Index

Accountability, 137, 187, 240, 323–5
Accounting of expenditure, 170
Ackerman, 304
Act of 1903 (Dutch Decentralization Act), 273
Act of 1922 (Dutch Decentralization Act), 273
Adequacy, 105
Administrative responsibility, 146
Administrative uniformity, 139
Aggregate consistency, 168
Alaska, 222
Albania, 311
APBD, 94, 136. See also budget
Approach
affordability, 32
back door, 206
cooperative, 250
costed minimum standards, 32
derivation, 210–11, 218
developmental, 80
expenditure-led, 139, 140–42
Intra vires, 141
market-based, 243, 251
negative list, 140–41
positive list, 140–41
revenue-led, 139, 140
sink or swim, 80, 96
top-down, 215, 318
transparent, 206
Argentina, 305–306, 308, 310, 314–15, 319
Armenia, 315
Asian development bank (ADB), 243
Assessment function, 146
Asymmetric treatment, 163
Asymmetry decentralization, 88, 319, 324
Australia, 189
Authoritarian, 264
Autonomous government subsidy. See SDO
Bahrain, 308, 310
Balancing factor, 154, 165–6, 168, 182, 186–8, 296, 327, 344
Bali, 205
Bangladesh, 319
Bank of Indonesia, 243
Bankruptcy provisions, 251
BAPEDA, 346. See also Planning agency
BAPENAS, 345
Basic expenditure, 170
Belarus, 308
Belgium, 319
Benefit principle. See Principle, benefit
Benefit spillover, 148, 154. See also Spillover; Externality, spatial
Big Bang, 15, 17, 24, 159, 199, 236, 316–19, 321
BKPM, 84
BLBI, 289
Bolivia, 311, 315
Bond
domestic-dominated, 237
municipal, 178
Borrowing
capacity, 253
direct administrative, 235
domestic sources, 244, 246
foreign source, 135–7, 237, 246, 250
long-term, 244, 246
outstanding, 254
proposal, 242
repayment capacity, 250
repayment periods, 255
short-term, 244, 246
Index

terms, 241, 243
Bosnia and Herzegovina, 314
Bottom-up, accountability, 323–5. See also accountability
BPHTB. See Tax; land and real estate (BPHTP)
Branch offices (cabang dinas), 238
Brazil, 38, 235, 305, 308–10, 314–15
Brunei, 213
Budget constraints, 178, 235, 256
Budget deficit, 169
Budget input, 188
Budget performance, 86
Budget, 143, 145, 160, 168, 176, 178, 188–90, 237, 246, 290–95, 309–10
Budgeting process, 243
Bulgaria, 314
Bupati, 241, 339. See also Kepala Daerah (Head of the Region)
Bureaucratic culture, 327
Bureaucratic polity, 277

Canada, 319
Capital expenditure. See Expenditure, capital (development)
Capital grants (transfer), 174–5, 190, 315, 325
Capital infrastructure, 167, 242
Capital investment project, 175, 206, 222, 251
Capital market, 235, 255
Central government
budget, 165–6
domestic revenue, 167, 238
expenditure, 135–6, 203
fund, 175, 247
policy objective, 174
taxes, 144, 146
transfer, 175
Centralism, centralization
culture of bureaucracy 327
failure of 262
international experience, 310–11
in military 269–70
on civil service 307
Centrifugal separatist, 340
Champions, 338. See also Decentralization
Charges, 170, 219, 239. See also Fee
Chile, 222, 315
China, 38, 206, 235, 308, 310, 313, 314, 341
Civil service
administration and delivery of service, 341–2
conditions of, 275–6
framework reforms 328–9
funding for salaries 283–4
in fiscal decentralization 295–6
Civil society, 317, 327, 339
Closed-funded, 174
Collateral, 221
Collection fee, 164
Colombia, 235, 315, 320
Commitment fee, 243
Conditional grant, design 190
Confederal system. See Decentralization, basic concepts
Constituents, 137, 144, 235
Constitution
fourth amendment, 57
second amendment, 55
third amendment, 56, 268
Constitutional arrangement, 234
Constitutional court. See Constitution; The Third Amendment. See also reform, constitutional
Cooperative control, 250. See also Debt control
Corruption, 262. See also Rent seeking
Cost difference, 165
Cost reimbursement, 205, 215, 222
Costa Rica, 308, 310
Credit market, 235, 256
Croatia, 308–11
Czech Republic, 315

DAK (Dana Alokasi Khusus), 28, 41, 94–5, 134–6, 147–8, 151, 154, 159–61, 166–7, 175, 187–8, 190, 239, 292, 295, 325, 345–6
Debt burden, public, 237
Debt control, 247–51
Debt
local government, 247, 250–51
maximum cumulative, 246
repayment records, 244
service coverage, 242, 245–7, 251, 254
See also Borrowing

Decentralization
administrative, 21, 58–9, 77
basic concepts, 301–302
defined, 263, 302
degree of, 137, 203
democratic (or political), 58–60, 77
expenditure, 82, 88, 138, 203
factors of, 264–6
fiscal, 40, 59, 70, 72, 77, 78, 80, 88, 93–6, 134–7, 142, 159, 246
framework, 219
history of, 273–8
laws, 237, 240–41, 244
master plan, 179
motivations, 302–303, 304–305
objectives, 261–2
obstacles of, 270, 280–81, 343
policy, 135, 200, 237
process, 316–18
reforms, 234–5, 239, 253
regulations, 273–4
sectoral, 88, 95
snapshot, 137
sustainability of, 319–20
types of, 306–307

Deconcentration
fund, 175, 195
mechanism, 175
paradigm, 273
See also Decentralization, basic concepts

Defense and security, 238

Deficit grants. See Intergovernmental transfers

Deficit, 148, 169, 207, 210
Demilitarization. See also Military; on centralism; involvement in civil area

Development assistance fund, 160
Development expenditure. See Expenditure, capital (or development)
Development program (or project), 175, 210, 239

Devolution
definition, 302
issues 328–9
natural resource, 210
on law enforcement, 269
process of, 263–5

DIK (List of investment activities), 253–4

Dinas, 238
DIPENDA (Dinas pendapatan daerah), 238
DIP (Daftar Isian Project), 175
DIPS (Daftar Isian Project Sementara), 346

Direct administrative control, 250–51
Direct cost recovery of investment, 244
Director General of Financial Institutions, 242
Director General of Tax, 343
Dirty business, 205
Distribution formula, 154. See also DAU
Distributional equity, 150

District (or municipality), 149, 161, 163–5, 167, 171, 179, 182, 185, 187, 211, 214, 237, 238, 253–4. See also Local government

Dominican Republic, 308, 310–11, 320
DPD. See Local Executive Board
DPOD, 39, 82
DPR. See Parliament
DPRD. See Local Representative

Drag factor. See Decentralization, factors of

DTEs, 308–309, 311, 313–15, 320

Dual role function. See Demilitarization; Military

Dutch disease, 213, 234
Dutch, 273–4
Duty, petroleum, 106

Earmarked, 174, 223
East Asia region, 199, 200
East Kalimantan, 236
Eastern European, 307, 314
Eaton, 304, 319
Economic capacity, 179
Economic crisis, 236, 239, 244
Economic development (or growth), 206, 213
Economic resource, 144
Economies of scale, 23, 78, 90, 139
Ecuador, 320
Education, 139, 161, 188, 206, 238
Educational grant. See Intergovernmental transfers, on sectors
Efficiency
allocative, 78
economic, 107, 113–17, 119
Elasticity, 105
Environmental conservation, 144
Equalization
effect, 182–4
formula, 187–9
fund, 136, 168
goal, 152, 167
grant, 150, 171, 186–7, 189
performance, 182, 188
program, 321, 326–7
See also Fiscal equalization
Equity
horizontal, 105, 131
vertical, 105
Ethiopia, 315–16
European Union, 304–305
Exchange rate, 236
Exhaustible resource, 199, 205, 213, 218, 221
Expenditure assignment, 39, 77–8,
80–81, 83, 88–90, 92–6, 134, 136,
139–41, 168, 169, 324, 342–3
Expenditure need, 28, 39, 94, 130,
151–3, 165, 167–8, 171, 174,
177–8, 182, 185, 189, 204, 296,
313
Expenditure norms, 189
Expenditure requirement, 151, 153
Expenditure responsibility, 26, 29, 36,
83, 92, 95, 134, 139, 152, 169, 170,
206, 223, 241, 311
Expenditure, regional, 141, 148, 167,
185–6
Expenditure
capital (or development), 33, 36, 41,
60, 91, 94–5, 166, 175, 190, 224, 235
current (or routine), 82, 60, 94, 254
recurrent, 91–2, 95, 175
External agencies (or donors), 146, 311
Externality, 23, 82, 89, 123–4, 139, 167,
174–5
Externality
positive, 175
spatial 39, 139
negative, 124
Extractive industries sectors, 218–19
Federal, 302
Federalism, 316
Fee
building renovation licensee, 108
forest exploitation, 166
land use, 219
license, 144, 219
Financial balance, 49, 56, 149
Financial capital, 205
Financial covenants, 255
Financial equalization, 55. See also
Fiscal equalization; equalization
Financial institutions, 178, 236
Financing structure, 210
Fiscal balance, 38, 234
Fiscal capacity, 28, 38–41, 108, 147,
151–3, 165, 168, 171–2, 178, 182,
190, 195–6, 223, 296, 326–7
 Fiscal dependency, 40
Fiscal discipline, 251, 316
Fiscal disparity, 78, 167, 179, 182, 189
Fiscal equalization, 94, 314, 326–7. See also
Financial equalization
Fiscal expenditures, 194, 196
Fiscal federalism, 77–9, 88. See also
Federalism
Fiscal gap, 86, 148, 152, 154, 165, 168,
194, 296, 313–14
Fiscal imbalance
horizontal, 150, 171
vertical, 147–8, 150–51,
163, 165, 169–71, 175, 186–7
Fiscal incentives, 24
Fiscal liabilities, 235
Fiscal need, 29, 39, 194–6
Fiscal policy, 69
Fiscal stability, 210. See also Fiscal
sustainability
Fiscal structure, 201
Fiscal sustainability, 290, 296–7. See also
Sustainability; Decentralization: sustainability
Fiscal transfers, 239
Fishery, 148–9, 161–2, 236, 238
Floating mass, 276
Fly-paper effect, 324
Foreign policy, 238
Forestry, 148–9, 160–62, 236, 238, 239
Formula component, 187
Formula-based transfer, 178
Free up resources, 222
Front-loaded (flow), 205
Functional Group. See Guided democracy
Fund
balance, 182, 185
balancing, 28
contingency, 29, 33, 71, 167, 176,
178, 179
General Allocation, 71
sinking, 221, 224
stabilization, 222
See also DAK; DAU; Equalization fund; Fiscal stability; Fiscal sustainability
GAF, 196
Gas, 148–9, 161, 163, 238–9
GDP
natural resources, 195
non-primary sectors, 196
General Allocation Fund. See DAU
General Block Grant. See DAU; Grant, Block
General competency, 22
General recommendations, 187
Geographical coverage, 236
Georgia, 314
Germany, 36, 69
Gini Coefficient, 36
Globalization, 305
Golkar, 276–7
Good tax
criteria, 134, 143
local taxes, 146
principles, 144
Governance, 318. See also Local government, governance
Government accounting system, 255
Government agency, 175, 178, 189, 237
Government field offices, 283
Government of Indonesia (GOI), 159–60, 187
Government Regulation (PP No. 20/2001), 286, 340
Government Regulation (PP No. 25/2000), 141, 280, 342
Government Regulation (PP No. 84/2000), on local government structure, 282–3
Government Regulation No. 1/2001, 285
Government Regulation No. 105/2000, on the Management of Local Government Finance, 284
Government Regulation No. 84/2001, 327
Government Regulation No. 107/2000, 244, 246
Government Regulation No. 25/2000, 141
Governor, 205, 237, 241, 286
Grace period, 241, 255
Gradualism, 317
Grant commission, 189, 222–3
Grant formulae, 134, 236
Grant system, 165. See also DAU
Grant transfers. See Intergovernmental transfers
Grant, capital. See Capital grant
Grant
augmenting conditional, 221
Block, 27, 134, 161
conditional 159–61, 166, 174–5, 188, 190
conditional matching, 166, 187
General, 28
General Allocation, 19, 20
INPRES, 27, 28
primary school, 325
minimum, 165, 327
negative, 150
Specific, 27, 41
staff-related, 144
unconditional 166, 189
See also DAU
Grassroots, 319
Gross cost, 144
Gross inequity, 210
Gross regional domestic product (GRDP), 171–3, 179, 180–82, 185, 186, 196
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>GTZ, 69</td>
</tr>
<tr>
<td>Guided democracy, 275–6</td>
</tr>
<tr>
<td>Gurgur, 328</td>
</tr>
<tr>
<td>Habibie, 17, 47, 69–70, 236</td>
</tr>
<tr>
<td>Health grant. See Intergovernmental transfers, on sectors</td>
</tr>
<tr>
<td>Health service, 161</td>
</tr>
<tr>
<td>Heritage argument, 205</td>
</tr>
<tr>
<td>Heritage compensation. See Heritage fund</td>
</tr>
<tr>
<td>Heritage fund, 215, 221–2</td>
</tr>
<tr>
<td>Historical injustice, 166, 187</td>
</tr>
<tr>
<td>Hoffman, 166, 325</td>
</tr>
<tr>
<td>Hold harmless condition, 165, 167–9, 178, 182, 188–9, 218</td>
</tr>
<tr>
<td>Horizontal distribution, 218</td>
</tr>
<tr>
<td>Horizontal imbalance, 150, 171</td>
</tr>
<tr>
<td>Horizontal share, 215, 218–19, 222–3</td>
</tr>
<tr>
<td>Human resources, 168, 195–6</td>
</tr>
<tr>
<td>Human rights tribunal, 266</td>
</tr>
<tr>
<td>Hungary, 314</td>
</tr>
<tr>
<td>IBRA (Indonesian Bank Restructuring Agency), 290</td>
</tr>
<tr>
<td>IMF (International Monetary Fund), 18, 72, 345, 236–7, 247</td>
</tr>
<tr>
<td>Income effect, 179</td>
</tr>
<tr>
<td>Incremental cost, 218</td>
</tr>
<tr>
<td>Index of industry, 168, 195–6</td>
</tr>
<tr>
<td>India, 189, 308, 310, 313–15, 319</td>
</tr>
<tr>
<td>Inequity, 150, 211, 319</td>
</tr>
<tr>
<td>Inflation, 236, 243</td>
</tr>
<tr>
<td>Infrastructure cost, 206</td>
</tr>
<tr>
<td>facility, 206 provision, 188</td>
</tr>
<tr>
<td>INPRES, 27–8, 39, 135, 161, 165, 168–9, 182, 213, 239, 242, 245, 282, 325</td>
</tr>
<tr>
<td>Integrated Urban Infrastructures Development Program (UIDP), 242</td>
</tr>
<tr>
<td>Intergovernmental consensus, 170</td>
</tr>
<tr>
<td>Intergovernmental fiscal, 26, 27, 31, 39, 41, 134, 160, 188–9, 204, 206, 218, 220, 223, 234, 240, 297</td>
</tr>
<tr>
<td>Intergovernmental grant. See Intergovernmental transfer</td>
</tr>
<tr>
<td>Intergovernmental relation, 134, 280, 339–41</td>
</tr>
<tr>
<td>Intergovernmental sharing, 166</td>
</tr>
<tr>
<td>Intergovernmental subsidy system, 134, 160</td>
</tr>
<tr>
<td>Intergovernmental transfer, 134–6, 140, 147, 160, 169, 170, 175, 186, 211, 221–2</td>
</tr>
<tr>
<td>Inter-jurisdictional externality (spillover), 78, 174. See also Externality, spatial</td>
</tr>
<tr>
<td>Intra- or inter-regional trade, 144</td>
</tr>
<tr>
<td>Investment projects, 234, 243</td>
</tr>
<tr>
<td>Investment spending, 244, 251, 253</td>
</tr>
<tr>
<td>IPEDA, 245</td>
</tr>
<tr>
<td>IRDA, 60</td>
</tr>
<tr>
<td>Jackson, 277</td>
</tr>
<tr>
<td>Jakarta, 142–3, 147, 188, 234, 236</td>
</tr>
<tr>
<td>Japan, 229–30, 248</td>
</tr>
<tr>
<td>Japanese, 274</td>
</tr>
<tr>
<td>Java, 236, 275</td>
</tr>
<tr>
<td>Judiciary affairs, 238</td>
</tr>
<tr>
<td>Kabupaten, 24, 49, 66, 77, 82–3, 91, 134, 137, 141, 143, 145–6, 147, 150–53, 163, 340</td>
</tr>
<tr>
<td>Kaiser, 325</td>
</tr>
<tr>
<td>Kandep, 151, 238, 283</td>
</tr>
<tr>
<td>Kanwil, 151, 238, 283</td>
</tr>
<tr>
<td>Kazakhstan, 315</td>
</tr>
<tr>
<td>Kecamatan (or sub-district), 274</td>
</tr>
<tr>
<td>Kenya, 319</td>
</tr>
<tr>
<td>Kepala Daerah (Head of the Region) accountability of, 339</td>
</tr>
<tr>
<td>the ceiling of spending of, 285</td>
</tr>
<tr>
<td>the role of, 274–5</td>
</tr>
<tr>
<td>Korea, 315</td>
</tr>
<tr>
<td>KORPRI, 276</td>
</tr>
<tr>
<td>Kota, 49, 66, 340</td>
</tr>
<tr>
<td>KPU, 48</td>
</tr>
<tr>
<td>Krygyz Republic, 308, 315</td>
</tr>
<tr>
<td>Kuntjaraningrat, 274</td>
</tr>
<tr>
<td>Labor force, 196</td>
</tr>
<tr>
<td>Land rent, 160</td>
</tr>
<tr>
<td>Latin America, 306, 314, 320</td>
</tr>
<tr>
<td>Law enforcement, 206</td>
</tr>
<tr>
<td>Law No. 17/2000, 163</td>
</tr>
<tr>
<td>Law No. 18/1997, 143, 144</td>
</tr>
<tr>
<td>Law No. 18/1999, 239, 240</td>
</tr>
<tr>
<td>Law No. 18/2001, 163</td>
</tr>
</tbody>
</table>
Law No. 21/2001, 163
Law No. 32/1956, 160
Law No. 32/2001, 239, 240
Law No. 34/2000, on Local Government Taxes and Charges, 143–4, 284, 344
Law No. 4/1974, 241–2, 245
Law No. 43/1999, the basic Law on Personnel, 283
Law No. 5/1974, 140, 236–7
Law No. 17/2003, on development budgets, 346
Law No. 25/1999, on local government finances, 268, 284, 288, 320
Law No. 31/2002, on political parties, 339
Law, financial balance, 149
Law, personal income tax, 163
Lesotho, 229
Line ministries, 345–6
Lithuania, 308, 315
LNG, 162
Local borrowing. See Borrowing, local government
Local choice, 142
Local Executive Board, 21, 56, 267, 275
Local government
basic elements, 278–9
budgeting and planning, 177
function of, 279
governance, 318
lack of compliance, 285
the system of, 273–4
See also Decentralization, Government Regulation (No. 109/2000 and No. 110/2000), regulations
Local participation. See Civil society
Local representative, 20–21, 49–51, 62, 273, 275, 285
Local tax, 142–6, 170, 308, 323
LPEM-FEUI, 253
Lump-sum factor, 165
Macroeconomic consideration, 210
Macroeconomic destabilization, 240
instability, 235
stability, 137, 237
Malaysia, 313–15, 319
Marginal revenue discretion, 145
Marginal variation, 144
Market discipline, 235, 244, 247, 250, 251
Market signals, 250
Matching fund, 175
Mauritius, 308
Mayor, 237, 241, 339. See also Bupati Medan, 205
Menem, 319
MENPAN, 342
Mexico, 306–7, 310–11, 315, 316
Military
on centralism, 269–70
involvement in civil area, 275
Mining, land rent, 149, 162
Mining, royalties, 149, 162
Ministerial Decree No. 35/2003, 345
Ministry of finance, 136, 142, 155, 165, 189, 243, 245–7, 253, 342, 346
Ministry of home affairs, 141, 242, 245
MOHA, Department of Home Affairs, 141, 276, 278, 338, 342, 344, 346
Moldova, 308, 310, 314
Monetary and fiscal policy, 238
Mongolia, 199, 200
Monolithism, 270
Montenegro, 314
Moral hazard, 167, 168, 247
MPR (Majelis Permusyawaratan Rakyat), 19, 22, 55, 56, 73, 265, 287
Multi-tier unitary state. See Unitary state, multi-tier
National budget, 174
National Ideology, 266–7. See also Pancasila
National integrity, 263
Megawati favor of 266
military mindset 269–70
See also Unitary state, definition of
National minimum standards (NMS), 148, 177, 325, 342
National problems. See Decentralization, objectives
Natural gas, 211, 236. See also Gas
Natural resource
index, 195
industries, 200, 206, 224
production, 201
provinces, 163, 178, 199, 205, 213
rent, 207
reserves (NRR), 215
revenue distribution, 218
Netherlands, 228, 231, 248
Neutrality, 179
New Order, 16–17, 24, 49, 59, 61, 276
Nigeria, 308, 311
North America, 318
North Dakota, 205
Northern Europe, 318
Norway, 222

Obligatory function, 89
OECD countries, 137, 138
Off-budget account, 206
Off-shore portion, 145
On-granted resources, 345
Over regulation, 341
Own revenue adjustment, 194
Own source revenue. See Revenue, own source
PAD. See Own source revenue
Pakistan, 304, 307, 318, 311, 313, 314, 315, 319
Panongan Praja (civil servants), 274. See also Civil service, KORPRI
Pancasila, 277. See also National ideology
Papua, 163, 220, 236
Paris Club III, 292
PBB. See Tax, land and building
PDI (Indonesian Democratic Party), 276–7
PDI-Perjuangan, 267
PERDA (local government regulation), 22, 284
Peru, 304, 308, 315
Pey, 277
Philippines, 307
Physical capital investment, 154
Physical requirement, 176
Piggyback tax, 124, 146–8, 187, 343
PKI (Communist Party), end of the political parties, 274
history of, 276
See also Guided democracy
Planning agency (Bappeda), 238
PNI (Nationalist Party), 276
PODP, 58
Poland, 316
Police force, 269
Policy uniformity, 139
Political trade-off, 140
Post-Soharto reform. See reformasi
Potential tax revenue, 179
PP, 48. See also Government Regulation
PPh. See Tax, personal income
PPP (Development Unity Party), 276–7
Pre-approved development project, 221
Pre-financing SLA (SLAP), 243
Presidential Decree No. 157/2000, 281
Presidential Decree No. 6/1959, 273–5, 277
Presidential Decree No. 5/2001, 141
Presidential Instruction, 135
Presidential system, the practice, 265
Prima facie evidence, 169
Principle
benefit, 107
subsidiary, 234, 250
prudential financial, 244
See also Subsidiary principle
Process
negotiation-oriented, 85
standards-oriented, 85
Profit, government enterprises, 239
Propenas (The Medium Term Program), 290
Property Tax. See Tax, property
Property-related transfer, 152
Public capital project, 234
Public revenue resource, 140
Public utilities, 206
Pull factor. See Decentralization, factors of
Push factor. See Decentralization, factors of
Putera Daerah, 284
Quasi-presidential system. See Presidential system, the practice
Recentralization, 266
Reforestation, 51, 154, 161, 166
Reform
  agenda, 264, 266
  constitutional, 268–9
  factors, 264
  judicial, 262
  on law enforcement, 262, 264
  process, 316–17
Reformasi, 263, 270. See also Reform
Regional autonomous subsidy. See SDO
Regional Autonomy Advisory Board. See DPOD
Regional autonomy
  bottom-up accountability issues
    323–5
  implementation of, 278–86
  international experience on expenditure, 309–11
  on borrowing, 251
  on expenditure, 190
  on revenue source, 142–3, 146, 343–4
Regional development account (RDA), 243–4
Regional fiscal resource, 142
Regional government tax. See Local tax
Regional revenue, 141–2, 144, 147, 151
Regional specialist hospital, 139
Regional spending. See Expenditure, regional
Regional water authorities (PDAMs), 241
Regressive, 144
Regulation No. 625/KMK.01/2001, 247
Regulation No. 99/KMK.07/2001, 247
Religion affairs, 238
Rent seeking. See Bureaucratic culture
Repayment capacity, 217
Repayment periods, 255
Residual claim, 217
Residual list. See Expenditure assignments, issues
Resource curse, 213
Resource mobilization, 210, 241
Resource wealth, 205
Resource, natural, 140, 161–2, 168, 187, 199–200, 203, 205, 210. See also Natural resource
Revenue Assignment, 80, 94, 125, 134, 136, 142, 168, 175, 343–4
Revenue autonomy, 160, 170, 187, 307–309
Revenue capacity, 94, 121, 167
Revenue gain, 213
Revenue needs, 140
Revenue requirement, 96
Revenue sharing
  argument, 199
  arrangement, 207, 220
  budget, 295
  distribution, 212
  formula, 239
  gasoline, 108
  general, 108
  income tax, 163, 219, 253
  land and building transfer, 108
  mechanism, 237
  natural resource, 29, 159–60, 163, 168, 179, 182, 187, 190, 199–200, 203, 205, 207, 210, 212–14, 216–18, 221–4, 239, 253
  property tax, 239, 250
  program, 210, 213
  special agreement, 220
Revenue stability, 207. See also Fiscal stability
Revenue surplus, 217
Revenue
  domestic tax, 135, 136, 216
  natural resource, 39, 148, 205–207, 210, 217, 220–22
  non-tax, 135–6, 201
  oil and gas, 29
  regional, 138, 141–4, 150–52, 163
  net domestic, 165, 189
  state-owned companies, 239
Riau, 236
Risk, contingent, 255
Risk, fiscal, 237
Risk, foreign exchange, 221
ROME (the Result Oriented Management and Evaluation Framework), 328
Rose, 304
Royalty, 160, 219
Rule-based control, 251. See also debt control
Russia, 36, 207, 210, 308–309, 316, 341
Sabarno, Hari, 73
School, 171, 236, 242
SDA, 28
SDO, 27, 28, 39, 160–61, 165, 168–9, 176, 182, 213, 239, 285
Sectoral laws, 343
Semi-autonomous institution, 189
Semi-parliamentary system. See Presidential system, the practice
Serbia, 314
Service assignment, 93, 95
Service delivery performance, 140
Settlement costs, 206
Shah, 308, 313, 316, 319, 321, 328
Shared revenue, 151, 168, 171, 222. See also Revenue sharing
Shared tax. See Tax sharing
Sharing arrangement. See Revenue sharing, arrangement, 207, 220
Slovak Republic, 310
Slovenia, 316
SMEs, 262
Soeharto, 65, 236, 262, 276. See also Suharto
Soekarno, 266, 274–6
Soekarnoputri, Megawati, 236, 26–7
SOEs (State Owned Enterprises), 290
South Africa, 308, 310–11, 313–14
Southeast Asia, 236
Southern Europe, 318
Spain, 319
Special autonomy law. See Special autonomy
Special autonomy, 220, 163
Specialist secondary school, 139. See also School
Specific capital expenditure, 175. See also Capital expenditure
Specific fiscal instrument, 200
Spillover, effects, 90, 139, 148, 154, 174–5, 218
SPMs, 342
Sri Lanka, 319
Stamp duties, 219
Standard government accounting system, 244, 251
Standard Spending Assessment, 86–7, 94
Standards, minimum expenditure, 188
Standards, Minimum Service, 51, 83, 85–90, 92–3, 148, 177, 188. See also Standard, minimum expenditure, National minimum standards (NMS)
Standards, public service. See Standards Minimum Service
State tax. See Local tax
Sub-national, jurisdiction, 171, 175
Subsidi daerah otonom. See SDO
Subsidiarity principle, 22. See also Subsidiary principle
Subsidiary Lending Agreement (SLA), 243–4
Subsidiary principle, 234, 250, 302
Sudan, 319
Suharto, 17, 47
Sulawesi, 275
Sumatera, 275
Supplementary, local tax, 146–7. See also Local tax
Surabaya urban development project, 243
Surface rentals, 219
Surplus balance, 148
Suryadi, 71–2
Sustainability, 221, 319–20
Tanzania, 319
Tax administration, 291
Tax assignment, 105, 129, 323
Tax autonomy, 188. See also Revenue autonomy
Tax base, 134, 147, 219
Tax burden, 106, 144, 207
Tax capacity, 171. See also Fiscal capacity
Tax decentralization, 316, 321
Tax effort, 178–9, 181–2, 185, 186, 201, 210, 217, 222
Tax enforcement, 168
Tax entitlements, 205
Tax evasion, 119–21
Tax exporting, 26
Tax harmonization, 307–308
Index

Tax incidence, 116. See also Tax burden
Tax revenue, 179, 216–18, 236, 290–91
NOR, Non oil tax revenue, 216
Oil, tax revenue, 210, 216–18, 236
Tax sharing, 28, 109, 131, 148, 160, 165, 179, 211, 223, 308, 313. See also Revenue sharing
Tax system in DTEs, 307
Tax advertisement, 115
alcohol, 119
building permit, 123
business registration, 123, 206
capital, 129
consumption, 132
corporate income, 163
development, 108
dog, 119
entertainment, 107, 114, 123
environmental, 124
fuel (or gasoline), 41, 109, 113
hotel and restaurant, 108, 114
income, 106, 125, 129, 131, 148, 179
informal, 206
inter-jurisdictional, 78
labor, 129
land and building 117, 123, 124, 145–9, 159, 161, 163–4, 187, 219, 224, 238, 308
land and building transfer tax (BPHTB), 145–9, 161, 163–4, 308
land development, 116
land transfer, 29
motor vehicle, 41, 113, 124, 132
natural resource, 94, 161, 215
non-motorized vehicle, 117
nuissance, 41, 122, 309, 344
payroll, 41, 118, 123, 163, 224
personal income, 24, 29, 38, 41, 134, 146, 147, 148, 159, 163–4, 178, 180–81, 187
predatory, 41
production sharing, 51
production, 124
progressive, 106
property, 29, 41, 71, 106–7, 131, 159, 161, 163–4, 187, 308, 324, 344
radio, 117
sales, 107, 118, 123
selective business, 41
slaughtering, 116
street lighting, 123
VAT, 114, 118, 163, 307–308
Temporary chaos. See Decentralization, obstacles of
Term loans, 241. See also Borrowing: terms
Thailand, 65–6, 315–16
Tiebout, 318
Tourism, 238
Traditional method, 217
Traffic management, 238
Transaction costs, 206
Transfer entitlements, 206
Transfer, Intergovernmental, 80, 94, 96, 134–6, 140, 147, 152–3, 159–61, 165, 167–8, 169, 175, 177–9, 187–9, 293–5, 311–15, 321, 325
Transfer, land and buildings, 238
natural resource revenue, 152
personal income tax, 152
Transition countries, 137, 138, 250, 253. See also DTEs
Transition plan, 154
Transparent, 137, 140, 148, 163, 167, 177–8, 221, 223, 244, 251
Twin problems, 224
Uganda, 305
Ultra vires, 141–2, 279
Unconditional grant. See Grant, unconditional
UNDP Partnership for Governance Reform, 340
Unified collection agencies, 146
Uniform decentralization, 318–19. See also Decentralization
Unitary state
definition of 302
favors of 266
military mindset 269–70
multi-tier, 234, 237
United States, 341
US, 36
USAID, 69
VAT (Value Added Tax). See Tax, VAT
Venezuela, 311, 320
Vertical balance, 187
Vertical imbalance, 147–8, 150–51, 163, 165, 169–71, 175, 186–7
Vertical share, 211, 215–18, 221–3
Vertical share, normative, 217
Village decentralization, 340
Wahid, Abdurrahman, 70, 236, 265, 290
Water and air pollution, 218
Water resources management, 139
Watts, 319
West Papua, 264, 295, 338, 340
Wide autonomy, 280–81, 285
Willis, et.al, 305
World bank, 18, 20, 82, 244, 247, 316
Zero funds, 168