

Annex 4: Fiscal Federalism – A Comparative Cross Country Analysis

Fiscal decentralisation involves transferring expenditure and revenue responsibilities from the central government to subnational governments. The degree of decentralisation can be measured by the extent of autonomy of the subnational entities from the central government. The degree of devolution, assignment of expenditures, and revenue arrangements should be tailored to the country context and depend on a host of factors including socio, economic and political. Ultimately, however, each country needs a system tailored to its specific requirements.

Over the past few decades a clear trend has emerged worldwide towards the devolution of spending and, to a lesser extent, revenue raising responsibilities to subnational levels of government. The view that decentralisation of spending responsibilities can entail substantial gains in terms of efficiency and welfare has long been held in the economic literature, Tiebout (1961), Musgrave (1969), and Oates (1972). Also common in the literature is, however, the view that decentralisation can entail significant costs in terms of distributional equity and macroeconomic management.

A 4.1 Major Characteristic Features of Fiscal Federalism

The design of various aspects of inter-governmental fiscal relations includes expenditure assignment, revenue assignment, inter-governmental transfers, tax administration, budgeting and financial management in a multi-level government setting, and the control of subnational government borrowing.

There is broad consensus in the literature that decentralisation of spending responsibilities can entail substantial welfare gains. According to this view, efficiency in the allocation of resources is best served by assigning responsibility for each type of public expenditure to the level of government that most closely represents the beneficiaries of these outlays. A more operational approach adopted by the European Union is the principle of subsidiarity for assigning responsibilities according to which taxing, spending and regulatory functions should be exercised by lower levels of government unless a convincing case can be made for assigning them to higher levels.

It is generally recognised that both distributional and, especially, macroeconomic management considerations argue against arrangements that would assign all or most taxing powers to subnational governments with upward revenue sharing. Such arrangements deprive the central government of tax instruments for macroeconomic management. Arrangements that assign all or most taxing powers to the central government are undesirable as well. By separating spending authority from revenue-raising responsibilities, these arrangements obscure the link between the benefits of public expenditures and their price, namely, the taxes levied to finance them. Thus, they do not promote fiscal responsibility in subnational politicians and their electorate. Therefore, the alternative favoured in the literature and most frequently observed in countries around the world is one that provides for the assignment of own sources of revenue to each level of government, in combination with various types of inter-governmental transfers, to bridge any resulting gap between revenue and expenditure assignments. There is, however, wide variation across the countries both in terms of revenue assignments and inter-governmental transfers.

Some countries espouse a principle of complete separation of the tax bases for the different levels of government. Others allow different levels to tap the same tax base. Examples of tax separation can be found in, among others, India, Australia, and, for non-shared taxes, Germany. By contrast, there is a considerable degree of tax overlapping in the United States and Canada.

Since most major taxes are typically assigned to the central government, while substantial and growing expenditure responsibilities are devolved to regional and local governments, sizable vertical imbalances (that is, pre-transfer fiscal deficits) frequently emerge at the subnational government level. There are also horizontal imbalances, because the capacity to raise own revenues differs across jurisdictions. These imbalances must be addressed through inter-governmental transfers, or borrowing by deficit jurisdictions, or a combination of the two. The design of an appropriate system of inter-governmental transfers is crucial to promote desirable redistribution of resources among subnational jurisdictions. Inter-governmental transfer mechanisms can be broadly grouped into two main categories, revenue-sharing arrangements and grants *viz.*, general purpose grants and specific purpose grants.

There is little doubt, however, that substantial devolution of revenue raising and expenditure responsibilities poses new challenges for tax administration and for public expenditure management.

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A centralised administration would have certain advantages, notably an uniformity of procedures, which would promote consistency of treatment of taxpayers across the country and reduce compliance costs and permit economies of scale. A decentralised administration, on the other hand, would entail greater responsibility and accountability of the subnational authorities for the performance of taxes assigned to them, as well as greater flexibility in adapting systems and procedures to local needs and conditions. Decentralised administration is more likely to be effective for local taxes, such as property taxes, business licence fees, user fees, and other minor levies. Decentralised administration of state-level taxes, such as personal or company income taxes, or even a general sales tax, to be carried out effectively, may require a systematic exchange of relevant information among state administrations.

Substantial decentralisation of expenditure responsibilities also poses new challenges for public expenditure management by the various levels of government. These challenges relate to: need to coordinate the budgetary policies of the central and subnational governments to ensure their consistency with national macroeconomic objectives; need to promote responsiveness of all levels of government to the preferences of their constituents in both the allocation of budgetary resources and the delivery of goods and services; and need to ensure sound financial management.

A review of country experiences with the control of subnational government borrowing shows considerable diversity in approaches. These indicate, among other things, the legal or constitutional status of subnational governments, the degree of political and administrative controls of the central government over them, the country's overall tradition of financial discipline, the presence or absence of serious fiscal and macroeconomic imbalances, and the state of development of the country's financial market.

Country approaches to the control of subnational borrowing can be grouped into four broad categories, although most countries utilise a mix of them. The four 'stylized' categories are: i) sole or primary reliance on market discipline; ii) co-operation by different levels of government in the design and implementation of debt controls; iii) rules-based controls; and iv) administrative controls.

The design of inter-governmental fiscal relations is importantly influenced by non-economic (political, social, and cultural) factors, as well as by economic considerations. Within the narrow economic context, the design of these arrangements reflects a balance among different (and not always easily reconcilable) objectives, namely allocative efficiency, income redistribution, and macroeconomic management.

A 4.2 Broad Principles of Fiscal Federalism

Whatever the degree of devolution appropriate to the country, the legal framework that governs the relationships between the central and local governments and the arrangements for budgeting must be clear and efficient. It is, however, impossible to provide for every situation in a codified law or contract. Conflict resolution mechanisms are 'therefore' important to assure smooth inter-governmental fiscal relations. Such mechanisms can operate through specialised bodies. In Australia, India, and Sri Lanka, for example, a finance commission deals with financial relationships between the central government and the other levels of the government.

The following principles are required for transparency and efficiency of national-subnational interaction.

- Each level of government should have clearly assigned responsibilities, regardless of what responsibilities are assigned to government as a whole. Overlaps should generally be avoided, and long concurrent lists of shared responsibilities are particularly ambiguous.
- Fiscal and revenue-sharing arrangements between the central and local governments should be stable.
- Subnational governments need to have a sound estimate of these resources before preparing their budgets. Lack of predictability affects both efficiency and fiscal control at the local level. Without an indication of the amount of resources to be transferred to them, subnational governments cannot program their expenditures.
- Incentives for increased efficiency are needed. However, the central governments often reduce transfers to subnational governments when they make economies in spending or improve their own tax collection.

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- It could be desirable to agree on multi-year contracts between the central government and local governments covering both expenditure assignments and revenue arrangements (tax sharing, grants, *etc.*). These contracts could, if appropriate, include performance criteria, minimum standards for services rendered by local government, *etc.* They would define relationships in a transparent manner and would ensure predictability. As with any other contract, of course, the utility of this arrangement would depend largely on how well it is monitored and respected.
- National law should provide standard accounting and budgeting rules for subnational governments.

A 4.3 Fiscal Federalism in Major Countries

This Section highlights the salient features in a few major federations *i.e.*, Australia, Canada, Brazil and United States.

A 4.3.1 Fiscal Federalism in Australia

In Australia, there are currently 6 States and 2 territories and approximately 774 local governments. The monopoly of the national government in tax administration is one of the distinguishing attributes of the Australian fiscal system. Under the present system income taxes on individuals and businesses, sales tax, excise taxes, and taxes on international trade are Commonwealth taxes. The States' most important taxes are on payrolls, financial and capital transactions, gambling, insurance, and motor vehicles. Local governments tax immovable property.

In 1998, the Commonwealth accounted for 68 per cent of all public-sector current revenues, the States raised 28 per cent, and local governments collected around 4 per cent. In the same year, Commonwealth direct expenditures were 51 per cent of the national total, followed by the State governments (45 per cent) and local governments (4 per cent). These figures indicate why inter-governmental transfers are the cornerstone of sub-national government in Australia. Its Commonwealth Grants Commission has played a pioneering role in equalisation arrangements. The Australian inter-governmental fiscal transfers system deal with vertical fiscal imbalance and horizontal fiscal imbalance between the States through specific grants specific purpose payments and block grants (general revenue grants) from the federal government to the States and local governments.

International experience shows that the VAT is a major source of revenue in many countries, including Australia and Canada. It is considered to be an efficient and buoyant source of revenue when properly designed and administered. In Australia, there is a federal VAT levied throughout the country, which is distributed to the States through an equalisation grant. This arrangement greatly simplifies or eliminates many of the complexities surrounding the design and administration of sub-national VATs, such as harmonisation of tax rates. As part of Australian tax reform of 2000, the federal government introduced a goods and services tax (GST) or VAT. In Australia, the federal government has retained the exclusive power to tax income. This arrangement has ensured that the tax system has a high degree of uniformity in tax rates and tax bases. In Australia, however, the high transfer dependence ratio has not led to fiscal profligacy because there is a remarkable consensus on the need to maintain fiscal discipline at all the levels of government. Australia have chosen to use equalisation grants to close vertical imbalances and reduce horizontal fiscal disparities among sub-national governments. Australia also achieves a considerable degree of uniformity in sub-national service levels and show that transfer dependency and equalisation need not give rise to fiscal profligacy but the key may be a well designed transfer system.

Australia, New Zealand and U.K combine legally mandated transparency with rules and objectives for deficits and debt levels. In Australia the new framework contributed to the decline in the deficit from 4 per cent of GDP in 1992-93 to a surplus of 2 per cent of GDP in 1999-00. In addition, transparency improved as a result of new reporting requirements. In Australia, the States do not have any rule that prohibit them from running deficits. There is, however, a broad consensus that States should maintain fiscal balance. Such arrangement provides the necessary flexibility for the States to run deficits during hard times. During the 1980s, Australia prohibited sub-national Governments from accessing capital markets and centralised all loans through the Australian Commonwealth's Loan Council. The Loan Council was reconstituted in 1993, and States now operate with more flexibility. As a part of reforms the States are also required to improve the frequency and openness of their financial reporting not only to permit monitoring of their financial activities but also to

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provide more reliable information to the financial markets. Many States have greatly reduced their levels of general government net debt over the past decade.

A 4.3.2 Fiscal Federalism in Canada

The federation of Canada is comprised of 10 provinces and 3 territories in addition to nearly 5,600 municipalities which derive their basic powers and responsibilities from the Constitution of 1867. The provinces' authority extends to all taxes with the exception of customs duties and excises, over which the federal government has exclusive authority. In practice, this means that both levels rely on many of the same types of taxes, most importantly personal and corporate income taxes and consumption taxes. Natural resources are owned formally by the provinces. Only provincial and local governments tax property and gambling revenues, and rely on a large variety of user fees and charges.

Though the provinces have virtually complete freedom to define their own tax bases and rates, in practice, most provincial income taxes are collected by the federal government on the condition that the provincial base is identical to the federal base. In Canada tax collection agreement between the federal and provincial governments provide for joint use of the same income tax base. The provinces with the exception of Quebec and Ontario set their own personal and corporate income tax rates as a proportion of the rate charged by the Centre. The taxes are collected by the federal government and then remitted directly to the provinces. In Canada, there is a federal VAT that is imposed throughout the country. In contrast to Brazil, the provinces of Canada levy a variety of consumption taxes. Since 1997, three provinces have consolidated their sales taxes with the federal value-added tax (referred to in Canada as the Goods and Services Tax, or GST) as a Harmonized Sales Tax, which is also collected by the federal government. Provinces are free to borrow with no review or control by the federal government. Quebec levies a VAT which is levied at a uniform rate. Alberta does not have a broad based consumption tax and the remaining five provinces apply some form of retail sales tax (RST). As in Brazil, Canada's VAT is fully creditable.

The fact that the devolution of expenditure functions often involves several levels of government, there is a need for inter-governmental co-operation in order to ensure the successful implementation of decentralisation reforms. In Germany's "co-operative federalism" all decisions are co-ordinated through an extensive net of multi-level committees while Australia, Canada and New Zealand use periodic formal meetings of elected officials and bureaucrats to discuss mutually important fiscal issues. In Canada, the Fiscal Spending Control Act of 1992 established a nominal expenditure limit and the main objective was to control public expenditure growth, reduce fiscal imbalances and stop the increase in public debt. The deficit of 5 per cent of GDP in 1995 became a surplus of more than 1 per cent of GDP by 1999, and the ratio of net public debt to GDP was reduced from around 70 per cent in 1995 to 52 per cent in 2000.

The size of a country's vertical imbalance is largely a function of expenditure and revenue assignments. The smaller vertical gap in Canada can be attributed to the fact that the provinces of Canada have access to all the major broad-based taxes and there is no constitutional rules on exclusive use of certain bases by different levels of government. The provinces are also able to set their own rates. Currently provinces raise most of their revenues from own-sources and overall federal transfers account for only 13 per cent of total revenues of the provinces. Transfer dependency, however, varies greatly among the provinces from 10-12 per cent in the high income provinces to nearly 40 per cent in the low income provinces.

In Canada, the primary goal of inter-governmental fiscal transfer is to maintain minimum national standards in provincial-local public services, thus compensating for vertical and horizontal imbalances between the provinces. Accordingly, unconditional block transfers are made to low-income provinces to provide a minimum national standard of public services. The major two are the Canada Health and Social Transfer (CHST) and Equalisation Transfer. While the latter focuses on horizontal imbalances, the CHST is the primary means for closing the vertical fiscal gap.

A 4.3.3 Fiscal Federalism in Brazil

Brazil is a high decentralised federation with 27 States (including Federal District) and 5,559 municipalities. The 1988 Constitution deepened the process of decentralisation in Brazil and granted greater autonomy to States and

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municipalities in debt and expenditure management and control. The States were assigned a broad-base, high-yielding VAT which they collect and administer and were granted autonomy to set their VAT rate. The innovative feature of the ongoing decentralisation trend in Brazil is the emphasis on the municipalities, rather than the States as key agents of service delivery particularly in the areas of social services and public investment.

Recent reforms have focused on strengthening vertical inter-governmental fiscal relations. The Fiscal Responsibility Law and complementary legislations contain the key incentives for fiscal probity at all levels of government. Federal transfers to sub-national governments account for approximately one-fifth of federal revenues and for 30 per cent and 70 per cent of total State and municipal expenditure, respectively. New reforms also changed fiscal relations among the States to correct horizontal imbalances as a result of an agreement among the States in 1989. As a result, 85 per cent of the State participation fund is transferred to the poorer States of the North, North-East and Center-West, with the more prosperous States in the South and South-East relying to a much lesser extent on revenue sharing. Both the increase in mandated transfers from the States to the municipalities in their jurisdictions and the increased emphasis on the municipalities in the provision of social services have reduced the States' share in total government spending and revenues.

In case of Brazil the main objectives of tax reform is to reduce tax evasion and to strengthen local revenue mobilisation particularly at the municipal level. Greater emphasis on local revenue mobilisation reflects the efforts to reduce dependency of lower levels of government on grants and transfers from higher levels of government. The major revenue reforms relate to introduction of VAT and own-source tax revenue of the States.

In Brazil, federal VAT applies to industrial goods, while the State VAT taxes the circulation of goods in general and some services and municipalities levy charges on a specified list of services. It is noteworthy that the federal VAT is fully creditable against the State VAT. Although the Brazilian States obtain nearly 85 per cent of their own source revenue from the State VAT there are a number of complex technical and administrative problems concerning the application of different VATs in different States. In addition, the tax bases to these three taxes overlap leading to confusion and inefficiency.

Brazil enacted the FRL (2000) after a history of repeated fiscal crises and a long history of the federal government bailing out sub-national governments. Brazil has combined deficit and debt rules, expenditure rules and transparency into its fiscal responsibility legislation. Brazilian States suffer from inflexible budgets because committed expenditure on pension, interest and wages represent most of their current expenditure. The FRL states that expenditures on personnel should not exceed 60 per cent of the net current revenue of the States, and similarly 60 per cent for the municipalities. Some States have proven to be successful in containing committed expenditure at the desired level. The current ceiling for expenditure on debt services is 13 per cent of total state and municipal revenues. The net debt ceiling is 1.2 times net revenue for local Governments, and two times net revenues for State governments. If any local government exceeds this ceiling they are obligated to repay the portion above the ceiling within one year. Brazil's FRL also require multi-year budgets with three year targets for revenues, expenditure, and indebtedness. One important element of FRL relates to prohibition against the future bailouts of State and local governments by the Centre. According to the law, if debt repayments exceeds 13 per cent of the net revenue, State and local government finances must be balanced. After four years of implementation, the FRL seems to have contributed to fiscal adjustment in Brazil as evidenced by declining debt and deficit ratios.

In Brazil, increasing revenue autonomy and decreasing transfer dependency is seen as an important means of fostering greater fiscal discipline among sub-national governments. Tax autonomy, however, is not sufficient condition for reducing the vertical gap as sub-national governments operate under a hard budget constraint.

In Brazil, the equalisation transfer represents a very large allocation of resources. These include the State and Municipalities Participation Funds which are collected from the centrally collected income taxes and the national VAT with 21.5 per cent and 22.5 per cent respectively going into these funds in aggregate. The distribution of State Participation Fund (State share of three major federal taxes) is based on a participation co-efficient for each States. The formula for calculating the participating co-efficient is based primarily on equalisation or redistributive criteria. As a result, 85 per cent of the fund goes to the low-income jurisdictions in the North, North-East, and West.

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A 4.3.4 Fiscal Federalism in the United States

The United States federal system is highly decentralised, and generally regarded as an example of a well-managed federal fiscal system. Currently, the US is composed of 50 States, 1 federal district and 87,525 local governments. The Constitution of the United States allows the States to perform all functions that are not expressly reserved for the federal government and do not violate the Constitution. Both the federal and State tiers of government levy a tax on personal income, although the federal income tax leaves only limited room for the States. Most States rely on the use of personal income tax and general sales taxes, which produce more than two-thirds of their tax revenue.

Over time, United States has experienced a change in the mix of revenues and spending at each level of government towards greater decentralisation. In 2002, States derived nearly 66 per cent of total revenues from own sources while local government raised 55 per cent of total revenues from own sources. Federal government expenditure accounted for 50 per cent of total expenditure in 2002, while the remaining half of total expenditure were accounted for by the State and local governments.

Although the US is characterised by very low fiscal imbalance, State and local governments are heavily dependent on transfers from the federal government to meet their financial needs with the transfers from the federal government accounting for about 30 per cent of State's total revenues. Similarly local Governments depend on inter-governmental transfers for nearly 37 per cent of their total revenues (33 per cent from State and 4 per cent from federal level). While there is no system in place to equalise fiscal capacity across States, horizontal fiscal equalisation occurs only indirectly via grant-in-aid programmes.

Sub-national governments in the United States are, in principle, free to borrow without federal involvement. But in reality, the federal government subsidises sub-national borrowings by exempting the interest on State and local bonds from federal income taxation. Central Government in the US have followed a no-bailout policy and nearly all States have a self-imposed balanced-budget constraint.

A 4.3.5 Institutional Framework for Fiscal Discipline

Some of the important institutional factors like policies mandating balance operating budgets, State expenditure authority and responsibilities, State revenue-raising authority, budgetary transparency and citizen participation, national transfer policies and policies relating to the authority of States to borrow are of critical importance for maintaining good fiscal discipline at sub-national levels of government. The institutional framework for fiscal discipline in Australia, Canada, Brazil along with comparative position of India is set out in Table Annex 4A for the purpose of illustration.

Table Annex 4A: The Institutional Framework for Fiscal Discipline at the Sub-National Level

	Policy	Australia	Brazil	Canada	India
	1	2	3	4	5
A Policies Mandating Balanced Operating Budgets					
1.	Constitutional rules mandate balanced operating budgets.	No	No	No	No
2.	Statutory rules mandate balanced operating budgets.	Yes	No	Yes	No
3.	Effective penalties are provided for State officials responsible for violating the balanced-budget rules.	Yes	No	Yes	NA
4.	A system is in place for implementing conditional bailouts enforced by an independent "bankruptcy" court or agency.	Yes	No	No	No
B State Expenditure Authority and Responsibilities					
1.	The service responsibilities of the States are clearly defined and the States have the authority to manage their expenditure for the functions.	Yes	No	Yes	Yes
2.	States have the authority to reduce expenditure for such major objects as personnel and salaries in the event of unforeseen budgetary difficulties.	Yes	No	Yes	No specific provisions.
3.	State pension system has required to operate on an actuarially sound, fully-funded (rather than pay-as-you-go) basis.	Yes	No	Yes	No

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	Policy	Australia	Brazil	Canada	India
	1	2	3	4	5
C State Revenue-Raising Authority					
1.	The States have access to sufficient taxing power (authority to set rates) to enable the typical state to finance at least half its operating budget from its own taxes.	No	Yes large States; not small States	Yes	Yes
2.	The taxing power of the States are limited to taxes that do not permit substantial portions of burdens to be shifted to non-residents, except to the extent that non-resident can specifically be identified as important beneficiaries of services provided by a State.	Yes	Generally	No (taxes on natural resources extraction)	Yes
3.	The State have the authority to levy user chargers and to collect other non-tax revenues sufficient to enable them to finance public utilities on a full-cost-recovery basis and to finance substantial portions of the costs of (other) public services for which it is possible directly to charge beneficiaries.	Yes	Yes	Yes	Yes
4.	In general, State revenue raising authority is sufficient to enable the State to raise additional revenue at the margin, in the event of unforeseen budgetary difficulties.	No	Yes	Yes	Yes
D Budgetary Transparency and Citizen Participation					
1.	National policy requires a public hearing prior to official State approval of every issuance by a state of long-term debt.	No	No	No	No
2.	National policy requires approval in a public referendum of every issuance of the State of long-term debt.	No	No	No	No
3.	National policy requires publication of (summary versions of) proposed and actual State budgets, conduct of public hearing prior to adoption of a budget and publication of the adopted budget.	No	No	No	No
4.	National policy prescribes rigorous standards for State accounting and budgeting, preferably including full-accrual reporting of all revenues and expenditures.	No	No	Yes	No
5.	National policy requires timely independent audit of a State's annual financial statements and timely publication of audit report.	No	No	Yes	Yes, it is statutory
6.	A national Fiscal Responsibility Law has been enacted.	No	Yes	No	Yes
E National Transfer Policies					
1.	National policies minimise central Government reliance on discretionary transfers.	Yes	Generally except debt relief	Yes	Yes, to a substantial extent
2.	National transfers of general fiscal assistance are distributed on the basis of statutory formulas (including origin that is, shared taxes), and the variables in the formulas are independent of the actual policies of the States.	Yes	Mostly	Yes	Yes, except under Centrally Sponsored Schemes and some State Plan Schemes
3.	A substantial portion of general fiscal assistance is distributed on the basis of a statutory formula that provides for systematic equalisation of State fiscal capacities.	Yes	Very roughly	Yes	Yes
4.	National categorical grant programs require substantial "matching" contributions from own States revenues to the financing of programs eligible for such assistance.	Yes	No	Yes	Yes, as a part of Centrally Sponsored Schemes
5.	National policies ensure that States are appropriately reimbursed for the costs of spending mandated by the Central Government	Yes	No	Yes generally	Yes

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	Policy	Australia	Brazil	Canada	India
	1	2	3	4	5
6.	National policies facilitate multi-year State budget planning by projecting flows of central transfers several years into the future and by minimising substantial unpredictable fluctuations in transfer flows.	Yes	No	Yes	To a substantial extent
F Policies Relating to the Authority of States to Borrow					
1.	National policy prohibits State borrowings other than for cash-flow purposes.	No	No	No	No
2.	National policy requires advanced approval of State bond issues by an entity (s) of the central Government.*	Yes	Yes, but loopholes	No	Yes, when there is outstanding debt to the Central Government
3.	National policy requires registration or reporting to an entity of the Central Government of details of State bond issues before they are consummated.	Yes	Generally	No	No
4.	National policy prohibits State borrowings from foreign creditors.	Yes	No, but guarantees must be approved by MoF	No	Yes, Statutorily
5.	National policy imposes a ceiling on the outstanding principal amount of long-term debt a State may have outstanding at any time.	Negotiated annual limits	Yes, by Senate (Fiscal Responsibility Law)	No	No
6.	National policy expressly disavows any implication that a bond issues is secured in any way beyond the full faith and credit of the issuing state.	Yes	No	Yes	No
7.	National policies explicitly and credibly forbid bailouts of States at risk of defaulting on their outstanding debt.	Yes	No	Yes	No

* References of bond issues should be understood as including state agreements to guarantee debt instruments issued by state-sponsored enterprises and other such entities.

N.A : Not Available

Note : Subsequent changes have not been incorporated in this table.

Source : Rafuse, Roberto, Jr. Mark Gallagher, and Steve Rozner (2003): "Background paper Prepared for Roundtable on Experiences of Sub-national Fiscal Reform in Federally Structured Countries", Agra, India, December 6-7.

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