Thank you very much for thoughtful and useful comments. Please see our response below in the text.

 [1] While one might perhaps quibble with some of the arguments in the initial few pages, I shall not do so because what this paper is really about is a new data base and no one can argue that there is any better data base on this subject: a great and commendable effort!

Thank you!

[2] p. 5, para on local government size, is not that clear. Why bother with the criticism of Fan when all you are really saying is that if one chooses different measures (elections or size) one gets different results: yes. So? The point of this paper appears to be to include a variety of different measures of different aspects of different concepts so there seems to be no reason to emphasis the somewhat hard to swallow Bangladesh-Indonesia stuff here.

The example of Fan et al. 2009 is a clear demonstration of how ignoring size of local governments when measuring decentralization may lead to misleading conclusions. The result that they get is that presence of elections at the lowest tier of government is not significantly related to corruption. The authors explain this result using political economy theory, whereas the most plusibleble explanation is that they compared completely different units in different countries.

Nevertheless, the example is not crucial for us to make a point. We can rewrite it to make the above point more clearly or omit it from the final version.

[3] A somewhat similar comment might be made re the China v. India/Pakistan stuff re security later on same page. Again, why bring this in at this point since what is being argued is that essentially that one has to look at both law and practice (to simplify). The authors appear to believe that practice/tradition is much more important, which is fine with me, but again this is something to be demonstrated by the data not asserted, or so one would think.

We can rewrite the example more clearly or omit it from the final version.

[4] The 'overall pattern' observed at top of p.8 appears to be very heavily shaped by the heavy weighting of Europe in this high income group?

European countries indeed constitute majority in the high income countries group, but as one can see from the Table 1, countries from North America – USA and Canada – also have low number of LG tiers, LG area, and LG population (much lower than the average in the group).

[5] The definitions set out in the many little tables are not always crystal clear. Consider the China security stuff: there may be no example where LG as such has been arbitrarily dismissed but certainly many officials of LG have been in past: so how is China classified so high on this variable. I simply cannot see how it can be ranked above Hong Kong or how Albania or Armenia or Azerbaijan(!) can be just below US. This variable seems to need more discussion. (Also, should keep reminding reader of what is meant by 'treated asymmetrically' and when gets .25 and when .75). I understand a lot of judgment is needed in this sort of thing but it is critical to explain exactly how different factors are weighed in reaching such judgments.

"Treated asymmetrically" means that the jurisdictions in a country face different rules regarding the dimension considered. For example, in US in some states township councils cannot be dismissed by the state government, while in other states they can. That is why US gets an average between 0.5 and 1. We will clarify this in the next version of the paper.

Regarding the ranking of countries by LG Security of Existence, Table 4 shows the distribution of this variable. Only 6 countries get the highest score, and only 11 get the second highest. US is in the second group, while Albania, Armenia, Azerbaijan, China, and Hong Kong all are part of a large group of countries that get 0.5 (44 countries are in this group). So, for instance China stands higher than Hong Kong in the Table A3 only because of alphabetical order. We will change the rankings to reflect the alphabetic order.

[6] p.13 last full para mentions Table 5 – should be Table 7

Yes, thank you very much. We'll correct this.

[7] p. 18 amusingly says "discreet" instead of "discrete" twice.

Thank you again.

[8] 2nd last line of last full para on p. 19 says "that" but means "than" I think.

Yes, thank you.

[9] While I love the idea of governments maximizing the "disutility" of residents (top p.20) I suspect "utility" is the word meant.

It seems that on the top of page 20 we say that the government minimizes the disutility of residents, which is what we mean.

[11] on p. 21, is it really Figure 3 (or 10??). and at bottom of p. it is likely figure 3 not 10 again. But this is all a bit confusing since we have a different Figure 3 on p. 23. Need to straighten out numbering.

We'll do that. Thank you.

[13] I either do not understand this at all or there is again a slip on p. 24 para 2 when line 4 says "confidence level is higher" – lower? (The number may be higher but the confidence level is lower)

In *this case we indeed mean "higher". It means that the coefficient on DI when GDP growth is the dependent variables is less statistically significant than the coefficient on CGI. We can rewrite this statement clearer.*

[14] I understand why the authors may seize on the "Arab spring" as lending some verisimilitude to their numerical framework but then they may have a bit of trouble explaining the recent unrest in Brazil??

Our statement is that CGI is statistically associated with lower corruption, higher human development , and greater people empowerment. Brazil is indeed one of the most decentralized developing countries in the world, but our index does throw some light on the current unrest in this country as people

empowerment stimulates greater citizens activism and holding the government to account for delivering services consistent with citizen preferences. This type of "unrest "is different from the Arab Spring as the latter seeks revolutionary changes to empower voiceless people.

[15] But all in all, although as noted above at one point, a more extended discussion of the rational and justification for some of the scaling would perhaps help the reader (and potential user of the data) this is an impressive and commendable effort.

We will expand our narrative to make it clearer.

[16] Since the numbers reported in Tables A3 (relative importance) and A8 (decentralization index) are identical, it appears one is wrongly labeled and the other is not reported here.

Thank you for pointing this error. We will correct it.