Towards Resilient and Inclusive Fiscal Governance: A Bibliometric Review of Local Government Financial Sustainability Literature

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Abstract. This study conducts a bibliometric analysis of the progression of academic work on the financial sustainability of local governments, as reflected in peer-reviewed journal articles listed in Scopus from 2007 to March 2025. Bibliometric methods and science mapping were used via VOS viewer to analyse co-authorship, co-citation, and key-word co-occurrence networks. The results show increased scholarly output following major economic shocks and a shift away from austerity-dominated perspectives toward more polyarchic approaches, focused on resilience, governance quality, and innovation. Five cluster themes were detected: fiscal capacity, transparency, inter-municipal cooperation, sustainable service provision, and technological and participatory innovation. A few countries and authors dominate the research, leaving developing regions under-represented. This study provides the first systematic biblio-metric mapping of local government financial sustainability research. The findings lead to areas that may be examined in the future, particularly with regard to inclusive governance and the coherence between budgetary effort, digital strategy, and policies that governments have in place to address climate change.

Keywords: Financial Sustainability, Local Government, Bibliometric Analysis, Fiscal Resilience, Participatory Governance, Digital Governance

1 Introduction

Local governments are now the key focus of public administration because of the growing fiscal pressures, expanding responsibilities, and continuing exposure to economic shocks. Financial sustainability refers to the ability of local governments to balance revenues, expenditures, and long-term obligations while maintaining service delivery [1]. Recent empirical studies have demonstrated that financial sustainability is driven by both structural and institutional-level factors, such as fiscal autonomy, indebtedness, and demographic pressures, as well as governance practices that affect fiscal discipline and resource allocation [2–4]. This reflects a shift toward a multidimensional governance perspective linked to resilience and institutional capacity.

These global crises have amplified the spotlight on issues related to local government finance. Municipal revenues were disturbed by the 2008 global financial crisis

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and, more recently, the outbreak of the COVID-19 pandemic, which increased expenditure demands and exposed fiscal vulnerabilities [5–8]. The most recent studies reflect a shift from fiscal management with an austerity orientation to resilience-based management, stressing flexibility, income diversification, and sustainability [9, 10].

However, despite the increasing interest in local government financial sustainability, the existing body of research remains regionally and discipline-wise fragmented. Although bibliometric analyses have been conducted in related fields such as sustainable finance and governance [9], systematic mapping of local government financial sustainability research remains limited.

Bibliometric analysis offers a systematic and quantitative solution to this limitation through publication trend assessment, co-authorship connection exploration, and conceptual linkages in research domains. In contrast to narrative reviews, it allows for the identification of key themes, leading contributors, and emerging gaps in research using science mapping methods [11, 12].

Accordingly, this study conducts a bibliometric analysis of 53 Scopus-indexed journal articles published between 2007 and March 2025 to map the intellectual landscape of local government financial sustainability research. Specifically, this study aims to (1) identify major publication trends and influential contributors, (2) examine thematic clusters and their evolution over time, and (3) analyse patterns of scholarly collaboration. By integrating these dimensions, this study provides a concise synthesis of the field and highlights critical gaps, particularly the underrepresentation of developing regions and emerging topics, such as climate-aligned fiscal policies and digital governance.

2. Methods

This study applies a bibliometric research design to systematically map the intellectual structure of local government financial sustainability scholarship. Bibliometric analysis provides the potential to objectively analyse research by quantifying citation trends, publication patterns, and thematic evolution in a given research field [13].

Data were retrieved from the Scopus database on 28 March 2025. The search query was: TITLE-ABS-KEY (“financial sustainability” AND (“local government” OR municipality)), limited to journal articles, English language, and subject areas of business, management, accounting, economics, and finance. The timeframe (2007–2025) captures post-financial crisis developments. The initial search returned 230 records for screening. Only 53 articles were retained for analysis after screening for relevance, document type, and duplication status. The final sample of 53 articles reflects the emerging and specialised nature of research on local government financial sustainability, with strict inclusion criteria ensuring that only highly relevant studies were retained for robust bibliometric analysis.

Bibliometric mapping was performed using VOSviewer (version 1.6.19). Three types of networks were analysed: co-authorship, co-citation, and keyword co-occurrence. Keywords with fewer than three occurrences were excluded, and association strength normalisation was applied. Full counting was used to assign equal weights to all the co-occurrences.

The analysis followed three stages: (1) data cleaning, including the standardisation of author names and keywords; (2) performance analysis to identify leading authors, journals, and countries; and (3) science mapping to detect thematic clusters and collaboration patterns. These procedures enable a transparent and replicable assessment of research trends and intellectual structures in the field.

3. Results And Discussion

3.1 Publication Trends (2007–2025)

The publication output has increased over time. Publications increased from one (2007) to six to seven articles in 2021 and 2024, indicating accelerated growth after 2020.

3.2 Most Prolific Authors

Performance analysis revealed a concentration of contributions from a limited number of scholars. Table 1 presents the most prolific authors in this area.

Table 1. Most Prolific Authors in Local Government Financial Sustainability Research

Author	Number of Publications
Dollery, B.	12
Kortt, M.A.	5
Navarro-Galera, A.	3
Drew, J.	3
Marques, R.C.	2

Source: Author's Work

The field is shaped by a concentrated intellectual base, mainly in Australia and Europe.

3.3 Leading Journals

Research is concentrated in key journals, led by Public Money & Management (six publications), followed by the International Journal of Public Administration and Journal of Public Budgeting, Accounting & Financial Management (five publications each).

3.4 Keyword Co-occurrence and Thematic Clusters

Keyword co-occurrence analysis was conducted using a minimum occurrence threshold of 3, with association strength normalization applied to enhance cluster interpretation. This resulted in five themes.

- Fiscal Stress and Capacity: Focused on budgeting, debt management, and efficiency.
- Transparency and Accountability: Emphasising governance, performance measurement, and disclosure.
- Intermunicipal Cooperation and Reform: Highlighting structural reforms, such as mergers and shared services.
- Sustainable Service Delivery: Linking financial sustainability with public service provision and environmental planning.
- Technological and Participatory Innovation: Reflecting emerging themes such as digital governance, smart cities, and participatory budgeting.

The prominence of keywords such as “resilience”, “COVID-19”, and “performance” indicates a clear shift from traditional fiscal management to multidimensional sustainability frameworks incorporating institutional, social, and technological dimensions.

3.5 Author Co-authorship and Collaborative Networks

The co-authorship analysis indicated that partnerships were mostly regional, with Australian experts, especially those from the University of New England, establishing cohesive research groups. Spanish academics have demonstrated such collaborative trends domestically. Nevertheless, cross-national partnerships remain constrained, suggesting a potential for enhanced global research integration.

3.6 Co-citation and Intellectual Framework

The co-authorship network shows that the collaboration structure of academic papers is primarily regional. Australia and Spain have strong research clusters with little cross-regional collaboration. Africa, Latin America, and Southeast Asia have very low representation, indicating that knowledge is produced globally in an unbalanced manner and is limited by different institutional contexts.

3.7 Co-citation and Intellectual Structure

Fundamental works contributing to this discipline were identified using a co-citation analysis. Works often co-cited are Zafra-Gómez et al. [1], Dollery and Grant [14], and Navarro-Galera et al. [15], which feature critical frameworks for assessing the financial condition and sustainability of local government.

Although these studies provide a theoretical backbone for this line of research, their predominance implies a weak theoretical foundation. This emphasises the necessity of larger theoretical insights, especially regarding new fields emerging from sustainability governance and digital transformation.

3.8 Discussion

One contribution of this study is the identification of the shift from financial sustainability as austerity to multidimensional financial sustainability. Earlier works focus on fiscal regulations, public debt, and financial efficiency, all integral to the new public management approach. Recent studies have emphasised resilience, citizen engagement, and the role of digital governance. Financial sustainability is becoming less of a fiscal concept and more of a governance concept of institutional agility and engagement [2, 3, 16]. This aligns with emerging research suggesting that governance and administrative practices play a role in financial outcomes, where local governments have different degrees of fiscal freedom and administrative skills [2]. Research is concentrated in Australia and Europe, with limited representation from developing nations. This mirrors the underrepresentation of the Global South in governance and public finance research [9].

While these studies contribute important research frameworks, they lack theoretical diversity. Future studies should integrate sustainability governance, environmental economics, and digital public administration. However, some gaps remain. First, the envi-

ronmental and climate-related aspects of financial sustainability remain largely unexplored in the literature, although policymakers are increasingly turning to issues such as green budgeting and climate finance. Second, the role of digital technologies in financial governance outcomes requires further empirical research, particularly in developing countries. Third, there is a need to move beyond individual country studies.

In terms of policy implications, this suggests the need for transparency, citizen budgeting, and e-tools related to local finance, where institutional development and inclusivity are catalysts for financial resilience and sustainability. Finally, from a research standpoint, there is a need to rebalance the global research effort via networking and assistance for developing countries to achieve a holistic understanding of local-government finance.

4. Conclusion

This study synthesises research on local government financial sustainability through bibliometric analysis. The results illustrate a paradigm shift from fiscal stress to multidimensional approaches involving resilience, governance, and the use of innovative financial instruments. Despite recent growth, the field remains geographically and conceptually limited. These gaps call for more comparative and interdisciplinary research to address them in the future.

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