Index

Please note: references to figures and tables are in bold

Abbott, Tony (conservative prime minister, Australia 2012) 112–13
AC see autonomous community 199
accounts of change 36, 205
additional spending, tax revenue losses 2009, 2010 184
Advisory Commission on Intergovernmental Relations 69
Affordable Care Act 57
24 states, no expanding 59
conservative challenges 57
health-care exchanges 60
African National Congress (ANC) 323, 326
Government of National Unity (GNU) 315
ageing of populations 49, 69
spending priorities 60
age-related expenditure on health care, Brazil 306–10
Aggregate operating balance for all state governments, 1982–2014 109
aggregate receipts of state governments INR billion (% GDP) 282
aggregate trends in revenues and expenditures by tier of government (% of total) China 255
ailing industries, automotive industry, Spain 213
allocation of expenditure responsibilities, South African Federation 320, 321
American Recovery and Reinvestment Act (ARRA), 2009, stimulus package 54–5, 347
Anglo federations
United States, Canada, Australia, United Kingdom 344
apartheid government 1948, Bantustan policy 316
apartheid period, 1949–93 316
Argentina and Mexico, larger federations in Latin America 295
austerity and budget consolidation (2010–13), Spain 208, 212
austerity and deficit reduction policy agenda for Congress and President Obama after 2010 57
austerity burden onto states, Australia 111
austerity measures and fiscal federalism 237
increase in ratio of debt to GDP 347
International Monetary Fund (IMF) 232
Italy 232
Spain 207, 216
austerity opposition, Edinburgh, Cardiff, Dublin 133
austerity policy, Cameron–Clegg Coalition 132
Australia
advanced economies, unrivalled 95
economy, financial crisis 95, 103
stable financial sector 95
Australian federalism 95, 117–18
constitutional foundations 96–8
financial relations, fiscal pressures 95
reform 109–17
review 112–17
Australian financial crisis 117–18
Australia, needs-based funding regimes
social services for needs 360
Australian political tensions 95–6
Australian Senate, partisan politics 98
The future of federalism

Australian state and territorial revenue 2012–13

Australia’s economic resilience

Australia’s historical VFI (grants as percentage of total state revenue)

Australia’s macroeconomic performance during the financial crisis of 2008

three main elements

Australia, ‘Washminster Mutation’ system of government

autonomous communities (AC)

average spending higher per person

Wales, Northern Ireland, Scotland

bank rescues in UK

banking secrecy in Switzerland

bankruptcy of UBS, talk of, Switzerland

banks, chartered, in Canada

Bantustan policy, jurisdictions on basis of race

Barnett formula, UK 1970s

based on population shares

health, social care, education

not ‘needs-based’

platform for political grievances

politically controversial

spending allocation changes, factors

basic education, compulsory, free of charge

China

Bassanini Law, Italy 1997

important reform

State-Regions Conference

benefits protection under Coalition, UK

Berlusconi government, 2009, 2010

after financial crisis, Italy

Berlusconi’s People of Freedom Party (PDL)

borrowing capacities in UK

borrowing in China, excessive

Brazil

disruption of international credit markets

drop in investments

‘hour glass federalism’

main VAT (ICMS)

Russia, India, China, ‘BRIC’ economies

Brazilian downturn since 2015, significant

Brazilian federalism

global crisis

intergovernmental fiscal relations

‘municipalization’

Brazil’s main VAT (ICMS)

British Government of India Act 1935

preparator to Indian Constitution

broadband access in underserved areas, US

Brown, Gordon (Chancellor of the Exchequer, UK), policy of ‘risk-based’ financial regulation

budget

2014 federal, Australia

challenges in Australian federation

consolidation

controls

deficiencies

deficit by level of government, Brazil, 2006–13

deficit Spain

deficit targets

flexibility reform in Brazil

politics of Australia

shortfalls of USD

stability

sustainability in Australia

Commonwealth, state, territory

budgetary austerity rather than fiscal stimulus

autonomy of cantons

funding, China

leeway, increased, German states

policy, Swiss cantons

budgeting decisions

Budget Law, China

‘Building the Education Revolution’ (BER)

Program, Australia
Bundesrat, change in tax code 157
members, state governments, Germany 149
business cycle stabilization 183

Calman Commission 137–8
Cameron government 2015
Autumn Statement and Spending Review for Wales 138
‘devolution revolution’ 142
Cameron–Clegg Coalition
2010 Programme for Government 140
austerity spending 132
Canada
financial crisis and future of federalism 73
intergovernmental responses 79–83
South Africa, ‘system-threatening instability’ 34
successful track record, Council for the Federation 353
Canada Health and Social Transfers programme 82, 86
Canadian federal deficit as percentage of GDP 2004–14 78
Canadian federalism 87
and economic and fiscal policy 74
Canadian fiscal response to financial crisis, three general criticisms 82
Canadian GDP growth, significant recovery, 2010 79
Canadian provinces, stimulus spending 82–3
capital expenditure reduction by cantons 187
capital injections, Brazil 300
carbon emissions, reduction, Australia 103
Catalan elections, end of 2015 217
Catalan Independence Coalition, Spain 359
reduced fiscal autonomy 9
Catalan push for independence 32, 350
Catalonia coalition government, conversion to secessionism 200
Census of Governments, US 51
central funding, China 259
central government deficit, tax and expenditure indicators (% GDP) 275
central government operating deficit, 2004–14 30
centralization 350–52, 358, 359
and autonomy compromise, Germany 151–2, 350
forcing, Spain 206, 213, 218
political and fiscal power, Spain 209, 218
pressures, South Africa 34
central service tax (CENVAT) India 280, 284
change in spending and tax revenues (EUR millions) 236
China
Banking Regulatory Commission 260
borrowing practices crisis 350
intergovernmental system 252
policy response, remarkable and successful 347
stimulus package, Germany 153
Chinese cities, population 262
Chinese GDP growth 2004–14 250
Chinese response to financial crisis 9
classical federal systems
United States, Canada, Switzerland 18, 89
climate change, failed access to ‘cap and trade’ program 57
CNY (renminbi) 4 trillion ‘programme’ treasury Bond, China 249, 257–8
coalition, conservative-led federal government, Germany 149–50
Coalition government, Australia 115
Commission of Audit, federal government 113
Commission on Scottish Devolution 2009 133
commodity export, Australia and Canada 32
Commonwealth power in Australia 97
Commonwealth tax revenue 1973–2014 107
Community Development Block
Grants, federal aid programs 56
compensation for states in Australia, equalization formula 106
components of government’s total current payments, 2011/12 to 2017/18 328
composite picture of professional level municipalities’ budgets (2013) China 258
composition of tax revenue Brazil, Latin America and OECD 2013 294
composition of tax revenue and social security contributions, Brazil, Latin America, and OECD of total govt revenue 295
conditional grants, South Africa 330–31
conflict and decolonization India, Germany, South Africa 18
Congressional Budget Office (CBO) 61
Congress Party, India 273, 286
conservative Christian Democrats 149–50
Conservative fiscal policy, Canada, reduction of fiscal equity 89
Conservative re-election in Canada, minority government 80
Constituent Assembly, India three operations of government 273
Constituent Assembly, South Africa, 1996 unitary state, central government 317
Constitution, Article 135, Spain 209
Constitution 1948, federalism or localism 227–8
Constitutional Court, Germany 149
constitutional economics 167–9
Constitution of Australia 97
Constitution of India 273
contemporary federal governance key trends 344–55
Continental European federations Germany, Switzerland, Spain, Italy 344
Continuing Committee of Officials on Fiscal and Economic Matters, Canada 76
cooperation on fiscal consolidation, intergovernmental in Canada 87
‘cooperative federalism’ 113 Australia 102
Corporation of Shanghai Municipal Property 263
Corporation Tax (Northern Ireland) Act 2015 128
cost-sharing for infrastructure products China 259
cost shifting Italy and Brazil 348–50
Council for the Federation, Canada 347
Council of Australian Governments, infrastructure projects 347
Council of Finance Ministers federal-provincial-territorial, Canada 76
Council of Australian Governments (COAG) forum, 1992 102
counter-cyclical measures, Spanish government 207
counter-cyclical or pro-cyclical policies 346
counterpart funding, local governments, China 259
credit growth explosion, China 261
crisis, severe 201, 267, 346
crisis federalism 26–35
Italian recession, political implications 231
policy responses to recession US 53–6
crisis management 346–8
cultural (historical, linguistic, religious diversity of regions) 224
Canada, Australia 19
cultural regionalism, Europe 358
customs duties, excise taxes 9
capital expenses and intermediate consumption, Spain 211
de jure sovereignty 16
‘debt brake’ 154–5, 161, 170, 349
fiscal equalization scheme 169
Germany 160–61
debt ceilings in Spanish legislation 210
debt crisis, Spain, from 2010 32, 201, 207
debt finance, Germany 154
debt interest, in UK 132
debt of Ontario 84
debt position, high, Quebec, 2016 84
Index

debt position of Brazil 299
states and municipalities 302
debt worsening, Nova Scotia, New
Brunswick 84
decentralization in China 266
decentralization model of Spain 216
decentralization pressures, Canada 34
decentralization proposed system, 
South Africa 322
decentralizing reforms, interruption 
Italy, South Africa 350
deficit and debt criteria 
European Monetary Union 160
deficit control, India 271
deficit financing after 2009 austerity 
budgeting, Canada 82
deficit reduction, Italy and Brazil 
348
deficit spending advocated by 
European Union, G20 207
deficit trajectories of some ACs (2008– 
13) 211
demographic factors, important part 
345
Department Expenditure Limits 
Whitehall departments 137
dependence of ACs on government in 
Spain 199
Depression, Australia 100
‘Depression politics’ 130
deregulation of chartered banks in 
Canada, no failure 79
devolution 
intergovernmental relations in UK 
133
republican Italy, main waves 1940s, 
1960s, 1990s 239
since Second World War 225
devolutionary reform processes, India 
350
devolutionary trends 350
devolution/federal reforms 
domestic and European/ 
international 225
devolved structures, asymmetrical 
Italy, pre-1996 apartheid South 
Africa 345
direct democratic representation for 
England 127
discord, pre-crisis, Australia 101
discretionary US spending Cut to the 
Bone 58
dispute resolution 345
India, GST issues 286
disruption of reforms in Italy, financial 
crisis 225
distribution of budgetary expenditures 
by level of government, China 253
district panchayats (village governing 
odies) India, block panchayats 
274
Division of Revenue Act 2013 334
domestic actors’ role, institutional 
change 35
‘dualist’ federal system of USA 345
‘duties of excise’ 99
‘Economic Action Plan’, Canada 80, 
356
economic activity and income 
unequal distribution of Brazilian 
states 293
economic decline in 2008–9, Canada 73
economic downturn 
centralization as standard response 
35
Spain 201
Economic Freedom Fighters 
socialist political party, South Africa 
326
economic growth in India, potential 
276
economic growth in South Africa, 
IGFR 324–32
economic recovery, none through 
federalism, Italy 240–41
Economist Intelligence Unit (2013) 
report 287
economy of China, growth in, 2009 
249
education, basic 
not a pre-emptive right in South 
Africa 319
efficient spending promotion, Italy 
233–4
emerging economies 
China, India, Brazil, South Africa 
345
emerging trends in federal governance 
Italy, critical case 224
employee pension costs 62
Empowered Committee (EB), India 288

*Engineers* case (1920)
  federal industrial law, Australia 97
England
  division into regions no government or parliament 125–7
  no national political or democratic identity 126
  percentage of UK’s population and economy 124

English dimension 139–41
English First Minister 127
English ‘Home Rule’ 127
‘English Votes for English Laws’ 127
‘equality of living conditions’ German Constitution 150
equalization 158–9
and de-solidarization 106
German states 167
political contention 354
Switzerland 176
transfer programme 82
equivalence of living conditions, Spain 217
ethno-regional diversity, Italy 224–5, 239
EU Fiscal Compact 218
EU referendum vote, 2016
‘Brexit’ vote by England and Wales 141–2
euro crisis increase 181
European Economic and Monetary Union (EMU) reforms required, Italy 225
European ‘federalism by integration’ 237
European Fiscal Compact 209
European integration and domestic devolution 224
European jurisdictions
  UK, Spain, Italy 347
European Union 64, 345
evolution of central and regional deficit/GDP ratio, 1995–2010 205
evolution of central and regional debt / GDP ratio, 1984–2011, Spain 206
evolution of federalism, factors impacting 38

 evolution of share of national revenue across spheres 329
expansion of China, commodities and natural resources boom 347
expenditure commitments, current, Brazil 299
expenditure control, Canada 76–7
expenditure responsibilities, South Africa 319
Expert Advisory Panel, 2016 350
extra-budgetary finance, China 255–7

Federal German party system and regional representation 148–53
factor shaping federal dynamics 39
farmland selling for urban development, China 256
federal aid initiatives, ARRA, US 55
federal budget position, deterioration in Canada 84
Federal Constitution of Swiss Confederation 176–7
federal deficit as percentage of GDP, 2000–14 52
federal dynamics 36–8, 355–8
federal economic laws, Australia
  High Court ruled unconstitutional 99
federal fiscal relations, Germany 148, 156–61
federal framework, Canada, key features 74–5
federal government growth and centralization 57
federal income federation, Australia 99
federalism 2, 51, 170, 358–61
changing nature across Anglosphere 7–8
by devolution, Italy 237–9, 241
Germany ‘integrated federalism’ 150
‘holding together’ national political leaders 17
Italy, tentative transition, 1990s 228
no demand in England 124–5
significant form of political organization 4
US, fend-for-yourself 65
welfare state, 2005 360
Federalism Reform I, Germany 148, 152
Federalism Reform II, Germany 148, 159
federalism research 22–5
federalization in the UK 8, 125
federal law, German states 152
federal matching rate for Medicaid (FMAP) 55
federal reform 2, 7, 96, 113, 147
pathways to 25
federal–state partnership agreements 111
federal systems, form and function 16, 343
federal system future, Canada 87
‘fend for yourself federalism’ 66–7
Finance Commission (FC) transfers 283–5
India 284–5
financial autonomy, Italy 235
financial crisis, 2008–9 1, 6, 26, 124
Brazil 291–2
Canada, international trade with US 77, 85
economic and political challenges 141
effect on Spain 198
Europe, public debt crisis 161
impact of, on IGFR, South Africa 324
impact on future of federalism 34
impact on UK 124, 131–3
India 271
severity of impact 224
Spanish federal system 216–18
Swiss cantons pro-cyclical fiscal policies 173
USA, on federalism 8, 51–3
financial performance of 26 cantons 190
financial revolution, seventeenth-century England 124
financial sector regulatory reform 57
financial situation of cantons before, during, after financial crisis 189–90
financial vehicles, special purpose, China 263
fiscal and tax system, intergovernmental, India reform need 274
fiscal architecture of US federalism 50–51
fiscal autonomy 168–9
Northern Ireland, greater than England 138–9
regional governments 359
regions, Italy 230
in US 50, 65
fiscal capacity index, Germany 158
fiscal centralization in Spain and Italy 64
fiscal challenges of ageing society 345–6
in US federalism 57, 60–64
fiscal collaboration on health care 67
Fiscal Compact 209, 231
fiscal competition between Swiss cantons 176
Tiebout hypothesis (1956) 167
fiscal consolidation, 2015, Cameron 133
fiscal consolidation challenge 107–11
for provinces, Canada 83–7
fiscal consolidation in Australia, 2010 111
fiscal consolidation since 2010, Spain 200
fiscal crisis in Spain
European requirement of fiscal consolidation policies 199
fiscal decentralization 317
South Africa 323
fiscal deficit drop, India 276
fiscal deficit level problem central and state GST India 287
fiscal deficit of Scotland 135
fiscal discipline, Canada, binding rules 87
fiscal equalization and fiscal competition 151
primary horizontal and vertical step 156, 157
secondary horizontal step 157–8
fiscal equalization, inter-cantonal to reduce fiscal stress, Switzerland 193
The future of federalism

fiscal equalization measures, Germany 349
fiscal equalization processes 353–5
fiscal federal relations in India, ongoing reforms 279–83
fiscal federalism 19–20, 27, 38, 141, 168, 232–7
arrangements, Canada 85–6
China, 2008 stimulus 249
‘cost shifting’ manoeuvre, Italy 235
England as antithesis 140
future, in South Africa 332–5
future, in the United States 49
India, essential element 287
indirect tax reform, India 281–3
Italy 229, 235, 236–7, 240
Scotland 133
South Africa, unique history 324
twenty-first century 15
UK, legislative agenda of Cameron 125
under Berlusconi, Italy, framework law 233
US 51
fiscal federation, UK government, dominant power 124, 127
fiscal gears, reverse, US, 2011 49
fiscal impact, financial crisis, Germany 153–6
fiscal independence, Canada’s provinces 8
fiscal injection, China 261
fiscally strong German states, Bavaria, Hessa 163–4
fiscal pact in Austria, Germany, under threat 358
fiscal policy 34
change in UK by economic crisis of 1976 126–7, 132
contradictory legal provisions 176–9
decisions, national needs in Scotland Wales, Northern Ireland 128
diversion among US states 58
IGFR, and Great Recession, South Africa 326
independence, Canadian provinces 75
through financial crisis, Switzerland 179–90
fiscal regime in Canada, decentralized 73
fiscal relations within Germany 155
fiscal responsibilities allocation between state and federal governments 113
Fiscal Responsibility and Budget Management Act 2003 (FRBMA), India 271, 276
Fiscal Responsibility, Brazil 302, 308
fiscal rules, flexibility, Switzerland, reform 193–4
Fiscal Stability and Financial sustainability Act, 2012 209
fiscal stabilization policy in absence of coordination 173
fiscal stance, by cantons on a (1%) threshold 186
fiscal stance, by cantons on long term trends 188
fiscal threat of Second World War, Australia 35
foreign-owned domestic economy, Scotland 135
formal constitutional relationship 16
Forum of Federations 17
Fourteenth Finance Commission report, India
tax devolution, tax sharing 281
framework law, Italy, ‘statist’ approach 233
Free Democrats (FDP) Germany, classical liberal 149–50
future of federalism, implications 343–4
Future of England Survey 2014 126
GAO see Government Accountability Office
General Corporation of Shanghai Municipal Property (SMPD) 264
generation of revenue windfalls to states and Municipalities, Brazil 297
German Constitution
‘comparable or similar living conditions’ 151
provisions pointing to state autonomy 151
German Democratic Republic (East Germany) 158
German federalism 147, 161–7, 170
German government bonds, relatively secure 170
German states, sizes and population 150
Germany
  fiscal compact renegotiation 8–9
governments 32
highly integrated system 345
tensions between national and regional
Germany and Switzerland
export-centred economies 347
Germany, Switzerland and USA ‘stable equilibrium’ 34
Gillard, Julia (prime minister of Australia), minority government 111
global crisis, effects on multilevel public finances, Brazil 299–303
GOI see Government of India
goods and services tax (GST) 115–16
Canada 82, 96
Constitutional Amendment Bill 286–8
Distribution Review 107–8
India 279–80, 288
reforms Australia 102
revenue decline, Australia 108–9
revenue on per capita basis, compensation for poorer states 113
Government Accountability Office (GAO) report, health-care costs 63
government, five tiers, China 251
government indebtedness (general government, end-period positions) 303
Government of India (GOI)
financial assistance to states 283
primary budget surplus undoing 271
Government of Wales Act 2006, dominance of UK treasury in fiscal policy 136
government spending per capita, higher level in Scotland 134
grant-in-aid funding to state and local sectors 49–50
Recovery Act, US 55
Great Depression, Australian nationhood and unity 98
Great Recession US, federal revenues decline 52
Green Party, Germany
left-wing stance, ecological 149–50
gross domestic product (GDP) 54
Australia 103
Brazil, World and OECD area 299, 300
change in, 2004–14 28
growth and output gap as percentage of the potential GDP 181
growth and unemployment, Italy, 2000–14 226
growth (annual percentage) 324
severe crisis in Spain 202
unemployment increase rates in Spanish regions 203
growth performance, former East Germany 164
GST see goods and services tax
Hamburg (Olaf Scholz, Mayor of), fund for historical state debt 161
Harper Conservative government, Canada 89
Economic and Fiscal Statement 2008 80
health and social security spending, rising 62, 116
health-care costs 61, 62, 69
health-care programming, Canada 85
health-care services, Brazil 298
health-cost inflation, Australia 108
high-speed broadband network, Australia 103
high-speed rail networks 56
Holtham Commission report, 2009 137
horizontal fiscal equalization, Australia 106
horizontal transfers, magnitude 166
hospital care vouchers, Commonwealth funding 116
hostility between tiers of government 358
The future of federalism

House of Commons Political and Constitutional Reform Committee, 2013 140
House of Representatives control by Republicans 57
identity parties, Scotland
Scottish National Party 358–9
IGFR see intergovernmental fiscal relations reforms 323
impact of financial crisis on state and tax revenue 53
income inequality in Canada 89–90
income tax revenue, Scottish retention 136
income tax revenues decline, US 52
indebtedness 349
of regional governments, Spain 216
independent (Brazil), multi-tier systems 345
Independent Commission on Funding and Finance for Wales, 2010 137–8
‘independent’ homelands
abject poverty, South Africa 316
independent macroeconomic policy
provinces in Canada 73
independent Scotland, fiscal costs
potential loss of pound sterling 134–5
independent states
Transkei, Ciskei, Venda,
Bophutatswana, South Africa 317
index of budget constraint across
cantons 2009 178
India
beyond the financial crisis 271
inflation, reduced demand for exported goods 32
federalism future 285–7
fiscal deficit and debt outcomes 272–9
government, fiscal autonomy upon
states 351
Independence, 9 December 1946 273
indirect tax reform, India 279–87
inequality between states, federal
reform 278
political economy of, India 285–7
states, inequality across 276–9
indirect taxation, value added tax or
VAT 175
indirect taxes, Brazil 293
‘excise’ duties 100–101
Individuals with Disabilities Education
Act (IDEA) stimulus funding 56
industrial economies, diversified
Italy, Spain, USA 345
industries, hard-hit, sectoral
adjustment
Canada 81
Infrastructure Development Bill 2013,
South Africa 334–5
infrastructure investment in China
250
infrastructure programming, Canada
82
institutional theory 26, 36
intergovernmental in Canada
stimulus programme in China
257–62
Integrated Development Plans (IDPs),
South Africa 319, 335
Integrated Urban Development
Framework (IUDF), South Africa
332
inter-bank lending, freezing in
Switzerland 180
interest rate decrease on German
bonds 154
intergovernmental
cooperation 359
coordination in Canada 86–7
conflict on fiscal resources 3
revenue sharing, Brazil 296
transfers, 2005–12 33
transfers, projected decline 114
intergovernmental fiscal relations
(IGFR) 337, 345
age of austerity 343
Australian federation 102, 105
China 250–57, 264–7
economy recession, 2009 322
revenue instruments 317
South Africa 314–15
structural problems, Australia 102
system, South Africa 335–6
twenty-first century 1
unsustainable 267
intergovernmental management of powers and functions, South Africa 333
intergovernmental policy coordination, effective response to financial crisis 88
intergovernmental programs 56–8
intergovernmental relations, Australia centralization, Spain 212–15
UK, factors, no written constitution 126
intergovernmental system, China limits 249–68
international credit markets, crisis 201
trade and Germany 153
trade in Brazil, smaller share 308
International Monetary Fund (IMF) 64, 95
interstate conflict in Australia 8
interstate highways, China 259
investment in public education and health 103
in public infrastructure in China 262
incentive 187
of state governments, capacity constraint Brazil 299
iron ore and coal export boom, Australia 95
Italian Communist Party (PCI), power at regional level 225
Italian federalism, future of 239–43
Italian party politics, 2013, critical losses 231–2
Italian regions, exclusion from national law-making 230
Italian Republic fiscal centralization 228
greater political centralization 9
‘Italianization’ of ethno-linguistic minorities 227
Italy, quasi-federal system 239

jobs-transition funding, Canada 81
‘joint decision trap’, Germany 152
judicial interpretations, Australia 100
jurisdictions on basis of race 316

land and land-based tax dependence on, China 257

land revenues, rising, China for urbanization 263
land tax imposition, 1910, Australia 99
Lega Nord (Northern League), 225, 229, 232
political isolation 239
Lega Nord per l’Indipendenza della Padania 225
legacy debt 159
legal disputes among Brazilian state on VAT 304
legislature, bicameral, Germany Bundestag and Bundesrat 148–9
Lehman Brothers collapse September 2008 103
Liberal Party in Canada 89
Linkspartei, socialist, Germany 149–50
Liquidity Fund, Spanish loan scheme 210, 212
Local Government Association, 2013 141
local government borrowing in China 250, 260
Local Government Equitable Share Formula 318
local governments’ role 258–60
local investment corporations (LICs) China
bank loans, investment funding, bank credit 263
moratorium on bank ending 266–7
local service provision funding voucher models, individual social insurance 118–19
Localism Act 2011 140
localities of England, parity of fiscal autonomy 142
London city of global capital 140
major financial and commercial centre for 400 years 124
long-term budget stability, Germany 169
loss in price competitiveness increase in value of Swiss franc 181
low interest rates on German public debt 170

Maastricht Treaty, 1992 228
reform pressure in Italy 225
macroeconomic fiscal impact of financial crisis in Australia 96
macroeconomic management 27, 76, 173, 351
Madison view of USA 21–2
Main National and state tax revenues Brazil 296
major stimulus measures USA, Australia, Canada 350
manufacturing export centre, Germany, China 345
market economy in China 255
matching grants system 187
mechanical revenue sharing, pitfalls, Brazil 297
Medicaid 57, 61, 24
states no expanding 59
Medicaid expansion, state resistance 60
Medicare costs 64
Medium Term Expenditure Framework (MTEF) 334
Medium Term Strategic Framework, South Africa 333
Memorandum of Understanding on Devolution 2012
England no representations 127
merchandise exports 180
migration crisis 360
millennium resources boom 104–5
revenue growth 105
monetary easing by Federal Reserve 54
municipal services tax (ISS), Brazil 305
municipal urban property tax (IPTU) 305
national and provincial government, South Africa, responsibilities 319
national and regional economies, underlying economic conditions 85
National Assembly for Wales 1998 creation 136
funding 126
National Assembly (lower house), South Africa 315
National Commission of Audit (NCOA) 2014, Australia 108, 118
National Conference of State Legislatures 53
national consumption tax in OECD nations 68
National Council of Provinces (upper house), South Africa 315
National Democratic Alliance (NDA), India 286
National Development and Reform Commission 259
National Development Plan (NDP), South Africa 332
National Disability Insurance Scheme 111–12, 116
national funding in Australia, reduction 32
national goods and services tax (GST), Australia 101
National Health Insurance (NHI), South Africa 332
national minerals resource rent tax 106
national provincial and local government revenue sources 318
national tax system 110, 113
national transfers, welfare payments
Scottish independence ‘no’ vote 360
nationhood and unity, Australia in two World Wars 98
nationwide land revenues in China 256
natural resource base, countries Australia, Brazil, Canada, South Africa 345
‘nested’ hierarchies, China 345
net debt (national government) change in, 2004–14 31
New Deal 1930s, USA 49
New Development Bank, South Africa 335
new governing strategies from Obama Administration 58
New Growth Path (NGP), South Africa 332
new republican constitution in 1948 Italy, regionalized system 225
New South Wales Treasurer, ‘cost shifting’ accusation 114
non-financial public sector debt by levels of government, 1982–2014 Australia 110
North American Free Trade Area 345
Northern Ireland Assembly funding 126
budget determination by Treasury 138
devolution of tax powers 128
Northern Ireland Net Fiscal Balance Report 139
Northern Irish Dimension 138–9
‘nuisance’ taxes
motor vehicle license fees, gambling
taxes, hospital fees 316
Oates theory of decentralization (1972) 22
Obama, Barack (President of USA),
stimulus program 49, 57
Office of Management and Budget (OMB) 56
Ontario, rescue plan for automakers,
Chrysler, General Motors 83, 85
opportunism after 2008 crisis 38
‘opportunistic federalism’, Australia 102–3
ordinary status regions (RSO), Italy,
budgets 234
Organisation for Economic Co-operation and Development (OECD) 54, 95
outright exit strategies, for states 59
own-revenue collection, tax, Brazilian 305–6
Panchayati Raj amendments to
Constitution of India, 1992 274
partisan nature of federal relations 63–4
partisan polarization to US state
governments 58–9
pathways to reform in federal systems 356
pension and health entitlements 64
pension costs 63
People’s Bank of China 260
People’s Party government, conservative, Spain 200, 208, 210
percentage composition of revenue
transfers from the centre to states 284
percentage gap between mean per
capita real PCNSDP
between richest and poorest states 278
personal income tax share (IRPF), Spain 215
petroleum and alcohol, keeping out of
GST 286
petroleum exploration, Canada 83
Piedmont system, unitary
transfer to new Italian state 227
Planning Commission (PC) transfers 283–5
polarised federalism, rise of 58
polarization 358
between Democratic Washington
and conservative Republicans 59
policy convergence, Canada,
Switzerland 350
policy coordination, Canada, binding
rules 87
policy-making and resource allocation
disjuncture in South Africa 332
policy response of US, stimulus
measures 347
political activism in South Africa,
among youth 326
political and fiscal sustainability of
Swiss federation, ‘reform’ need 192
political backlash in 2010 midterm
elections, major Republican gains 57
political developments in UK, relations
with EU 353
political discontent in UK 141
political effect of crisis
Italy, Germany, India, China, South
Africa 353
political implications in the power
balance, Spain 212–15
political independence of regional
governments 359
political pressures, fiscal consolidation 110
political protests about poor quality
public services, South Africa 331
political reactions to crisis response
56–8
political regionalism in US politics 58
political sovereignty and authority of
two or more levels of government 16
political tension, horizontal, in US 58, 352–3
political union of four nations 
England, Scotland, Wales, Northern Ireland 126
political union of the UK, threatened by ‘Brexit’ 125
postcrisis fiscal consolidation 354
post-global financial crisis (GFC) 214
powers to the states, India
centralization and devolution 286
Presidential Infrastructure
Coordinating Committee (PICC), National Infrastructure Plan 334–5
primacy to Her Majesty’s Treasury, fiscal policy development 124
private consumption, expansion, Brazil 308
primary and secondary education top-up grants, Brazil 298
probate tax field 99
pro-cyclical austerity policy, hard-hit by crisis, UK 347
projected decline in intergovernmental transfers 114
projected revenue and composition of spending 61
property development activities, Spain 201
property, tax base
Brazilian municipalities, full autonomy 305
property tax, China 266
property transfer tax 157, 162
provincial autonomy, Canada, debt and deficit levels 87
provincial budgetary position, Canada 77
Provincial Equitable Share formula, South Africa 318
Provincial expenditure per capita 333
Gautand, KwaZulu-Natal 332
public debt, low levels, Australia 95
education services, Australia 104
expenditure increase, expansionary impulse 185
expenditure planning in UK 127, 129, 131–2
expenditure, territorial distribution 130
finance developments, India, recent 274–6
finances for Wales, control from London 137
finances, pressure on 348
infrastructure, Canada 81
insurance scheme, lifelong disability care 111
investment management, China 262–4
sector debt in Scotland 135
sector net debt 131–2
sector wage bill increase in South Africa 327
spending and borrowing, limits to 209
spending cuts in Spain 214
spending, for poorer regions of UK 130
spending peak under Brown, Labour government 132
Quebec
independence movement, lowest point in 40 years 90
major infrastructure programme 83
no fertile ground for neo-liberal approaches 85
secession, threat of no factor in financial crisis 90
Queen’s Speech 2015
asymmetric fiscal settlements 141
State Opening of Parliament 2015 125
race-based politics, South Africa 316–17
railway system in China 262
real-estate boom most affected Andalusia, Canary Islands, Valencia, Balearic Islands, Murcia 202
real-estate bubble bursting, Spain 201–2
real-estate taxes 207
Real GDP growth, Germany 1991–2013 153
Index

recessionary fiscal policies, Swiss cantons 179
Recovery Act package, final 55
Recovery Act programs, Vice President Biden 56
reform proposals on federalism, Italy 226
content 237–8
regimes of divided sovereignty 360
regional autonomy 213
autonomy, Spain, jeopardizing 200, 350
debt during the financial crisis 204–5
equality, Spain 217
identities in Italy, weakness 239
independence 21, 37
inequality in India 284–5
movements 359
policy preferences, Spain 208
representation 103, 360
variation in incomes, England 130
regionalism 358
regionalist leagues in northern Italy, reform drivers 225
regionalist parties in northern Italy, Lega Nord (Northern League) 229
regionalist parties of the RSS 239
regularity control, mixed, financial sector, Canada 74
remote internet sales, tax-free advantages 66
Renzi government, Italy, proactive approach 232
republican constitution in 1948, Italy 225, 227
research method 37–40
Reserve Bank of India (RBI), monetary policy 272
residence principle, Germany 157
resource revenues, uneven distribution in Australia 106
revenue assignment under formal, fiscal system, China 252
revenue from the VAT, Germany 157
revenue sharing, South Africa 328
revenue shock, restriction of credit, Spain 218
revenues from land transfer 257
revenues, slower growing 69
rigidity, high or low 25
rising health-care costs 49–50
Royal Bank of Scotland, rescue of 131
RSS see special status regions, Italy
Rudd, Kevin (prime minister of Australia) 111
Rudd-Gillard government 111–12
Saarland, Germany, opposing tax autonomy 162
safety-net-programs, Medicaid rise, US 53
sales tax extension to internet 67
Schengen Agreement 360
Scholz proposal, no majority support 161
schools in Australia, needs-based funding model 111–12
Scotland Act 1998 and 2012 128, 133
Scotland Bill 2015, powers incorporated 136
Scottish independence intergovernmental relations changes, UK 141
referendum 2014 131, 134, 139
threat to British fiscal compact 8
Scottish National Party (SNP) 8
fiscal policy independence 134
Scottish Parliament, Calman Commission 133
funding 126
Scottish public services, financement from Treasury in London 135
Scottish Variable Rate of Income Tax 128
secessionist bid by Catalan government end of 2014 215
secessionist movements 21
second phase of the financial crisis, 2009 on budget repair, fiscal, consolidation 27
Second World War, Australia, income tax 100
Secretaries of State, none for England 126–7
security crisis of Second World War in Australia 35
self-governing colonies, Australia 97
senators’ election, Italy 238–9
service delivery models 118
Shanghai, China 256
investment in urban infrastructure 263
shocks and crises, institutional change 24
Smith Commission, September 2014, independence referendum result 135–6
smoking in restaurants and public places, rules in German states 163
Social Democrats (SPD) 149–50
social expenditure increase, UK 347
social insurance schemes, Australia 116
social policy initiatives, Australia, ‘Gonski’ plan 111
social security, Germany, increased spending 154
social security regimes 310
for civil servants, Brazil 296
social services programs, federal aid programs 56
socio-economic conditions and federal orders 37
socio-economic indicators, Brazilian municipalities 305
solidarity surcharge, Germany 165–6
South Africa, financial crisis impact on intergovernmental financial relations 314–38
South Africa, 10
bicameral parliamentary system 315
conflict between provinces 32
fall in international demand for commodity exports 314
South African Constitution, 1993, three spheres of government, national Provincial, local 322
South African Constitution, 1996 315
local government 317
South African economy, negative effect from global financial crisis 325
South African economy recession, 2009 314
South Africa’s fiscal position, 2011–16 327
South Africa’s IGFR system, evolution 316
southern banditry, Italy 227
sovereign debt crisis in eurozone 208
Spain and India, balance of power in state of flux 34
Spain and Italy, declining GDP soaring unemployment 32
Spain’s intergovernmental system, anti-crisis policy responses 205–15
Spanish austerity from European level 209
Spanish banks, pressure 202
Spanish Constitution 199
Spanish equalization regime 206
Spanish Estado Autonomico 9
Spanish federal system, five main peculiarities 198–9
Spanish federalism
financial and political crisis 198–220
future of long-term trends 216–18
stability of undermining 214
Spanish GDP growth and unemployment 2004–13 202
Spanish-wide elections, end of 2015 217
Spanish ACs, fiscal situation 218
special status regions (RSS), Italy, budgets 234
spending cuts, Germany
education, law enforcement, regional infrastructure 162
‘spending power’, federal, Canada 75
spending programme in Switzerland
environment and energy, polytechnic education 182
spending programme of federal government, Canada 80–81
Spending Reviews funding policy 128–9
federal reform 351–2
Stability and Growth Part, EU’s 234–5
state and local government employment declines in US 53
dependence on federal aid 65
fiscal autonomy in US 51
state and local operating balance as share of GDP 62
state budget gaps 2002–13 (USD) 54
state debt problem, Germany 159–61
State Fiscal Stabilization Fund for education and government services 55
Index 381

state government deficit indicators (percentage GDP) India 277
state legacy debt 160–61
state-level nominal GST revenue growth fall in Australia 107
state-level surpluses 109
state-level VAT 304
state merging in Germany post-unification, Berlin and Brandenburg failure 163
state opt-outs 59
state-owned enterprises (SOEs), China 255
state refusals of federal funding, higher in Obama Administration 59
State-Regions Conference, Italy, critical case 230
state variation in federal programs 59–60
states, new engines of economic growth, India 287
states and municipalities, Brazil: revenue and expenditures, 2000–12 298
states participation in federal programs 59
statutory provisions to cap deficits 178
stimulus effort, China, financial sector response 260–61
stimulus packages, India 271–2
stimulus program, three main elements, Australia 104
stimulus programme in China 249–50
stimulus spending in Canada political controversy, muted 81–2
structural budget challenges 107–11
structure of fiscal federalism in India 274
subnational jurisdictions burden of austerity 359
subnational governments, Brazil 308
role in government investment 298–9, 302
subnational budgetary autonomy, Switzerland 176
subnational finances of Brazil, rise in government revenue and expenditure 292
subnational government in China 252, 255–6
subnational government in South Africa, reform of 333
subnational governments, heterogeneity in Brazil 293
subprime mortgage crisis August 2007, ‘The Great Recession’ 314
North Atlantic 103
subprime mortgage instruments market Canada, 2006–7 79
subsidiarity principle Federal Constitution of the Swiss Confederation, 1999 175
surplus position, no debt British Columbia, Alberta, Saskatchewan 85
‘Surplus Revenue Case’ New South Wales v Commonwealth 1908 99
Swiss cantons 175
fiscal policies 185–9
Swiss Confederation, debt brake tool 179
Swiss federal system, overview 26
sovereign cantons 175–6
Swiss federalism, the future 173–95
challenge of fiscal stabilization policy in the absence of coordination 177
Swiss National Bank, prevention of euro fall 181
Switzerland and Germany, incremental reform 8–9
Switzerland, safe-haven status 345
Switzerland, steady increases in GDP 32
system of matching grants, Switzerland, reform 193
tax and federalism reform cautious approach, Turnbull 115
tax assignments in China 254
taxation financial systems 345
taxation rise, Italy 240
tax autonomy 349
for German states 162–3, 166–7, 170
Spanish regions 217
The future of federalism

for states 166–7
strengthening of states 162
tax base, share between central and state governments 281
tax challenges, for municipal governments 305–6
tax collections, state, US, drop 52
tax competition vs coordination, harmonization, fiscal equalization 174
tax cuts 49, 55

taxes and royalties on terrestrial mining operations 105
taxes cascading of, avoidance of 281
taxes in South Africa
income, VAT, excise and customs taxes levies 317
tax increases need, Australia 118
taxes on land and real estate, importance in Chinese cities 254
tax policy of ACs, Spain 208
tax pressure reductions on business and households 183
tax reform in Brazil, emphasis on state-level VAT 304
tax reform in India 280
tax relief for home buyers, Canada 81
tax revenue
decline, Australia 107
increase in Germany 147
lower, UK 347
tax revenue, Brazil, Latin America and OECD 294
Tax Sharing System (TSS), China 253–4
tax structure, indirect, India 279
tax structures, US states 51
tax system complexity in Brazil 292, 304, 309
‘Tea Party’ populism 2010 57
telecommunications, India 280
tensions between national and subordinate governments, post-2009 period 32
The Future of federalism: case studies 6
‘The Troubles’ legacy, Ireland 138–9
‘The Vow’ 139–41
tide grants freezing, Australia 100, 114
Tiebout hypothesis (1956) in public economics 22
Total government debt (all levels) Germany, 1991–2014 155
transfers to the states and municipalities, Brazil, 1997–2014 297
transportation infrastructure 56
Treasury Autumn Statement and Spending Review 2015 141
Treasury’s Spending Review, 2015 UK, austerity in public finances 125
Troubled Asset Relief Program, US 54, 347
Turnbull, Malcolm (Prime Minister, Australia 2015) 114–15
UK intergovernmental relations 125, 134
UK Memorandum of Understanding on Devolution, 2012 350
UK’s vote for ‘Brexit’, political discontent 125
underspending of conditional grants 331
unemployment
benefits, refusal to extend 53, 59
change 2004–14 29
high in Spain 216
rates in Spain 214
unemployment rate vs. public concern about unemployment, 1997–2013 183
unemployment rise
North America, Europe 27
uniform basic endowment per capita, German states 165
‘uniform tax scheme’, Australia 100
unilateral declaration of independence (UDI) by Catalan parliament 214
Union of South Africa, 1910
Cape, Transvaal, Orange Free State, Natal 316
unitary systems, legislated devolution (UK, South Africa) 345
United Kingdom
decline, renewal, crisis and austerity 124–42
not a nation-state, a state-nation 126
Index

United Kingdom, Spain, China political independence of regional governments 17
United Progressive Alliance (UPA), discussions on GST, India, major demands 285
United States and Korea, largest fiscal stimulus packages 54
unspent provincial conditional grants, number of provincial conditional grants 330
urban local governments by administrative rank, China 253
urbanization in China 255, 263
land value boosting, fiscal power definition 50
USA, acute phase of crisis’ 352
USA federalism, implications of crisis 352
USA securities, exposure to Germany and Switzerland 32

value added tax (VAT) 68, 156, 229, 272
Australia 101
Brazil 292
China 253
equalization scheme 158
shares 165
VAT-type taxes, Brazil 295
vertical distribution of deficit targets 212
vertical federal fiscal relations 163–6 ‘vertical fiscal imbalance’ (VFI) 113
Australia 99, 102, 118
China 265
vertical fiscal relations, fiscally weak German states 170
vertical political conflict, Australian federation 106
vertical transfers 165
stronger influence, Germany 162

Wales Act 2014 128
Wales, poorest constituent parts of UK, political resentment 137
welfare benefits spending, UK 132
welfare systems, national solidarity 360
Welsh Assembly, greater fiscal autonomy 142
Welsh autonomy, threat to British fiscal compact 8
Welsh Consolidated Fund, ‘Welsh block grant’ 137
Western Australia, increase in royalty revenues 105
white minority interests, South Africa 322
whites, less than 15 per cent of population
87 per cent of land for them 316
workforce growth decline 60–61
World Bank Logistics Performance Index (LPI) 262
world economy decline, 2008–9 financial crisis 314
‘written’ or ‘unwritten’ constitutional arrangements 345

Yields on German government bonds with 10-year maturity 154

Zulu people in Natal, interests 322