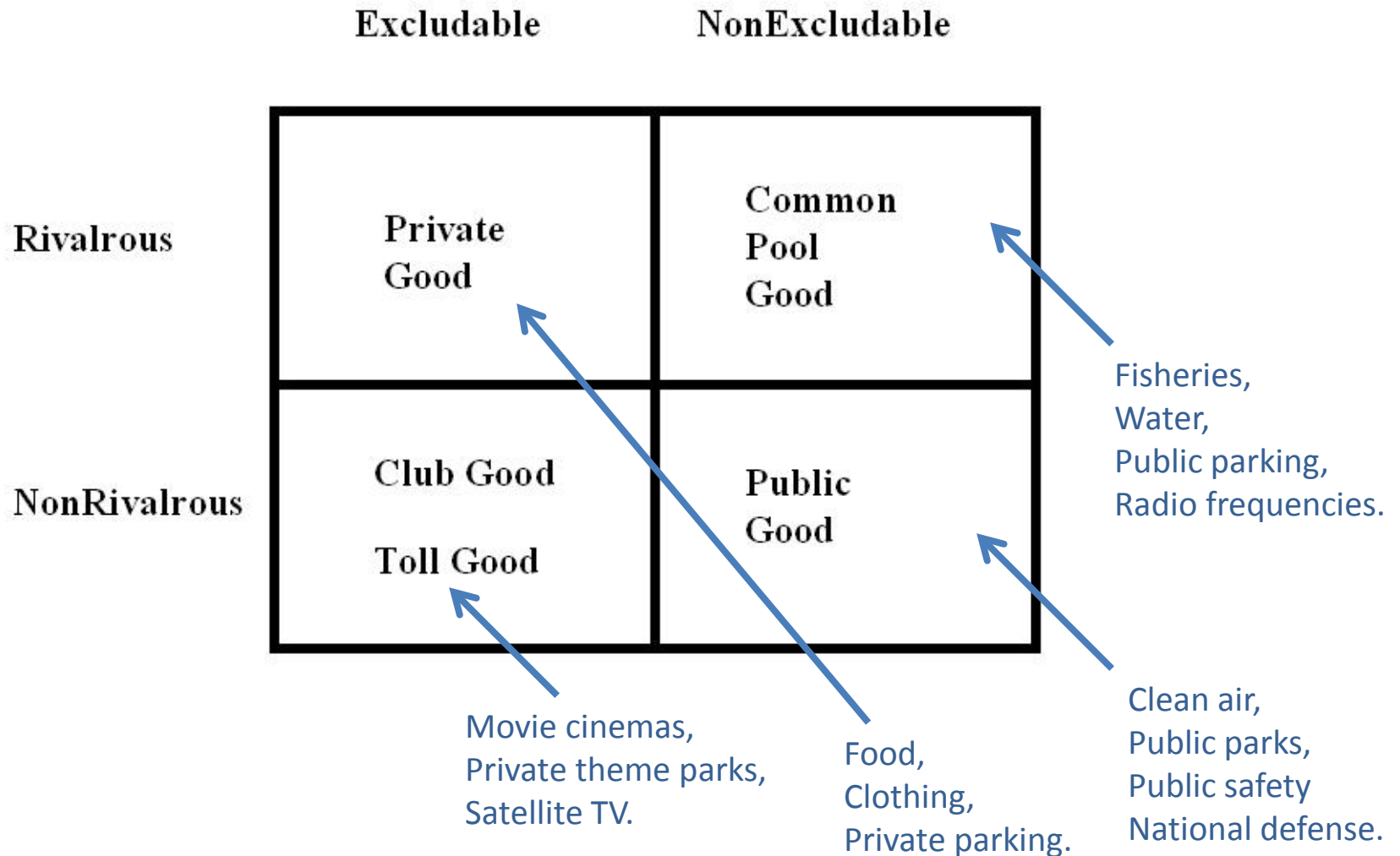


Economic Theory of Local Government Grant Making

Why do local governments make grants to private organizations? And how should they allocate limited resources?

Private v. Public Goods



Supporting Private Production of Publicly-Beneficial Goods and Services

Governments should buy those things necessary for the public that, because of market conditions, will not be produced if the government does not buy them.

(Breton, A., *A Theory of Government Grants*, The Canadian Journal of Economics and Political Science, 2004).

