



**NYU**

**ROBERT F. WAGNER GRADUATE  
SCHOOL OF PUBLIC SERVICE**

## **PADM-GP 2245: Financing Local Governments in Developing Countries**

**Fall 2019**

### **Instructor Information**

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- Office Hours: Tuesday 3-5 pm and by appointment

### **Course Information**

- Class Time: Mondays, 9/9 – 12/9, 4:55-6:35 p.m.
- Class Location: 60 Fifth Avenue, Room 161

### **Course Description**

Many developing countries have been significantly reforming the scope and organization of the public sector in recent years. This course critically examines the changing structures and operations of government fiscal systems in developing countries, with particular emphasis on the growing trend to strengthen subnational levels. Major topics covered include understanding broader national fiscal reform processes; determining an appropriate division of fiscal responsibilities among levels of government; evaluating major mechanisms for subnational government revenue mobilization; and, assessing the prospects and options for pursuing pragmatic and productive decentralization and intergovernmental fiscal reform. The course focuses on economic analysis, but attention is also given to political, institutional and cultural considerations that are critical for effective policy design and implementation.

### **Main Learning Objectives**

1. To familiarize participants with key public finance issues and challenges in developing countries with an emphasis on the subnational level;
2. To enable participants to apply basic public finance principles for analysis of fiscal decentralization and local government finance in developing countries with diverse political, institutional, and cultural contexts; and
3. To expose participants to the practice of fiscal decentralization and local government finance reform in developing countries.

### **Course Format**

The class will meet once a week. The format will blend lecture, discussion and in-class participatory assignments. There will be occasional guest speakers. Class participation is encouraged and expected.

## Requirements

The grade will be based on the following requirements:

- Team Policy Analysis Assignment (15%)
- Mid-term Examination (25%)
- Individual Policy Analysis Assignment (20%)
- Class Participation (10%)
- Final Examination or Individual Term Paper (30%)

### *Team Policy Analysis Assignment:*

The team policy analysis assignment involves an evaluation of a public sector fiscal issue conducted by small teams of students. Each team produces a memo of five to six pages.

### *Midterm Exam:*

The midterm exam (take-home) consists of short answer questions with some choice provided. More information will be provided in class in advance of the exam date.

### *Individual Policy Analysis Assignment:*

The individual policy analysis assignment involves an evaluation of a particular aspect of an intergovernmental fiscal system (choices allow each class member to focus on a topic of interest to them). Each individual produces an analytical policy memo of up to six pages.

### *Class Participation:*

Active class participation consists of coming to class prepared to engage in a reflective discussion and to ask good questions. There will be several ungraded in-class exercises and your participation in these exercises will also contribute to your class participation grade.

Please note that the attendance requirement is subject to the [NYU Policy on Religious Holidays](#), which states that members of any religious group may, without penalty, absent themselves from classes when required in compliance with their religious obligations. Please notify me in advance of religious holidays so that we can plan to deal with any material you might miss.

### *Final Examination or Individual Term Paper:*

For the final assignment, participants may choose to take a final exam or write a term paper. The final exam (take home) covers a choice of essay questions that focus on the synthesis of concepts and applications covered in the class. The term paper (up to ten pages) may be on (a) any topic covered in the course on which you would like to do additional work; or (b) the intergovernmental fiscal system or some aspect of it in one or more countries. Paper topics must be cleared in advance with the instructor.

More details on each assignment will be provided as per the course schedule.

## Academic Integrity and Grading Policy

The course will abide by the NYU Wagner School policy guidelines on academic integrity and grading. It is each student's responsibility to become familiar with these policies. All Wagner students have already read and signed the [Wagner Academic Oath](#) and are expected to pursue and meet the highest standards of academic excellence and integrity. Plagiarism of any form will not be tolerated and students in this class are expected to report violations to me. If any student in this class is unsure about what is expected of you and how to abide by the academic code, you should consult with me. Please see the NYU Wagner Student Portal for detailed information on the academic code and grading policy.

- [Academic Code](https://wagner.nyu.edu/portal/students/policies/code) (https://wagner.nyu.edu/portal/students/policies/code)
- [Grading](https://wagner.nyu.edu/portal/students/policies/grading) (https://wagner.nyu.edu/portal/students/policies/grading)

## Henry and Lucy Moses Center for Students with Disabilities at NYU

Academic accommodations are available for students with disabilities. Please visit the [Moses Center for Students with Disabilities \(CSD\) website](#) and click on the Reasonable Accommodations and How to Register tab or call or email CSD at (212-998-4980 or [mosescsd@nyu.edu](mailto:mosescsd@nyu.edu)) for information. Students who are requesting academic accommodations are strongly advised to reach out to the Moses Center as early as possible in the semester for assistance.

## Required Readings

We will read selected chapters from a textbook: R. Bahl, J. Linn and D. Wetzel, eds. **Financing Metropolitan Governments in Developing Countries** (Cambridge, MA: Lincoln Institute Press, 2013). This book is available to read in electronic form from the NYU library or can be purchased (paperback) or downloaded as a PDF for free from the Lincoln Institute of Land Policy website: [Financing-Metropolitan-Governments-in-Developing-Countries](https://www.lincolnst.edu/publications/books/financing-metropolitan-governments-developing-countries) (https://www.lincolnst.edu/publications/books/financing-metropolitan-governments-developing-countries)

**Readings are divided into primary and supplementary. All primary readings not from the textbook are available on the NYU Classes course site in the appropriate subsection under the Resources tab.** You will see that there is a great deal of reading listed for this course because it seeks to expose you to a range of the vast literature on this topic, but you are not expected to read everything carefully. Some primary readings are more important than others, and they are generally listed in order of importance for the material to be covered in class. **Guidance about the most important readings and which can be skimmed will be given in advance of each class.**

In addition, although each reading is included because it makes a unique contribution, some readings are partly redundant (i.e. more advanced readings and empirical papers often spend time reviewing basic principles covered in earlier readings) and thus can be read more rapidly once you have read others. In addition, a few readings involve sophisticated econometrics--you are not expected to follow technical details, only to take note of basic findings and implications.

The reading list also provides **supplementary readings**—some are older foundational papers and others are more recent treatments of major topics. Those with an interest in particular issues, methods, regions or countries can consult these additional readings. Some of the supplementary readings--many of the papers and articles, but mostly not books and larger volumes--are posted on NYU Classes, but you will have to find others you are interested in--most of the books and journals they are published in are available in Bobst Library or online.

**A number of overview volumes that do not include required readings are posted in the General folder under Resources on the NYU Classes site for this course.** These are only provided for you to consult if you wish to do so. These include:

- R. Bahl and R. Bird, **Fiscal Decentralization and Local Finance in Developing Countries: Development from Below** (Cheltenham, UK: Edward Elgar, 2018). This is the most recent volume from two of the leading scholars and practitioners of fiscal decentralization, but only the introductory chapter is posted because it is the only part of the volume that is open access.
- C. Farvacque-Vitkovic and M. Kopanyi, eds. **Municipal Finances: A Handbook for Local Governments** (Washington, DC: The World Bank, 2014). This includes practical summaries of fiscal decentralization issues and examples of practice--a good basic resource for students of applied local public finance in developing countries.
- **The Challenge of Local Government Financing in Developing Countries** (Nairobi: UN Habitat, 2015). This includes a set of papers focused on subnational revenues and issues related to the environments in which they are managed.
- **Local Government Finances: The Challenges of the 21st Century**. Global Observatory on Local Democracy and Decentralization—GOLD II. (Barcelona: United Cities and Local Governments, 2010). This is an overview of local government finance issues and reform directions, and it is particularly useful for those who have regional interests because it is one of the few publications that offers individual chapters on different regions of the world.
- **Subnational Governments Around the World: Structure and Finance**. (Barcelona: United Cities and Local Governments and Paris: OECD, 2016). This provides a more synthetic overview of subnational governments globally. Although there are likely nontrivial issues with the data, it demonstrates the great diversity of intergovernmental systems, usefully compares different types of systems around the world, and provides some snapshots of the systems in selected countries.
- **Financing Sustainable Development in the Least Developed Countries**. New York, NY: United Nations Department for Economic and Social Development, Financing for Development Office and United Nations Capital Development Fund, 2017). This provides an overview of subnational finance in the least developed countries and selected country case studies.

A number of additional volumes with relevance for fiscal decentralization and decentralization more generally are listed at the end of the syllabus.

**PADM-GP 2245: Financing Local Governments in Developing Countries**  
**Course Meeting Schedule: Fall 2019**

**I. Economic and Fiscal Reform in Developing Countries**

September 9: Fiscal Policy, Public Expenditures and Development

September 16: Tax Reform in Developing Countries

**II. Theories and Models of Multi-level Government Finance**

September 23: An Overview of Fiscal Federalism

**(Team Policy Analysis Assignment Distributed)**

September 30: Fiscal Federalism in Practice and Relevance for Developing Countries

October 7: Expenditure and Revenue Assignment in Developing Countries

**(Team Policy Analysis Assignment Due)**

**III. Subnational Government Own-Source Revenues**

October 14: Fall Recess (**No class on Monday, held as per NYU regulations on Tuesday October 15**)

October 15: Property Taxation

October 21: Other Local Own-Source Revenues

October 28: Local Government User Charges

**(Midterm Exam Distributed)**

**IV. Intergovernmental Fiscal Transfers, Subnational Borrowing and Privatization**

November 4: Intergovernmental Transfers

**(Midterm Exam Due; Individual Policy Assignment Distributed)**

November 11: Subnational Borrowing

November 18: Privatization/Public Private Partnerships

**(Individual Policy Assignment Due; Final Exam Distributed)**

**V. Prospects and Strategies for Fiscal Decentralization**

November 25: Linking Intergovernmental Fiscal Reform Components

December 2-9: Strategically Implementing Decentralization and Intergovernmental Reform

December 16: **Take-home Final Exam or Final Paper: due by 5 pm.**

## PADM-GP 2245 Reading List: Fall 2019

**Primary readings** are available in Bahl, Linn and Wetzel 2013 (signified by a star ★) or on NYU Classes. Most **supplementary readings** are available on NYU Classes.

### I. Economic and Fiscal Reform in Developing Countries (September 9-16)

#### A. Fiscal Policy, Public Expenditures and Development (September 9)

##### Primary Readings

- S. Devarajan and R. Kanbur "Development Strategy: Balancing Market and Government Failure." In B. Currie-Alder et. al., eds. **International Development: Ideas, Experience, Prospects.** (Oxford: Oxford University Press, 2014). (a review for those who need it)
- S. Gupta, et. al. "Fiscal Policy for Economic Development," in **Helping Countries Develop: The Role of Fiscal Policy** (Washington, DC: IMF, 2004), pp.1-22.
- B. Moreno-Dodson and M. Bayraktar. "How Can Public Spending Help You Grow? An Empirical Analysis for Developing Countries." **Economic Premise**, No. 48 (2011).
- S. Fan, "Public Expenditures, Growth and Poverty: Lessons from Developing Countries." Issue Brief No. 51. (Washington, DC: International Food Policy Research Institute, 2008).
- M. Brahmblatt and O. Canuto. "Fiscal Policy for Growth and Development," **Economic Premise**, No. 91 (2012).
- A. Shonchoy. "Political Institutions, Governance and Consumption Expenditure in Developing Countries." **Contemporary Economic Policy**. Vol. 34 (2016), pp. 701-728.
- ["What Structural Reform Is and Why It Is Important."](#) **The Economist**, December 9, 2014.

##### Supplementary Readings

- T. Addison. M. Nono-Zarazua and J. Pirtila. "Fiscal Policy, State Building and Economic Development." **Journal of International Development**, Vol. 30 (2018), pp. 161-172.
- C. Carrere and J. de Melo. "Fiscal Spending and Economic Growth: Some Stylized Facts." **World Development**, Vol. 40, No. 9 (2012), pp. 1750-161.
- W. Reed and N. Sidek. "A Replication of 'Meta-Analysis of the Effect of Fiscal Policies on Long-run Growth'" **Public Finance Review**, Vol. 44, No. 3 (2016).
- J. Ostry, A. Berg and C. Tsangarides, "Redistribution, Inequality and Growth." **Staff Discussion Note** No.14/02 (Washington, DC: International Monetary Fund, 2014).
- J. Ahrens, R. Schweickert and J. Zenker. "Varieties of Capitalism and Government Spending." **Journal of Economic Development**, Vol. 40, No. 1 (2015), pp. 113-136.
- S. Paternostro, A. Rajaram, and E. Tiongson, "How Does the Composition of Public Spending Matter?" **Oxford Development Studies**, Vol. 35, No. 1 (2007), pp. 45-82.
- C. Shelton. "The Size and Composition of Public Expenditure." **Journal of Public Economics**, Vol. 91 (2007), pp. 2230-2260.
- A. Lopez-Claros. "Fiscal Challenges after the Global Financial Crisis: A Survey of Key Issues." **Policy Research Working Paper** No. 6805 (Washington, DC: World Bank, 2014).

- O. Celasun, et. al. "Fiscal Policy in Latin America: Lessons and Legacies of the Global Financial Crisis." (Washington, DC: International Monetary Fund, 2015).
- S. Hur. "Government Spending and Inclusive Growth in Developing Asia." (Manila: Asian Development Bank, 2014).

## B. Tax Reform (September 16)

### Primary Readings:

- R. Bird and A. Das Gupta. "Public Finance in Developing Countries." In B. Currie-Alder, et.al. **International Development: Ideas, Experience, Prospects.** (Oxford: Oxford University Press, 2014).
- R. Bahl and R. Bird, "Tax Policy in Developing Countries: Looking Back--and Forward," **National Tax Journal**, Vol. 61, No. 2 (2008), pp. 279-301.
- T. Besley and T. Persson, "Why Do Developing Countries Tax So Little?" **Journal of Economic Perspectives**, Vol. 28, No. 4 (2014), pp. 99-120.
- M. Everest-Phillips, "State-Building Taxation for Developing Countries: Principles for Reform." **Development Policy Review**, Vol. 28, No. 1 (2010), pp. 75-96.
- ["Stuck in the Past: Overhaul Tax for the 21<sup>st</sup> Century."](#) **The Economist**, August 9, 2018.

### Supplementary Readings

- J. Martinez-Vazquez and R. Bird, "Sustainable Development Requires a Good Tax System." in R. Bird and J. Martinez-Vazquez, eds. **Taxation and Development: The Weakest Link** (Cheltenham, UK and Northampton, MA: Edward Elgar, 2014), pp. 1-24.
- M. Moore and W. Prichard. "How Can Governments of Low-Income Countries Collect More Tax Revenue?" **ICTD Working Paper** No. 70. (Brighton: International Center for Tax and Development, 2017).
- T. Besley and T. Persson. "Taxation and Development." in A. Auerbach, et.al., eds. **Handbook of Public Economics.** (Amsterdam: Elsevier, 2013), pp. 51-110).
- M. Keen. "Taxation and Development--Again." **IMF Working Papers** No. 12/220. (Washington, DC: International Monetary Fund, 2012).
- O. Morrissey, et. al. "Tax Revenue Performance and Vulnerability in Developing Countries." **Journal of Development Studies.** Vol. 52, No. 12 (2016), pp. 1689-1703.
- R. Gordon and W. Li, "Tax Structure in Developing Countries: Many Puzzles and a Possible Explanation." **Journal of Public Economics**, Vol. 93 (2009), pp. 855-866.
- S. Rao. **Tax Reform: Topic Guide.** (Birmingham, UK: GSDRC, University of Birmingham, 2014).
- R. Bird, "The BBLR Approach to Tax Reform in Emerging Countries." in M.G. Rao and M. Rakshit, eds. **Public Economics: Theory and Policy.** (Thousand Oaks, CA: Sage Publishing, 2011), pp. 37-63).
- R. Bird, "Managing Tax Reform." **Bulletin of International Fiscal Documentation**, Vol. 58 (2004), No. 2, pp. 42-55.
- O. Fjeldsted, "Tax and Development: Donor Support to Strengthen Tax Systems in Developing Countries." **Public Administration & Development**, Vol. 34 (2014), 181-192.

## II. Theories and Models of Multi-Level Government Finance (September 23-October 15)

### A. Overview of Fiscal Federalism (September 23)

#### Primary Readings

- ★R. Bahl, J. Linn and D. Wetzel. "Governing and Financing Metropolitan Areas in the Developing World," in Bahl, Linn and Wetzel (2013), pp. 1-30.
- W. Oates, "An Essay on Fiscal Federalism," **Journal of Economic Literature**, Vol. 37 (1999), pp. 1120-1149.
- D. Vo, "The Economics of Fiscal Decentralization," **Journal of Economic Surveys**, Vol. 24, No. 4 (2010), pp. 657-679.
- W. Oates, "Toward a Second-Generation Theory of Fiscal Federalism," **International Tax and Public Finance**, Vol. 12, No. 4 (August 2005), pp. 349-373.
- B. Weingast, "Second Generation Fiscal Federalism: Political Aspects of Decentralization and Economic Development." **World Development**, Vol. 53 (2014), pp. 14-25.

#### Supplementary Readings

- E. Ahmad and G. Brosio, eds. **Handbook of Multilevel Finance**. Cheltenham, UK: Edward Elgar, 2015).
- S. Gomes, "Fiscal Powers to Subnational Governments: Reassessing the Concept of Fiscal Autonomy," **Regional & Federal Studies**, Vol. 22, No. 4 (2012), pp. 387-406.
- W. Fox and T. Gurley, "Will Consolidation Improve Subnational Governments?" **Policy Research Working Papers** No. 3912 (Washington, DC: World Bank, 2006).
- G. Grossman and J. Lewis, "Administrative Unit Proliferation," **American Political Science Review**, Vol. 108, No. 1 (2014), pp. 196-217.
- D. Mookherjee, "Decentralization, Hierarchies and Incentives: A Mechanism Design Perspective," **Journal of Economic Literature**, Vol. 44 (June 2006), pp. 367-390.
- J. Rodden, G. Eskeland and J. Litvack, **Fiscal Decentralization and the Challenge of Hard Budget Constraints** (Cambridge, MA: MIT Press, 2003).

### B. Fiscal Federalism in Practice & Relevance for Developing Countries (September 30)

#### Primary Readings

- ★P. Smoke, "Metropolitan Cities in the National Fiscal and Institutional Structure," in Bahl, Linn and Wetzel (2013), pp. 57-84.
- R. Bird. "Are There Trends in Local Finance? A Comparative Look at Data and Models of Local Government Finance." **International Studies Program Working Paper** 12-05. Atlanta, GA: Andrew Young School, Georgia State University, 2012), focus pp. 1-11.
- V. Tanzi, "Pitfalls on the Road to Fiscal Decentralization," **Global Policy Working Paper** No. 19. Washington, DC: Carnegie Endowment for International Peace, 2001.



- J. Martinez-Vazquez and F. Vallencourt, "An Overview of the Main Obstacles to Decentralization," In **Decentralization in Developing Countries: Global Perspectives on the Obstacles to Fiscal Devolution**. (Cheltenham, UK: Edward Elgar, 2011), pp. 1-21.
- J. Martinez-Vazquez, S. Lago-Penas and A. Sacchi. "The Impact of Fiscal Decentralization: A Survey." **Journal of Economic Surveys**, Vol. 30, No. 4 (2017), pp. 1095-1129. (skim for key points)

### Supplementary Readings

- R. Bahl, "The Decentralization of Governance in Metropolitan Areas," in Bahl, Linn and Wetzel (2013), pp. 85-106.
- J. P. Faguet and C. Poschl, eds. **Is Decentralization Good for Development? Perspectives from Academics and Policy Makers**. (Oxford: Oxford University Press, 2015).
- M. Sow and I. Razafimahefa. "Fiscal Decentralization and Fiscal Policy Performance." **IMF Working Paper** No. 17/64. (Washington, DC: International Monetary Fund, 2017).
- L. Eyraud and L. Lusinyan. "Decentralizing Spending More than Revenue: Does It Hurt Fiscal Performance?" **IMF Working Paper** No. 11/226. (Washington, DC: International Monetary Fund, 2011).
- M. Sow and I. Razafimahefa. "Fiscal Decentralization and the Efficiency of Public Service Delivery." **IMF Working Paper** No. 15/59. (Washington, DC: International Monetary Fund, 2015).
- H. Smith and K. Revell. "Micro-Incentives and Municipal Behavior: Political Decentralization and Fiscal Federalism in Argentina and Mexico." **World Development**, Vol. 77 (2016), pp. 231-248.
- S. Fardoust and V. Ravishankar. "Subnational Fiscal Policy in Large Developing Countries: Some Lessons from the 2008-09 Crisis for Brazil, China and India." **Policy Research Working Paper** No. 6409. (Washington, DC: The World Bank, 2013).
- T. Madies and J. Dethier, "Fiscal Competition in Developing Countries: A Survey of the Theoretical and Empirical Literature." **Policy Research Working Papers** No 5311. (Washington, DC: World Bank, 2010).
- M. Ivanyina and A. Shah. "Decentralization and Corruption: New Cross-Country Evidence." **Policy Research Working Papers** No. 5299. (Washington, DC: World Bank, 2010).
- M. Jametti and M. Joanis. "Electoral Competition as a Determinant of Fiscal Decentralization." **Fiscal Studies**, Vol. 37 (2016), No. 2, pp. 285-300.
- R. Ponce-Rodriguez, et.al. "Rethinking the Political Economy of Decentralization: How Elections and Parties Shape Provision of Local Public Goods." **Governance and Economics Research Network Working Paper** A-2016-3 (Vigo: Universidad de Vigo, 2016).
- C. Dziobek, C. Gutierrez Mangas, and P. Kufa. "Measuring Fiscal Decentralization – Exploring the IMF’s Databases." **IMF Working Paper** No. 11/126 (Washington, DC: International Monetary Fund, 2011).
- P. Smoke, **Fiscal Decentralization in Developing Countries: A Review of Concepts and Practice**, (Geneva: UN Research Institute for Social Development, 2001).

## C. Expenditure and Revenue Assignment in Developing Countries (October 7)

### Primary Readings

- ★R. Bird and E. Slack, "Metropolitan Public Finance: An Overview," in Bahl, Linn and Wetzel (2013), pp. 135-158.
- C. McClure and J. Martinez-Vasquez, "The Assignment of Revenues and Expenditures in Intergovernmental Fiscal Relations" (Washington, DC: The World Bank, 2004).
- R. Bahl and R. Bird, "Subnational Taxes in Developing Countries: The Way Forward." **Public Budgeting and Finance**, Vol. 28, No. 4 (2008), pp. 1-25.
- P. Smoke, "Why Theory and Practice Differ: The Gap Between Principles and Reality in Subnational Revenue Systems." in R. Bird and J. Martinez-Vasquez, eds. **Taxation and Development: The Weakest Link** (Cheltenham, UK: Edward Elgar, 2014), pp. 287-325.

### Supplementary Readings

- R. Bird and E. Slack. "Local Taxes and Local Expenditures in Developing Countries: Strengthening the Wicksellian Connection." **Public Administration and Development**, Vol. 34, No. 3 (2014), pp. 359-369.
- R. Bird, B. Dafflon, C. Jeanrenaud and G. Kirchgassner. "Assignment of Responsibilities and Fiscal Federalism." **Politorbis**, No. 32 (2003), pp. 58-78.
- R. Bahl and M. Cyan, "Tax Assignment: Does the Practice Match the Theory?" **Environment and Planning C: Government and Policy**, Vol. 29, (2011), pp. 264-280.
- P. Smoke, "Expenditure Assignment under Indonesia's Emerging Decentralization:" in J. Alm, J. Martinez-Vasquez, and S. Indrawati, eds., **Reforming Intergovernmental Fiscal Relations and the Rebuilding of Indonesia** (Cheltenham: Edward Elgar, 2005).
- N. Loayza, J. Rigolini, and O. Calvo-Gonzalez. "More Than You Can Handle: Decentralization and Spending Ability of Peruvian Municipalities." **Economics and Politics**, Vol. 26, No. 1 (2014), pp. 56-78.
- O. Fjeldstad and J. Semboja, "Why People Pay Taxes: The Case of the Development Levy in Tanzania," **World Development**, Vol. 29, No. 12 (2001), pp. 2059-2074.
- R. Ebel and R. Taliercio, "Subnational Tax Policy and Administration in Developing Economies," **Tax Notes International**, March 7, 2005, pp. 919-936.
- R. Taliercio, "Administrative Reform as Credible Commitment: The Impact of Revenue Autonomy on Revenue Authority Performance in Latin America," **World Development**, Vol. 32, No. 2 (2004), pp. 213-232.

## III. Subnational Government Own-Source Revenues (October 15-28)

### A. Property Taxation (October 15)

#### Primary Readings

- ★W. McCluskey and R. Franzen, "Property Taxes in Metropolitan Cities," in Bahl, Linn and Wetzel (2013), pp. 159-182.

- R. Bahl, J. Martinez-Vazquez and J. Youngman, "The Property Tax in Practice," in **Making the Property Tax Work: Experiences in Developing and Transitional Countries** (Cambridge, MA: Lincoln Institute Press, 2008), pp. 3-18.
- B. Lewis, "Property Tax in Indonesia: Measuring and Explaining Administrative (Under-) Performance," **Public Administration and Development**, Vol. 23 (2003), pp. 227-239.
- S. Jibao and W. Pritchard. "The Political Economy of Property Tax in Africa: Explaining Reform Outcomes in Sierra Leone." **African Affairs**, Vol. 114, No. 456 (2015), pp. 404-431.
- M. Piracha and M. Moore. "Revenue-Maximizing or Revenue-Sacrificing Government? Property Tax in Pakistan." **Journal of Development Studies**. Vol. 52 (2016), pp. 1776-1790.
- O. Fjeldstad, M. Ali and L. Katera. "Policy Implementation Under Stress: Central-Local Government Relations in Property Tax Administration in Tanzania." **Journal of Financial Management of Property and Construction**. Vol. 24 (2019) forthcoming.
- ["The Time May Be Right for Land-Value Taxes."](#) **The Economist**, August 9, 2018.

#### Supplementary Readings

- R. Kelly, "Making the Property Tax Work," in R. Bird and J. Martinez-Vazquez, eds. **Taxation and Development: The Weakest Link** (Cheltenham, 2014), pp. 326-363.
- R. Bahl and Sally Wallace, "Reforming the Property Tax in Developing Countries: A New Approach." **International Studies Program Working Papers** No. 08-19. (Atlanta, GA: Andrew Young School of Policy Studies, Georgia State University, 2008).
- A. Ahmad, G. Brosio and C. Poschl. "Local Property Taxation and Benefits in Developing Countries - Overcoming Political Resistance?" **Asia Research Center Working Paper 65**. (London: London School of Economics & Political Science, 2014).
- R. Kelly, "Property Taxation in Indonesia: Challenges from Decentralization", (Cambridge, MA: Lincoln Institute of Land Policy, 2003).
- F. Obeng-Odoom. "Urban Property Taxation, Revenue Generation and Redistribution in a Frontier Oil City." **Cities**, Vol. 36 (2014), pp. 58-64.
- C. Sepulveda and J. Martinez-Vazquez. "Explaining Property Tax Collections: The Case of Latin America." In G. Brosio and J. Jimenez, eds. **Decentralization and Reform in Latin America**. (Cheltenham: Edward Elgar, 2012, pp. 172-222).
- G. Rao. **Property Tax System in India: Problems and Prospects for Reform**. (New Delhi: National Institute for Public Finance and Policy, 2013).
- N, Monkham. "Property Tax Administration in Francophone Africa: Structures, Challenges and Progress." **Public Finance and Management**, Vol. 11, No. 1 (2011), pp. 48-81.
- B. Tang, S. Wong, and S. Liu, "Institutions, Property Taxation and Local Government Finance in China," **Urban Studies**, Vol. 48, No. 5 (2010), pp. 847-875.
- R. Kelly, "Designing Property Tax Reform for Sub-Saharan Africa: An Analytical Framework Applied to Kenya," **Public Budgeting & Finance**, Vol. 20, No. 4 (2000), 36-51.
- R. Bird and E. Slack, "The Role of the Property Tax in Financing Rural Local Governments in Developing Countries," **International Tax Program Working Paper** No. 608 (Toronto: University of Toronto, 2006).

## B. Other Subnational Revenues (October 21)

### Primary Readings

- ★J. Martinez-Vazquez, "Local Non-Property Revenues," in Bahl, Linn and Wetzel (2013), pp. 182-212.
- N. Devas and R. Kelly, "Regulation or Revenues: An Analysis of Local Business Licenses, with a Case Study of the Single Business Permit in Kenya," **Public Administration and Development**, Vol. 21, No. 5 (2001), pp.381-391.
- A. Joshi, W. Prichard and C. Heady. "Taxing the Informal Economy: The Current State of Knowledge and Agenda for Future Research." **Journal of Development Studies**, Vol. 50, No. 10 (2014), pp. 1325-1347.

### Supplementary Readings

- R. Bird, "Subnational Taxation in Developing Countries: A Review of the Literature." **Policy Research Working Paper** 5450 (Washington, DC: The World Bank, 2010).
- O. Fjeldstad, G. Chambas and J. Brun, **Local Government Taxation in Sub-Saharan Africa: Review and Agenda for Research**. (Bergen: Chr. Michelsen Institute, 2014).
- R. Bahl and D. Solomon, "The Regional Services Council Levy," in R. Bahl and P. Smoke, eds. **Restructuring Local Government Finance in Developing Countries: Lessons from South Africa** (Cheltenham, UK: Edward Elgar, 2003).
- O.P. Mathur and N. von Einsiedel, **Increasing the Income of Cities: Tapping the Potential of Non-land-based Sources of Revenue** (Nairobi: UN-Habitat, 1996).
- J. Mikesell, "Developing Options for the Administration of Local Taxes: An International Review" **Public Budgeting and Finance**, Vol. 27 (2007), pp. 41-68.

## C. User Charges (October 28)

### Primary Readings

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## IV. Intergovernmental Transfers, Borrowing and Privatization (November 4-18)

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