

**Fulbright Economics Teaching Program  
Academic Year 2013-2014  
Spring Semester**

**COURSE SYLLABUS**

**PUBLIC SECTOR ECONOMICS**

***Teaching Team***

Instructors:	Huynh The Du	<a href="mailto:duht@fetp.vnn.vn">duht@fetp.vnn.vn</a>
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Co-Instructors:	Mai Hoang Chuong	<a href="mailto:chuongmh@fetp.vnn.vn">chuongmh@fetp.vnn.vn</a>
	Do Thien Anh Tuan	<a href="mailto:tuandta@fetp.vnn.vn">tuandta@fetp.vnn.vn</a>

***Office Hours***

	Monday	Tuesday	Wednesday	Thursday	Friday
Huynh The Du	15:30-17:00		15:30-17:00		
Mai Hoang Chuong		17:00-18:00			17:00-19:00
Do Thien Anh Tuan		15:30-17:00		15:30-17:00	

If you have a scheduling conflict with these regular office hours, please feel free to make appointments at other mutually convenient times.

***Objectives of the Course***

The course examines policy options, with their strategic trade-offs and operational implications, for the design and implementation of public sector roles and public interventions in an economy. The first part focuses on the public resource mobilization via three main sources including taxes, user charges and borrowing. The second part introduces the rationale for the public sector intervention, ways to correct market failures in a complete spectrum including: public sector production and provision, state-owned enterprises, private sector participation or public private partnership, and regulation. This part also analyses the political economy of the public sector, measurement of government intervention efficiency, the despair cycle: from the market failures to government failures and vice versa. The final part looks at the roles of different government levels and intergovernmental relations. The course emphasizes utilization of theoretical and applied techniques in a comparative context for evaluation of the impact of alternative resource mobilization and expenditure policies on efficient allocation, social equity, and economic stability.

## *Course Outline*

### **I. Public Resource Mobilization**

- A. Introduction
- B. Economics of Taxation
- C. Taxation of Income, Wealth, and Consumption
- D. Tax Reform
- E. User Charges
- F. Tax Incentives, Compliance, and Enforcement
- G. History of Taxation in Vietnam
- H. Fiscal Balance, Deficit and Financing
- I. Public debt

### **II. Interventions of the Public Sector**

- A. The Rationale for the Public Sector intervention
- B. Public Choice Theories
- C. The Political Economy of the Public Sector
- D. Public Sector Production and Provision
- E. Public-Private Partnership
- F. Government Social Protection Policies
- G. Public investment
- H. Assessment of Public Sector Performance
- I. Government Failure and Corrections

### **III. Intergovernmental Relations**

- A. Fiscal Decentralization
- B. Public investment decentralization
- C. Resource Transfers and Local Government Debt Financing
- D. Local Government Public Finance

## *Course Requirements and Assessment*

- It is expected that participants will attend class regularly, actively participate in class discussions, and successfully complete all course written requirements. Please read the assigned readings before class, and come to class prepared to discuss these readings.
- There will be three problem sets, which may require the use of electronic spreadsheets like Excel. Participants will have one week to complete each problem set. In preparing the solutions to the problem sets, participants are encouraged to work in groups of three to four people, but they must write and submit their own individual answers.
- There will be seven policy memos based on case studies which must be completed without consultation with other class participants. Participants will have one week to complete each policy memo.
- Assignments should be submitted by 8:20 a.m. on the due date. The teaching team will make every effort to return graded assignments, along with suggested solutions, to students within a week from the day of submission. If there are any questions about the grading of the assignments, please feel free to arrange a meeting with the instructors of the course.

- Late submission is subject to penalty described under section VI.3 (Homework Assignments) in Student Handbook. Only under extenuating circumstances, at the discretion and with the permission of the instructor, can late submission be allowed.

*Grades will be determined by:*

Class participation	10%	
Problem sets	15%	
Policy memos	20%	
Midterm exam		25%
Final paper	30%	

*Main Required Course Texts*

1. Alan Altshuler and David Luberoff (2003), *Mega-Projects: The Changing Politics of Urban Public Investment*, Brookings Institution Press and Lincoln Institute of Land Policy.
2. Jonathan Gruber (2011), *Public Finance and Public Policy*, MIT Press
3. Joseph E. Stiglitz (2000), *Economics of the Public Sector*, 3<sup>rd</sup> ed., Norton & Co.,
4. World Bank (2011), *Tax Reform in Vietnam: Toward a More Efficient and Equitable System*

*Class Schedule*

**Part I: Public Resource Mobilization**

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**Class # 1 (4/14): Introduction of the Course and Economics of Taxation I**

- *Introduction of the course*
- *Taxation and social fairness: a tax burden perspective*
- *Features of a Sound Tax Regime*
- *Tax burden allocation*
- *Policy discussion: Examples from Vietnam*

Jonathan Gruber (2011), Chapter 1

Joseph E. Stiglitz (2000), Chapter 18

PROBLEM SET #1 (ECONOMICS OF TAXATION) DISTRIBUTED: DUE on 4/21

**Class # 2 (4/16): Economics of Taxation II**

- *Taxation and its economic inefficiency*
- *Theory of optimal taxation*
- *Policy discussion: Tax impact on labor and saving*

Joseph E. Stiglitz (2000), Chapters 19 & 20

Jonathan Gruber (2011), Chapters 20, 21 & 22

POLICY MEMO #1 (TAXATION OF ALCOHOL IN THAILAND) DISTRIBUTED: DUE ON 4/23

POLICY MEMO #2 (FINANCING TRANSPORTATION IN PHILADELPHIA) DISTRIBUTED: DUE ON 4/25

**Class # 3 (4/21): Taxation of Wealth**

- *Tax on land and buildings in general*
- *Policy discussion: non- arable land tax in Vietnam*

WB (2011), Chapter 9: Tax on Land and Assets

Jay K. Rosengard (1998), *Introduction*, Chapter 1 in *Property Tax Reform in Developing Countries*, Kluwer Academic Publishers, pp. 1-30

PROBLEM SET #1 (ECONOMICS OF TAXATION) DUE

**Class # 4 (4/21): Case study**

Jay K. Rosengard (1998), *Indonesia Case Study*, Chapter 5 in *Property Tax Reform in Developing Countries*, Kluwer Academic Publishers, pp. 111-156

**Class # 5 (4/22): Taxation of Income**

- *Personal and corporate income tax in general*
- *Policy discussion: Personal and corporate income tax Reform in Vietnam*

Joseph E. Stiglitz (2000), Chapter 21

Janet Stotsky (1995), *The Base of the Personal Income Tax and The Choice of Taxable Unit* and John Norregaard, *The Progressivity of Personal Income Tax Systems in Parthasarathi Shome, ed., Tax Policy Handbook*, Washington, D.C.: IMF, pp. 121-136

**Class # 6 (4/22): Case study**

Jay K. Rosengard and Do Ngoc Huynh (2006), *Vietnam Personal Income Tax: Policy Discussion Paper*

Vu Thanh Tu Anh and Huynh The Du (2009), *Draft of Law on Personal Income Tax: more harm!*, Saigon Economic Review

**Class # 7 (4/23): Taxation of Consumption**

- *General sales and companion use taxes, excise taxes, value added taxes*
- *Comparison of sales and value added taxes*
- *Policy discussion: Value Added Tax Reform in Vietnam*

WB (2011), Chapter 7: VAT

Jonathan Gruber (2011), *Section 25.3: Consumption Tax*, pg. 754-763

Do Thien Anh Tuan (2012), *Value Added Tax Reform in Vietnam*

PROBLEM SET #2 (DIRECT AND INDIRECT TAXES) DISTRIBUTED: DUE ON 05/05

**Class # 8 (4/23): Case study**

Aswin Techajareonvikul (2005), *Liquor Tax Reform in Thailand: Competing Interests and Objectives*, HKS Case No. CR14-06-1857.0

POLICY MEMO #1 (TAXATION OF ALCOHOL IN THAILAND) DUE

**Class # 9 (4/24): Tax Reform**

- *Rationale for, obstacles to, and lessons of tax reform*
- *Independent revenue authorities*
- *Cases: Examples from selected countries*

Jonathan Gruber (2011), Chapter 25

Joel Slemrod and Jon Bakija (2008), *Elements of Fundamental Reform*, Chapter 6 in *Taxing Ourselves*, Russell Sage Foundation

WB (2011), *Chapter 5: Tax Reform and Revenue Assignments in Vietnam*

**Class # 10 (4/24): Case study**

HKS Case Study, *Reform of the BIR in the Philippines*.

PROBLEM SET#3 (TAX REFORM, TAX INCENTIVES, COMPLIANCE AND ENFORCEMENT) DISTRIBUTED: DUE ON 5/12.

**Class # 11 (4/25): User Charges – Framework**

- *Taxes vs. user charges (fees)*
- *Types and structures of user charges*

Ronald C. Fisher (1996), *Pricing of Government Goods: User Charges*, in *State and Local Public Finance*, 3<sup>rd</sup> ed., Richard D. Irwin, pp. 170-196

Do Thien Anh Tuan (2012). HCMC-Trung Luong Highway

**Class # 12 (4/25): Case study**

Mary Lovely, *Financing Transportation in Philadelphia*, HKS Case No. C16-81-476.

POLICY MEMO #2 (FINANCING TRANSPORTATION IN PHILADELPHIA) DUE.

**Class # 13 (5/05): Tax Incentives, Compliance, and Enforcement**

- *Tax avoidance and tax evasion*

- *Positive and negative incentives*
- *Policy discussion: Examples from selected countries*

Joseph E. Stiglitz (2000), Chapter 24

WB (2011), *Chapter 2: Tax Compliance and Sources of Revenue Leakage: Conceptual Framework and Assessment*

PROBLEM SET #2 (DIRECT AND INDIRECT TAXES) DUE.

**Class # 14 (5/07): Case study**

Do Thien Anh Tuan and Huynh The Du (2014), *Transfer Pricing of FDI Enterprises in Vietnam*, FETP case study

**Class # 15 (5/09): History of Taxation in Vietnam**

Phan Hiền Minh, Nguyễn Ngọc Thanh, and Châu Thành Nghĩa (2001), *Overview of Taxation*, Chapter I in *Practical Taxation Handbook*, Statistics Press, 2001, pp. 1–10.

WB (2011), *Chapter 8: Taxation In Vietnam: Who Pays What?*

**Class # 16 (5/12): Fiscal Balance, Fiscal Deficits, and Deficit Financing**

- *Tradeoffs in maintaining a balanced budget*
- *Alternatives for financing fiscal deficits*
- *Policy discussion: Fiscal Deficits and Deficit Financing in Vietnam*

Jonathan Gruber (2011), Chapter 4

Joseph E. Stiglitz (2000), Chapter 28

PROBLEM SET#3 (TAX REFORM, TAX INCENTIVES, COMPLIANCE AND ENFORCEMENT) DUE

POLICY MEMO #3 (PUBLIC DEBT IN VIETNAM) DISTRIBUTED, DUE ON 5/19.

**Class # 17 (5/14): Public Debt and Management**

- *Public debt, government debt, and SOE debts*
- *Public debt crisis and US and EU fiscal space*
- *Public debt risk management*
- *Policy discussion: public debt in Vietnam*

Vu Thanh Tu Anh (2011), *Public Debt, Government Debt, and SOE Debts*

Do Thien Anh Tuan (2013), *The Future for Vietnam's Public Debt: Trends and Challenges*

Moody's Analytics (2011), *Fiscal Space*, Special Report 12-2011.

World Bank (2009), *Debt Management Performance Assessment (DeMPA) Tool*

**Class # 18 (5/16): Review (from 2PM-4PM, optional)**

**Part II: Intervention of the Public Sector**

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**Class # 19 (5/19): Economic Rationale for Public Sector Roles and Interventions**

- *Market failures due to market power, asymmetric information, externality, public goods, equality, macro imbalances.*
- *Correct market failures and mobilize resources for the public sector operation.*
- *The changing role of government in transitional economies*

Joseph E. Stiglitz (2000), Chapter 1

Huynh The Du (2013), The role and the nature of the state

**Class # 20 (5/21): Public Choice**

- *Differences between collective actions and individual actions*
- *Government models*

Joseph E. Stiglitz (2000), Chapter 7

Xuan Trung – Quang Thien (2005), *Dumping coal*, Excerpt in *Nights before Doi Moi*, Tuoi Tre Newspaper (distributed in class)

POLICY MEMO #4 (THE BIG DIG) DISTRIBUTED; DUE ON 7/3

**FRIDAY, 5/23: MID-TERM EXAM**

**Class # 21 (7/01): Political Economy of the Public Sector**

- *Importance of political factors in determining public policy*
- *Tradeoffs among conflicting economic, political, and social policy objectives*

Alan Altshuler and David Luberoff (2003), Chapters 3&8

Jonathan Gruber (2011), Chapter 9

The Economist (1999), *The Grabbing Hand*, February 13, 350(8106): 76.

POLICY MEMO #5 (SOEs IN VIETNAM) DISTRIBUTED, DUE ON 7/08.

**Class # 22 (7/03): Case study**

Alan Altshuler and David Luberoff (2003), *The Big Dig*, HKS case study.

POLICY MEMO #4 (THE BIG DIG) DUE.

**Class # 23 (7/04): Public Sector Production and Provision of Goods and Services**

- *Interventions to mitigate market failures*
- *Public and quasi-public goods*

- *The role of the SOE in several economies*
- *Role and Efficiency of SOEs*

Joseph E. Stiglitz (2000), *Chapter 6 & 8*

Vu Thanh Tu Anh (2010), *SOEs fall short of being driving force,* Saigon Economics Review

**Class # 24 (7/08): Case study**

Tran Que Giang and Vu Thanh Tu Anh (2012), *State conglomerates and SOE equitization in Vietnam*, FETP case study

POLICY MEMO #5 (SOEs IN VIETNAM) DUE.

**Class # 25 (7/10): Public investment in Vietnam**

- *Public investment structure*
- *Preliminary Assessment of Public Sector Performance*
- *Policy Discussion: Public investment decentralization in Vietnam*

Vũ Thành Tựu Anh (2010), *SOEs without capability to lead*, Saigon Economics Review,

Vũ Tuấn Anh and Nguyễn Quang Thái (2011), *Public Investment in the last ten years*, Chapter 1 in *Public Investment*, Encyclopedia Publisher, pp. 13-101.

**Class # 26 (7/15): Government Social Protection Policies I**

- *Social expenditures in developing and transitional economies*
- *Policy Discussion: Health and education expenditures in Vietnam*

Vũ Hoàng Linh, Lê Việt Thủy, and Giang Thành Long (2010), *Access and Equity in Tertiary Education in Vietnam*, draft, commissioned by the World Bank's East Asia Regional Office.

Giang Thành Long (2010), *Reaching a Universal Health Insurance in Vietnam: Challenges and the Role of Government*, Asia-Pacific Development Journal, Vol. 18, No. 1

Jonathan Gruber (2011), *Chapter 11 & 12*

World Bank (2005), *Vietnam: Managing Public Expenditure for Poverty Reduction and Growth – Public Expenditure Review and Integrated Fiduciary Assessment*, Vol. 1: Cross Sectorial Issues, “Executive Summary”

POLICY MEMO #6 (CANCUN, MEXICO: WATER AND WASTEWATER PRIVATIZATION)DISCTRIBUTED: DUE ON 7/22.

**Class # 27 (7/17): Government Social Protection Policies II**

- *Social security reforms in the world and developing economies.*
- *Case: Social security policy in Vietnam*

Jonathan Gruber (2011), *Chapter 13*

Paul Krugman (2005), *Confusions about Social Security*, The Economists' Voice: Vol. 2



Joseph Stiglitz (2005), *Securing Social Security for the Future*, The Economists' Voice: Vol. 2

**Class # 28 (7/18): Public-Private Partnerships (PPP)**

- *Rationale for private participation in infrastructure (PPI)*
- *Types of PSP/PPP*
- *Cases: Infrastructure PPPs in Vietnam*

Edward R. Yescombe (2007), *Chapter 1 & 2*, in *Public-Private Partnership: Principles of Policy and Finance*, Elsevier Ltd.,

Huynh The Du (2011), *Public-Private Partnership: A Wand?*, Saigon Economics Review

Antonio Estache (2005), *PPI Partnerships Versus PPI Divorces in LDCs*, Policy Research Working Paper 3470, World Bank

**Class # 29 (7/22): Case study (PPP)**

Gustavo Merino-Jarez and Carolina Gutierrez de Taliercio (2000), *Cancun. Mexico: Water and wastewater privatization in Mexico*, HKS Case No. 1593.0 and HKS Case Sequel No. 1593.1

POLICY MEMO #6 (CANCUN, MEXICO: WATER AND WASTEWATER PRIVATIZATION) DUE.

**Class # 30 (7/24): Assessment of Public Sector Performance**

- *Expenditure efficiency and effectiveness*
- *Comparative performance measurement*
- *Policy discussion: assessment of ministries and local governments' performance*

Joseph E. Stiglitz (2000), *Chapter 10*

CECODES, Vietnamese Fatherland Front and UNDP (2010), PAPI 2010

VCCI (2011), *Ministerial Effectiveness Index 2011 (MEI)*

**Class # 31 (7/29): Government Failure**

- *Causes of government failure*
- *Unintended consequences of government interventions*
- *Policy discussion: Government failure and macroeconomic instability in Vietnam*

David L. Weimer and Aidan R. Vining (2005), *Chapter 8 & 10*, in *Policy Analysis: Concepts and Practice, 3rd ed.*, Pearson: Prentice Hall

**Part III: Roles of the Government Levels and Intergovernmental Relations**

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**Class # 32 (7/31): Fiscal Decentralization**

- *Rationale for fiscal decentralization*

- *Deconcentration, delegation, devolution, and transfer of functions*
- *Measuring and evaluating fiscal decentralization*
- *Cases: Examples from selected countries and Vietnam*

Anwar Shah (2004), *Fiscal Decentralization in Developing and Transition Economies: Progress, Problems, and the Promise*, World Bank Policy Research Working Paper No. 3282

Vu Thanh Tu Anh (2012), *Economic Decentralization in Vietnam: An Institutional Perspective*.

POLICY MEMO #7 (DANANG AND BINH DUONG PUBLIC FINANCE MODELS) DISTRIBUTED, DUE ON 8/08.

### **Class # 33 (8/05): Resource Transfers and Cross Subsidy**

- *Resource allocation options*
- *Revenue sharing grant formulas*
- *Case: Fiscal decentralization and resource transfers in Vietnam*

Ronald C. Fisher (2007), "Intergovernmental Grants," in *State and Local Public Finance*, Second Edition, pp. 202-234.

Odd-Helge Fjeldstad (2001), *Intergovernmental Fiscal Relations in Developing Countries: A Review of Issues*, WP 2001: 11 (Bergen: Chr. Michelsen Institute), pp. 1-15

Huynh The Du (2011), *The "Lobster" Budget Structure*, Saigon Economic Review

### **Class # 34 (8/07): Local Government Public Finance**

- *Local revenue sources*
- *Deficit Financing*
- *Local budget expenditures*
- *Stability and sustainability of the local budget*

Jay Rosengard et al (2006), *Paying for Urban Infrastructure and Services: A Comparative Study of Municipal Finance in Ho Chi Minh City, Shanghai and Jakarta*, Prepared under United Nations Development Program Project No. 5088790-01, *UNDP-Vietnam Discussion Papers on Topics Relating to Decentralization and Economic Performance*

Ronald C. Fisher (2007), *Borrowing and Debt*, in *State and Local Public Finance*, 2<sup>nd</sup> ed., pp. 235 – 267

Do Thien Anh Tuan (2013), *Municipal Debt and Bond*, FETP case study.

### **Class # 35 (8/08): Case study**

Vu Thanh Tu Anh and Dang Thi Manh (2012), *Da Nang and Binh Duong Public Finance Models*, FETP case study.

POLICY MEMO #7 (DANANG AND BINH DUONG PUBLIC FINANCE MODELS) DUE.

**FRIDAY, 8/29: FINAL PAPER DUE**

## Recommended Readings

### Reference Texts

1. Richard A. Musgrave and Peggy B. Musgrave (1989). *Public Finance in Theory and Practice*, 5th edition, McGraw Hill.
2. Harvey S. Rosen (2008). *Public Finance*, McGraw-Hill Book Co-Singapore
3. John E. Anderson (2003). *Public Finance: Principles and Policy*, Houghton Mifflin Company.
4. Sanjeev Gupta, Benedict Clements, and Gabriela Inchauste (2005). *Helping Countries Develop: The Role of Fiscal Policy*, International Monetary Fund.
5. Joseph J. Cordes, Robert D. Ebel, and Jane G. Gravelle (1999). *The Encyclopedia of Taxation and Tax Policy*, The Urban Institute Press and the National Tax Association.
6. Ronald C. Fisher (2007). *State and Local Public Finance*, 3rd edition, Thomson South-Western.
7. Richard Bird and Francois Vaillancourt (1999). *Fiscal Decentralization in Developing Countries*, Cambridge University Press.
8. Joel Slemrod and Jon Bakija (2008). *Taxing Ourselves: A Citizen's Guide to the Debate over Tax Reform*, 4th edition, MIT Press.
9. Richard W. Kopcke, Geoffrey M. B. Tootell, and Robert K. Triest (2006), *The Macroeconomics of Fiscal Policy*, MIT Press.

### Reading by topics

#### **Class 1: The role of the public sector**

Richard W. Kopcke, Geoffrey M. B. Tootell, và Robert K. Triest (2006), Chapter 1.

Anthony Saich, *The Changing Role of Government*, Background Note for the World Bank Report on China's 11<sup>th</sup> Five Year Plan, August 2004.

John W. Thomas and Lim Siong Guan, *Using Markets to Govern Better in Singapore*, John F. Kennedy School of Government Faculty Research Working Paper RWP02-010 (Cambridge: Kennedy School of Government, August 2001). [Can be accessed for free at: [http://www.ksg.harvard.edu/research/working\\_papers/index.htm](http://www.ksg.harvard.edu/research/working_papers/index.htm)]

## **Class 2: Economics of Taxation I**

Michael Keen and Alejandro Simone, "Tax Policy in Developing Countries: Some Lessons from the 1990s and Some Challenges Ahead," Chapter 12 in Sanjeev Gupta, Benedict Clements, and Gabriela Inchauste, eds., *Helping Countries Develop: The Role of Fiscal Policy* (Washington, D.C.: International Monetary Fund, 2004), pp. 302-52.

Arthur Okun (1975). "The Leaky Bucket Experiment," in *Equality and Efficiency: The Big Tradeoff*. The Brookings Institution, pp. 91-100.

Joel Slemrod and Jon Bakija (2008). Chapter 4: "Taxes and Economic Prosperity," in *Taxing Ourselves*, pp.112-36.

## **Class 3: Taxation of Wealth**

William G. Gale and Joel Slemrod (2001). "Overview" In William G. Gale, James R. Hines Jr., and Joel Slemrod, eds., *Rethinking Estate and Gift Taxation*. Brookings Institution Press.

## **Class 5: Taxation of Income**

Jonathan Gruber (2011), Chapter 24: "Issues of Corporate Taxation"

## **Class 9: Tax reform**

Mack, Connie et al. (2005). "Executive Summary of Simple, Fair and Pro-Growth: Proposals to Fix American's Tax System. *Report of the President's Advisory Panel on Federal Tax Reform*. <http://www.taxpolicycenter.org/taxtopics/upload/tax-panel-2.pdf>

## **Class 13: For tax compliance**

Richard K. Gordon, Jr., "Improving Tax Compliance – Income Tax Compliance and Sanctions in Developing Countries," in Bird and Oldman, *Taxation in Developing Countries*, Fourth Ed. (Baltimore: Johns Hopkins University Press, 1990), pp. 453-465.

Richard A. Musgrave, "Reaching the Hard-to-Tax – Income Taxation of the Hard-to-Tax Groups," in Bird and Oldman, *Taxation in Developing Countries*, Fourth Edition (Baltimore: Johns Hopkins University Press, 1990), pp. 297-309.

Joel Slemrod (2007). "Cheating Ourselves: The Economics of Tax Evasion." *Journal of Economic Perspectives*, 21(1), Winter 2007, pp. 25-48.

Joel Slemrod and Jon Bakija (2008). Chapter 5: "Simplicity and Enforceability". *Taxing Ourselves*, Russell Sage Foundation.

### **Class 17: Public debt**

World Bank (2009). *Guide to the Debt Management Performance Assessment (DeMPA) Tool*.

### **Class 20: Political economy**

Bent Flyvbjerg, Mette Skamris Holm, and Soren Buhl, "Underestimating Costs in Public Works Projects: Error or Lie?" in *Journal of the American Planning Association*, Summer 2002 (Vol. 68, No. 3), pp. 279-295.

### **Class 29: Assessment of public sector expenditure**

Elaine Morley, Scott P. Bryant, Harry P. Hatry, "What is CPM, and Why Is It Important?," "Analyzing Comparative Performance Information," and "Using Comparative Performance Information," Chapters 1, 6, and 8 in *Comparative Performance Measurement* (Washington, D.C.: The Urban Institute Press, 2001).

### **Class 31: Fiscal decentralization**

Bambang Brodjonegoro, *Three Years of Fiscal Decentralization in Indonesia: Its Impacts on Regional Economic Development and Fiscal Sustainability*, Paper Presented at the International Symposium on Fiscal Decentralization in Asia Revisited, Hitotsubashi University, Tokyo, February 2004.

Ninh Ngoc Bao Kim and Vu Thanh Tu Anh (2008), *Decentralization in Vietnam: Challenges and Policy Implications for Sustainable Economic Growth*, USAID and Asia Foundation study

### **Class 33: Municipal Finance**

Judy Wesalo Temel, "Overview of the Municipal Bond Market" and "The Basics of Municipal Securities," Chapters 1 and 2 in *The Fundamentals of Municipal Bonds*, Fifth Ed. (New York: John Wiley & Sons for The Bond Market Association, 2001), pp. 1-48.

Robert D. Behn and Elizabeth K. Keating, *Facing the Fiscal Crises in State Governments: National Problem; National Responsibilities*, John F. Kennedy School of Government Faculty Research Working Paper RWP04-025 (Cambridge: Kennedy School of Government, June 2004), pp. 1-15.

[Can be accessed for free at:

[http://www.ksg.harvard.edu/research/working\\_papers/index.htm](http://www.ksg.harvard.edu/research/working_papers/index.htm)]