Index

Aceh (Indonesia), 354–356, 358
Administrative decentralization, 5
Agreement of Internal Trade (AIT) (Canada), 62–63
Aquino, Corazon, 366, 371, 379
Asymmetric decentralization: effects of, 14–15; explanation of, 11–12; fiscal, 208–210, 222; in Indonesia, 353–358; manifestation of, 12–14
Asymmetric federalism: benefits of, 246–247; disadvantages of, 247; explanation of, 246, 295; in India, 296–318; in Russia, 248–255. See also specific countries
Australia, 96, 97, 109
Autonomous Region for Muslim Mindanao (ARMM), 365, 371–375, 377–378, 386–392
Azis, Iwan J., 342

Balkan Stability Forum, 413, 432
Belgium: assignment of competencies in, 179–181; assignment of social protection powers in, 199–200; basic characteristics of, 28, 40, 43; financing federated entities in, 184–190; fiscal powers of federated entities in, 193–196; fiscal resources of federated entities in, 190–193; Flemish- vs. French-speakers’ demands in, 200–201; historical background of, 169–171; horizontal fiscal imbalance in, 36; institutional structure in, 172; map of, 174; nature of federalism in, 181–184, 202–205; political structure in, 32, 175, 178–179; social security system in, 198; society and economy in, 172–173, 175–177; solidarity between federated entities in, 196–197; vertical fiscal imbalance in, 34
Bird, Richard, 13
Bosnia and Herzegovina: assessment of Dayton-Paris Agreement and, 415–427, 430–431; basic characteristics of, 28, 42, 44–45; break-up of Yugoslavia and, 401–402; economic trends in, 413–415; emergence of, 402, 404–405; expenditure rules in, 422–425; financing structure in, 421–422; fiscal equalization policies in, 418–419; fiscal federalism and, 417–418; government structures in, 415, 430–431; income differences between ethnic groups in, 412; map of, 403; political characteristics of, 32; public sector efficiency in, 427–430; public spending differences between ethnic groups in, 412–413; regional redistribution policies in, 400–401; role of cantons and municipalities in, 410–411; role of central state in, 420–421; role of entities in, 409–410; role of ethnicity in, 415–418; role of grants in, 419–420; role of state in, 408–409; state budget and debt service in, 422; structural vulnerabilities in, 401; tax policy in, 425–427; vertical fiscal imbalance in, 34; wartime fiscal systems in, 407–408; Yugoslav legacy in, 399–400, 406–407
Boychuck, G. W., 81
Canada: aboriginal population in, 56, 58, 83; basic characteristics of, 28, 39, 49–50, 52; demographic factors in, 52–56; economic factors in, 56, 58–63; effects of asymmetry in, 75–78; features of provinces and territories in, 53; federalism and, 16; future outlook for, 78–84; horizontal fiscal imbalance in, 36; language use in, 55–57, 63; local government in, 81–83; map of, 51; political and fiscal asymmetry in, 14, 19; political characteristics of, 32; Quebec and policy issues in, 73, 74; regional diversity in, 50, 52; taxes in, 68–73; transfers in, 64–68; vertical fiscal imbalance in, 34

Canada Health and Social Transfer, 64, 66

Canada Pension Plan, 66

Charlottetown Agreement (Canada), 50, 80

Chechnya, 228, 252, 254

China: asymmetric treatment of minority areas in fiscal system in, 278–280; basic characteristics of, 28, 41, 267–268; early minority policy in, 274–276; ethnic minorities in, 268, 270–272, 275; historical background of, 273–274; horizontal fiscal imbalance in, 36; legal foundations for minorities autonomy in, 276–278; map of, 270; political characteristics of, 32; relations with nationalities autonomous areas in, 287–290; relationship between Indonesia and, 340; transition to market economy in, 280–287; vertical fiscal imbalance in, 34

Chinese Communist Party, 274–275

Churchill, Winston, 18

Chwe, Michael, 14

Collier, Paul, 42

Conference of Cantonal Governments (Switzerland), 125, 126

Conference of Cantonal Ministers of Finance (Switzerland), 125, 126

Consumer federalism, 184

Cooperative federalism, in Switzerland, 116–117, 124–127

Country studies: conclusions from, 43–45; countries in, 27–35; overview of, 26–27; themes covered in, 35–42. See also specific countries

Croatia, 400–402, 407, 429, 431–432

Dafflon, Bernard, 12

Darwin, Charles, 20

Dayton Accords: effects of, 42, 415–427, 430–431; explanation of, 404, 406; fiscal rules according to, 408–411; open borders and, 428

Decentralization: administrative, 5; asymmetric, 11–15; explanation of, 5–6; globalization, regionalization and, 15–20; in Indonesia, 324–326, 345–353; political, 5, 7–8; reasons for, 6–8; trade-offs of, 8–9. See also Fiscal decentralization

Diversity. See Regional/cultural diversity

East Timor, 41, 44, 322, 324, 347

Equalization: in Australia, 96, 97, 109; in Canada, 64, 66, 70; European Union and, 97; in Germany, 93–102, 106, 108; in Switzerland, 125, 154–159

Equalization transfers (Canada), 64, 66, 70

Estrada, Joseph, 378

European Union (EU), 5, 97

Federalism: asymmetric, 246–255, 295–318; bottom-up, 116; competitive, 95; consumer, 184; cooperative, 116–117, 124–127; fiscal, 116–117, 151, 196, 417, 430; origins of, 298

Fiscal asymmetry, 38, 39
Fiscal decentralization: asymmetric, 208–210, 222; in China, 283–290; explanation of, 9–11; globalization and regionalization and, 15–20; in Philippines, 363–393; risk pooling and, 20; in Spain, 209–222
Foreign direct investment (FDI), in Russia, 239
Fox, William, 16
Fractionalization index, 29
Fragmented countries, 4–5
Germany: basic characteristics of, 28, 43–44; fiscal equalization in, 96–102; historical background of, 89, 91–93; horizontal fiscal imbalance in, 36; map of, 92; political characteristics of, 32, 93; Solidarity Pact II and, 102–104; solidarity vs. subsidiarity in, 94–96, 104–111; strength of federal government in, 39; taxation in, 92–93, 96, 98; unification of, 91–92, 94; vertical fiscal imbalance in, 34
Gini index, 29
Gladney, Dru, 278
Globalization: change and, 15–19; effects of, 19–20
Gorbachev, Mikhail, 288
Gross domestic product (GDP): in Belgium, 173, 175; in Bosnia and Herzegovina, 402; in Canada, 56, 60, 61, 70; in China, 270, 281, 283–285, 289, 290; in Indonesia, 331; in Spain, 212, 214
Habibie, B. J., 347
Harrell, Stevan, 274, 278
Hatta, Mohammad, 322
Herzegovina. See Bosnia and Herzegovina
Hoeflner, A., 42
Horizontal fiscal imbalance (HFI): in case study countries, 34–37; explanation of, 31
Human development index, 29
Hussin, Parouk, 387, 389, 391
Immigration, in Canada, 52, 55–56
Income: in Canada, 58–61; in Germany, 94
India: asymmetric arrangements in federalism in, 298–303, 318; basic characteristics of, 28; central sectoral and centrally sponsored schemes in, 314–315; characteristics of states in, 304–308; economic asymmetry in, 303; examples of asymmetry in, 315–316; historical background of, 299–301; map of, 297; nature of federalism in, 296–298; political characteristics of, 33, 316–318; transfer system in, 308–313; vertical fiscal imbalance in, 34
Indonesia: asymmetric decentralization in, 353–355, 358; basic characteristics of, 28, 41–42; Chinese in, 339–340; corruption in, 346; democratized and decentralized era in, 347–353; demographic information for, 322; early years of independence in, 320–322; horizontal fiscal imbalance in, 37; intergovernmental fiscal system in, 341–344, 358–361; local government structure and representation in, 344–346; map of, 323; New Order period in, 330–341; origins of unitary state in, 320–321; political issues in, 33, 325–330; provincial balance fund in, 355, 356–357; regional diversity in, 322, 324; responses to decentralization imperative in, 324–325; vertical fiscal imbalance in, 34
Inner Mongolia Autonomous Region, 274
INPRES grants (Indonesia), 330, 331, 335, 341–343, 346, 348, 352
International Monetary Fund, 429–430
Kashmir, 301–302
Kaup, Katherine Palmer, 274
Language use: in Belgium, 170, 182–183; in Canada, 55–57, 63; in Spain, 212; in Switzerland, 114
Lorenz curve, 29
Luzhkov, Yuri, 234
MacAndrews, Colin, 320, 344
Macapagal-Arroyo, Gloria, 378
Macedonia, 400, 401
Macroeconomic policy, 152–154
Maioni, A., 81
Mao Zedong, 275
Marcos, Ferdinand, 366, 367
McIntosh, T., 81
Meech Lake Accord (Canada), 50
Misuari, Nur, 370, 386, 389
Montenegro, 400, 401
Moro Islamic Liberation Front (Philippines), 370, 378, 386, 387
Moro National Liberation Front (Philippines), 370, 386, 387, 389
National Development Council (NDC) (India), 309, 312, 313
National Energy Policy (Canada), 72, 74
Nationalities autonomous areas (NAAs) (China), 274–284, 287–290
Natural resources: in Canada, 4, 58, 60, 70; in China, 267; in Indonesia, 331, 348–350; in Russia, 240, 242
Netherlands, The, 320, 321
Nisga’a people (Canada), 83
North American Free Trade Agreement (NAFTA), 5
Ontario, Canada, 60, 61
Organic Act of 2001 (Philippines), 387, 388
Organisation for Economic Co-operation and Development, 126
Papua (Indonesia), 354–356, 358
People Power Revolution of 1986 (Philippines), 366
People’s Republic of China. See China
Per capita income: in Canada, 58–61; in Russia, 236, 237
Philippines: augmentation funds in, 383–384; basic characteristics of, 28, 42, 44; devolution of functions in, 372–375, 392; equalizing revenue capacity in, 385–386; fiscal inefficiency in, 384–385, 388–392; historical background of, 363, 365–371; horizontal balance in, 383; intergovernmental transfers in, 376–478; local government units in, 379–382; map of, 364; political characteristics of, 33; popular participation in, 378; regional government of ARMM in, 386–387; subsidiarity in, 371–378; tax assignment in, 375–376; vertical balance in, 382–383, 387–388; vertical fiscal imbalance in, 34
Political asymmetry: explanation of, 12; in India, 316–318
Political decentralization, 5
Putin, Vladimir, 228, 248, 252, 255–257
Quebec, Canada: effect of fiscal policies on, 76–77; francophone population in, 56; future outlook for, 80; immigration policy in, 73; interprovincial trade and, 62, 63, 79; out-migration from, 63; pension policy in, 73; per capita income in, 60, 61; services for anglophone population in, 73; taxation in, 72–73; transfers and, 66; unrest in, 49
Quebec Pension Board, 66
Rakhimov, Murtaza, 253
Ramos, Fidel, 379, 386
Regional/cultural diversity: in Bosnia and Herzegovina, 404, 412–413, 415–418; in Canada, 50, 52, 64–74; in China, 267–268, 270–272;
Regional/cultural diversity (continued)
in Indonesia, 322, 324, 331–334; in Philippines, 363; in Russia, 229, 231–245; in Spain, 210–212, 214. See also specific countries
Regional fiscal issues, in case study countries, 35, 38, 39
Regionalism, 19
Russia: basic characteristics of, 28, 40, 41; demographic changes in, 231, 233–235; economic disparities in, 236–243; ethnic diversity and relative geographic remoteness in, 235–236; features of regions in, 258–263; federal transfers to regions in, 243–245; foreign direct investment patterns in, 239; future of fiscal federalism in, 255–257; historical background of, 227–229; horizontal fiscal imbalance in, 37; map of, 230; political characteristics of, 33; practice of asymmetric federalism in, 248–253; rationale for asymmetric federalism in, 246–247; regional diversity in, 229; regional features of, 231, 232; results of asymmetric federalism in, 253–255; vertical fiscal imbalance in, 34
Salamat, Hashim, 370
Schwanen, D., 62, 63
Serb Republic, 404, 406, 408–411, 413, 419, 421, 429
Serbia, 400–402, 407
Simeon, Richard, 13, 76
Slovenia, 400–402
Social security system (Belgium), 198–201, 204, 205
Social Union Agreement (Canada), 50
Social Union Framework Agreement (Canada), 80–81
Solidarity Pact II (Germany), 102–104
Soviet Union, former: China and, 288, 289; disintegration of, 227; minority groups and, 273. See also Russia
Spahn, Paul, 9
Spain: basic characteristics of, 28, 40, 43; evaluation of decentralization process in, 218–220; as example for emerging democracies, 221–222; fiscal decentralization in, 209–218; horizontal fiscal imbalance in, 37; map of, 213; political characteristics of, 33; regional diversity in, 210–212, 214; rule of Philippines by, 365; vertical fiscal imbalance in, 34
Stalin, Joseph, 273
Stein, Gertrude, 14
Subsidiarity: in Belgium, 198–201; in Bosnia and Herzegovina, 408, 409, 416, 418; in Germany, 94–96, 104–111; in Philippines, 371–378; in Switzerland, 116, 133–135
Sukarno, President of Indonesia, 328, 329, 339, 340
Switzerland: basic characteristics of, 28, 39–40, 43; budgetary policy in, 150–154; centralization in, 135–140; characteristics of intergovernmental relations in, 159–161; cooperative federalism in, 116–117, 124–127; direct democracy, initiatives and referendums in, 123–124; equalization in, 154–159; fiscal federalism in, 116–117, 151; general indicators by cantons in, 116–118; historical background of, 114, 116; horizontal fiscal imbalance in, 37; map of, 115; political characteristics of, 33, 116; public expenditures in, 127–140; public sector growth in, 128, 129; subsidiarity in, 116, 133–135; taxation in, 126, 140–150; vertical division of power in, 120–123; vertical fiscal imbalance in, 34
Index

Tanggol, Sukarno D., 367
Tax sovereignty, 144
Taxation: in Belgium, 190–195, 197; in Bosnia and Herzegovina, 409, 413–414, 425–427, 429; in Canada, 68–73; in China, 285, 289; in Germany, 92–93, 97–99, 104. See also Taxation
Vertical fiscal imbalance (VFI): in case study countries, 31, 34; explanation of, 30, 31
Walker, Millidge, 329
Wallich, Christine, 16
Wang, Changwu, 287
Wang, Linlu, 286
Watts, Ronald L., 11
Wehner, Joachim H.-G., 12
Werner, Jan, 9
Wintrobe, Ronald, 18
World Bank, 6, 7
Wuryanto, Luky Eko, 34, 346
Xinjiang (China), 270, 276, 289–290
Yeltsin, Boris, 228, 249

Tibet, 270
Trade, Canadian interprovincial, 62–63, 79
Transfers: in Belgium, 184–186; in Canada, 64–68; in Germany, 93, 99; in India, 308–313; in Indonesia, 330, 331, 335, 341, 342, 348, 352; in Philippines, 376–378, 385, 392; in Russia, 242–245; in Spain, 217–218

Vaillancourt, François, 13, 76
Value added tax (VAT): in Belgium, 190–192, 197; in Bosnia and Herzegovina, 409, 413, 427–429; in Canada, 70, 72; in China, 285, 289; in Germany, 92–93, 97–99, 104. See also Taxation