for the joint services councils in achieving the Economies of Scope of public services delivery, as this result can be inferred from the average mean, which amounted to (2.56) with a standard deviation of (0.535), and the value of t-test, amounted to (0.740). As shown in the table the level of significance *P-Value* (Sig = 0.461), which is more than the level ( $p \leq 0.05$ ). Based on these outcomes, H<sub>02</sub> is accepted.

| field              | N   | Mean | Std. Deviation | t-Value | df  | p-Value(Sig.) | Mean Difference | 95% Confidence Interval of the Difference |        |
|--------------------|-----|------|----------------|---------|-----|---------------|-----------------|---|--------|
|                    |     |      |                |         |     |               |                 | Lower                                     | Upper  |
| Economies of Scope | 114 | 2.56 | 0.535          | 0.740   | 113 | 0.461         | -0.03713-       | -0.1365-                                  | 0.0622 |

The following are the results of the study hypotheses (Table 6).

| Hypotheses      | Field              | t-Value | p-Value Sig ( $\alpha \leq 0.05$ ) | Decision |
|-----------------|--------------------|---------|------------------------------------|----------|
| H <sub>01</sub> | Economies of Scale | 7.359   | 0.000                              | Rejected |
| H <sub>02</sub> | Economies of Scope | 0.740   | 0.461                              | Accepted |

## DISCUSSION

Based on the previously addressed in the theoretical framework of the study, IMC seeking to reform public service provision. Based on several basic considerations and drivers, which most notably, the economic dimension. The basic argument for the establishment of inter-municipal cooperatives was seen as contributing to improving the efficiency of public service delivery which includes two dimensions: economies of scale and economies of scope. That both enhance the possibilities to overcome scale-related production obstacles and to achieve cost-efficiencies. Therefore, this study has focused on investigating these assumptions by shining light on the possible role of JSCs in the efficiency of public service delivery. According to our findings, not all hypotheses were supported. One was accepted and the second was rejected, which reflects the disparity in the role of the JSCs under consideration in achieving the efficiency dimensions of the public service delivery. Although their role in achieving economies of scale is approved, it's, of course, the traditional argument and assumption for the establishment of JSCs that is what the results confirm. However, its role in achieving economies of scope was not approved. The following is a discussion of those findings, and their implications, and comparison from the results of the relevant literature, despite the paucity of associated studies that have examined these issues. In particular, the dimension of economies of scope has been addressed implicitly in the literature rather than explicitly.

### Economies of Scale

The findings show a positive role for JSCs in achieving the Economies of Scale in the provision of public services and its sources represented in the following dimensions (specialization and the division of work, technical, purchasing, finance, research and development). This result is consistent and may differ, from the results of some studies that tested the role of inter-municipal cooperatives in achieving economies of scale. This role was tested on the Brazilian inter-municipal consortia for solid waste by (Silva et al., 2020), which showed that consortia contributed to achieving economies of scale and reduced the costs of their services. Especially in small municipalities obtained the greatest benefits, which have been reflected in the efficiency of service delivery. Bel and Sebo (2019), also emphasized the role of IMC associations in Spain and their contribution to achieving economies of scale for the municipalities involved in cooperation through their contribution to increasing the amount of waste collection, and reducing its total cost compared to municipalities that work alone. This is consistent with the results of a study by Giacomini et al. (2018), which showed that more than two-thirds of the 280 Italian municipalities surveyed involved in cooperation, especially small and medium-sized ones, have achieved economies of scale in terms of increasing the size of services while reducing their production costs. In the same context Voorn et al. (2017) concluded that there is a role of Municipally owned corporations (MOCs) in the efficiency of local public service delivery, which is an efficient and effective mechanism in achieving economies of scale, as it reduces the service inputs costs and allows for an increase in its quantity. Ferraresi et al. (2018) confirmed this finding, concluding that there was a role for IMC associations in reducing the cost of services without affecting their quantity, as well as reducing the cost of the resources used. In another direction, Findings differ from the exploratory results of Luca and Modrego (2021), which showed that there is no significant impact of Italian municipal unions on the administrative efficiency. Moreover, Frère et al. (2014) reach conclusions that are dissimilar to

ours. Relatedly, Breuillé et al. (2018) find that in France joining an IMC body lead to higher local tax rates, contradicting the frequent claim of tax cuts induced by expected economies of scale.

### **Economies of Scope**

The findings show that a Negative role of the JSCs in achieving the Economies of Scope Of public services and its sources represented in the following dimensions (Co-products, Shared production inputs, Complementary Production Processes). This role has not previously been explicitly tested and is often addressed in a general context; terms have been used to denote economies of scope, such as diversification of services, increased number of services, or complementary operations on services, without explicitly using the term economies of scope. This constitutes a theoretical contribution to this study. State Audit & Administrative Control Bureau (2019) conducted a study to evaluate the performance of the joint service councils for solid waste, which indicated the inability of the JSCs for solid waste to the diversification of services through complementary operations to recycling of solid waste, given the lack of resources and the high cost of recycling. It also agrees with the results of (World Bank, 2017) which indicated the limited resources of the JSCs in Palestine, which limits their ability to provide new services. Most councils suffer from a weak funding structure and have few private revenues, as the collection of fees is weak and rarely Covers operational costs, which leads to its inability to expand the scope of its services and provide additional services. Nevertheless, the result is not consistent with Dollery & Fleming (2006); and Akiko & Michikazu (2020) which found that there was a role of the IMC associations in achieving economies of scope in the municipal waste collection service by recycling waste, which contributed to diversifying services and reducing the total cost of the two services of waste collection and recycling together. In addition to treating wastewater and diverting it to non-potable uses, which contributed to reducing the total costs of both sewage collection and wastewater treatment services, as well as increasing revenue and using it to improve service quality. It also differed with Montero et al. (2006), which showed the role of the IMC Association processes of addressing common environmental problems contributed to reducing pollution levels caused by industry, in urban areas and its interaction with complementary processes that contributed to the promotion and provision of services Tourist and recreational opportunities provided by aquatic habitats to attract tourists.

In short, the contribution of the current article is represented in two points. Firstly, is to highlight the positive role of the JSCs in achieving economies of scale in the provision of public services, which indicates the positive relationship between the two variables. As achieving economies of scale contributes to the efficiency of providing public services, thus reducing the average cost of services provided, and lowering fees to citizens. This is reflected positively on the role and performance of JSCs in achieving the goals and motives for which they were established. Especially investing the advantage of size to improve the efficiency of providing services to citizens. We argue that the positive role of these councils is due to the areas that were raised in the questionnaire about the sources of economies of scale, for example, specialization and the division of work, technical, purchasing, finance, Research and development.

Secondly, the negative role of JSCs in achieving economies of scope affects the efficiency of providing public services. Because this limits the provision of additional, complementary services, and increases the cost of the service which providing separately, instead

of reducing the total cost of the two services if they are provided together. This reflects negatively on the role and performance of JSCs in achieving the goals and motives for which they were established. Which includes investing in the advantage of diversifying services and providing additional complementary services to the basic service that contribute to reducing the total cost of services and enhancing the efficiency of providing services to citizens. We argue that the negative impact of the councils' role in achieving economies of scope is due to the items raised in the questionnaire about sources of scope economies. For example, Co-products Relationships between outputs, Shared production inputs, Complementary production Processes. This issue has been examined limited in the existing literature, particularly the economies of scope variable which has been implicitly referred to only in some studies that used its auxiliary terms (Dollery & Fleming, 2006; Akiko & Michikazu, 2020). This increases the importance of the results and becomes the focus of attention.

### THEORETICAL AND PRACTICAL IMPLICATIONS

Regarding the Managerial Implications, the results revealed that the managers of JSCs who plan and aspire to improve the role of councils in the efficiency of public service delivery should take advantage of the two dimensions of economies of scale and scope that offered by cooperation through the advantages of scale and diversification. In order to do this, managers must invest the advantage of size well. By focusing on the division of work in the councils, according to specialization to create an efficient system that ensures the proper distribution of specialized tasks to all human resources, thereby contributing to increasing Productive efficiency of employees, and optimization of available resources. It is also necessary to take advantage of the joint technological resources that collected from the member local authorities and to use them optimally, that contributes to achieving savings in time, effort, and cost. They should also take advantage of the quantity discount feature to achieve economies of scale in procurement, by purchasing large quantities of means and requirements for providing common services to the Councils and to members in a central manner. Which generates cost savings and creates an opportunity to increase the number of services provided, reduce their average cost and improve their quality. On the financial level, they must strive to provide additional financing sources that achieve savings by taking advantage of the size feature, such as borrowing, benefiting from incentive incentives and government grants, financial and in-kind support provided by regional and international donor organizations. Also, it is important to unify the efforts of conducting research and studies on the services provided, which contributes to achieving cost savings in research and development by reducing its costs, compared to the cost of conducting it by the member body individually, or by resorting to private third parties as it is now used.

In addition, managers should use those savings to expand the scope of services due to the negative impact of the JSCs role in not realizing economies of scope, which prevents them from taking advantages that they might gain through this feature as a missed opportunity, and this requires appropriate processors so that they can. The use of common resources (inputs) such as labor, machinery, materials, general expenses, and other resources in providing additional services such as training service, financial leasing of equipment, and fully investing untapped/surplus resources in providing another service such as a multifunctional service center, and benefiting from service output final services such as wastewater treatment, waste recycling. That contributes to reducing the total cost of services through the advantage of diversification, as the average cost of one service is reduced by providing it jointly with another service such as

waste collection, recycling service, and methane digesting. The existence of these different types of returns to scale requires managers to pay attention to the economic characteristics of the service, because different services will exhibit different conditions of delivery in order to exploit returns to scale. This has been confirmed by many of the literature as important recommendations that contribute to enhancing efficiency in the provision of public services.

As for theoretical implications, According to our findings, JSCs contribute to economies of scale in the delivery of public services while their role has been negative in economies of scope. Thus, we can say that it achieved one of the dimensions of efficiency in the provision of public services. The literature mapping the diffusion of IMC, and exploring its effects on local management practices has grown significantly (Allers & van Ommeren, 2016; Bel & Warner, 2015; Breuillé et al., 2018; Kwon & Feiock, 2010). Nevertheless, rigorous empirical analyses on the effects of IMC on local efficiency are still scarce and reach contradictory conclusions (Ferraresi et al., 2018; Frère et al., 2014). Especially in addressing their role and exploring its effects on achieving economies of scope, which have not been explicitly and explicitly addressed. Thus, this research could provide an opportunity to open the avenue for conducting comprehensive research into this variable and this domain.

Concisely, the current research contributes to the theoretical foundations for studying the IMC and its mechanisms, and contributes to related literature and empirical knowledge by empirically investigating and testing the role of JSCs in the efficiency of public service delivery. Through two dimensions: economies of scale and scope, which constitute the two poles of the efficiency of public service delivery, and showing the positive and negative role of JSCs on two dependent variables. Researchers who have studied these elements have focused primarily on the United States of America, the European Union, and the West in general. The current study has validated these factors in the Palestinian case; it appears that some of the results obtained in the West can also be generalized to the Asian and Middle Eastern settings, thus lending credence to efforts to test Western results using local samples.

## CONCLUSIONS

IMC in public service delivery has attracted the interest of local authorities seeking to reform public service provision in recent years. Cost saving has been among the most important drivers of such cooperation. Many perspectives, approaches and literature of public administration and economics frequently posited that IMC could be used as a tool to improve efficiency. Theoretical expectations are that significant drivers motivating cooperation would be economies of scale and scope; however, the empirical results from the literature on IMC and its associated costs offer contradictory outcomes in this regard, rigorous empirical evidence is still scarce. Drawing on the experience of Palestinian JSCs, this paper explores the role of JSCs as inter-municipal cooperative in the efficiency of public service delivery. In particular, we assumed that efficiency consisted of two dimensions, economies of scale and scope. Our findings concluded that there is a positive significant role in achieving the economies of Scale of public services ( $H_{01}$ ). Especially, in the small and medium-sized local units. However, this role was negative in achieving the Economies of Scope of public services ( $H_{02}$ ).

Our research provides interesting results with considerable implications for the role of JSCs in the efficiency of public service delivery; we believe the main implication that can be drawn by policy makers from our results is that JSCs can be advantageous in achieving economies of scale, but not for economies of scope. The possibility of achieving economies of



scope, particularly in the case of small municipalities, seems to be robustly associated with financial and material capacity and resources. In short, the benefits seem to concentrate around economies of scale. We can speculate on two possible explanations for why councils are not achieving economies of scope. First, theories that predict an “efficiency return” for inter-municipal cooperation may be flawed or incomplete. For example, as the literature has suggested, the (potential) benefits associated with collaboration may be offset or even outweighed by the potential instabilities and inefficiencies associated with organizations. Recessions, rising transaction costs, and institutional teamwork problems arising during collaboration efforts. The second is that the Palestinian case may have suffered from implementation failures, which indicated the inability of the JSCs for solid waste to the diversification of services through complementary operations to recycling of solid waste, given the lack of resources and the high cost of recycling. It also indicated resources of the JSCs in Palestine are limited, which limits their ability to provide new services. Most councils suffer from a weak funding structure and have few private revenues, as the collection of fees is weak and rarely covers operational costs, which leads to its inability to expand the scope of its services and provide additional services. Despite this preliminary result, there are many effective strategies and measures, which can contribute to enhancing the role of JSCs in achieving economies of scope, which will ultimately contribute to the efficiency of public service delivery.

### FUTURE RESEARCH

Like any research, there are some limitations. The results are exploratory in nature and may reflect the specific country, type, and size of government where the analysis was performed, as well as the subjective interpretations of the respondents. As mentioned above, managers' perceptions have been measured, as precise accounting and financial data of the implemented JSCs unfortunately not yet available. Therefore, we mostly focused on some general hypotheses. Doubtless, this is the main limitation of this study. For this reason, future research should be devoted to replicating and expanding our study to include objective data and performance measures of the JSCs, as soon as, when the accounting and financial data will become available. By combining qualitative judgments, financial parameters, and non-financial measures, it will be possible to get a more complete representation of the role of JSCs in the efficiency of public service delivery and explore any potential dynamics for this role. Another important path, the accounting, and accountability mechanisms have to be studied as often overlooked in the discussion on IMC. We believe that these paths can be a basis for the future research and even deeper investigation into the Effects and features of Successful JSCs processes.

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