

95-F-20

**Reinforcing the Fiscal Resources of the
Local Authorities:
The Japanese Experience**

by

Naohiko Jinno
University of Tokyo

August 1995

Discussion Papers are a series of manuscripts in their draft form. They are not intended for circulation or distribution except as indicated by the author. For that reason Discussion Papers may not be reproduced or distributed without the written consent of the author.

Reinforcing the Fiscal Resources of the Local Authorities: The Japanese Experience

Prepared for the EROPA Conference on New Trends in Public
Administration for the Asia-Pacific Region: Decentralization

14 September Conference Plenary III:
“Measures to Strengthen Local Public Entities”

by

Naohiko Jinno
Professor, University of Tokyo
Department of Economics

TEL: 03-3812-2111 EXT: 5508
Fax: 03-3818-7082

1) Introduction

In this report,¹ I wish to highlight, using the Japanese experience, the importance of increasing local revenues in order to strengthen the functions of local governments and other local agencies. I will, moreover, depict a scenario for achieving that goal.

This year in Japan, the “Law Promoting Decentralization” was instituted, indicating that decentralization is becoming the most important political issue. Moreover, the movement for local autonomy is not limited to Japan. In 1985 the Council of Europe published the “European Charter of Local Autonomy”; and upon receipt of that, the International Union of Authorities adopted in the same year the “Global Declaration of Self-Government.”

This international trend of decentralization is inseparably bound up with the internationalization of economies; i.e., the erosion of national borders. The constant increase of capital flows over national borders is causing the nation-state to lose its capacity to control the national economy. The pursuit of fairness via income redistribution, and the promotion of economic growth and stability, are becoming beyond the state’s powers.²

Because the nation-state’s role is weakening, greater demands are being placed on local governments. In other words, we are witnessing the twilight of the century-long reign of the national government, whose functions are being split between supra-national agencies and local governments. The international concern to reinforce local government is due to the centre’s retreat from its previous pre-eminence in

¹This report draws extensively on discussions with Andrew DeWit, a researcher from Canada, to whom I wish to express my gratitude.

²Note, for example, the arguments in Sven Steinmo’s “Why Tax Reform? Understanding Tax Reform in its Political and Economic Context” a paper delivered at the June 23-4, 1995 conference on Fiscal Regimes in the Asia-Pacific (Australian National University, Canberra).

the political economy.

Local government needs to be bolstered in order to perform its new functions, but such cannot be achieved merely through transferring administrative powers from the centre. Giving local government more decision-making authority, but not the local revenues to match that authority, is meaningless. In this report, I want to demonstrate how true this statement is by using the Japanese example.

2) The Large-Scale Transfer of Revenues

R. Bennett writes that there are two dimensions to decentralization.³ One is decentralization from the state to the market or, more generally, the private sphere. The other is decentralization within the state, especially from the central government to the local authorities. Of course, in this paper we are dealing with the latter dimension.

However, in looking at these two dimensions of decentralization, the odd thing is that from external appearances Japan is decentralized on both fronts. As Figure 1 indicates, the fiscal weight of Japan's public sector is the lowest among the advanced industrialized countries. Moreover, Figure 2 shows that Japan's local authorities have – again compared to the other advanced industrialized countries – the greatest fiscal weight relative to the expenditures of the central state. Even though Japan is a unitary state, its local governments' relative weight of expenditure exceeds that seen in the American and German federal states. In short, the Japanese social economy, according to Figure 3, is a decentralized, market-driven system.

This external view does not afford one with an accurate image of the Japanese social economy. Certainly, Japan's public sector is small; but this is because of a

³Bennett's comment can be found in "An Overview of Developments in Decentralization," in *Local Government and Market Decentralization: Experiences in Industrialized, Developing, and Former East Bloc Countries* (ed. by Robert J. Bennett) Tokyo: United Nations University Press, 1994.

strong division of ownership. By contrast, one of the special characteristics of the Japanese social economy is the state's regulatory net in which the market is enmeshed. Hence, on these grounds one can say that the Japanese social economy is not at all market-driven.

Discussing the level of decentralization in the public sector, which is the focus here, is a complex undertaking. In the Japanese case, it is undeniable that the local authorities do a large amount of the spending and supply the bulk of the public services. Moreover, Figure 2 also suggests that the share of taxes raised by local government is comparatively high.

The problem here is the separation between local expenditures and revenues. In the Japanese case, the amount of fiscal transfers from the central government to the local authorities is unusually great. Figure 2 shows that over half the central government's expenditures are transferred to the local authorities.

There are two major types of large-scale fiscal transfers from the central state to the local authorities. These are the Local Allocation Tax and disbursements from the national treasury.

The Local Allocation Tax is a general subsidy whose subsequent use is not stipulated. The tax is distributed to local governments according to the gap between what is known as their standard fiscal revenues and their standard fiscal demand. In other words, the Local Allocation Tax is used to secure a "national minimum" in revenues, and is transferred from the central government to the local authorities in order to balance the discrepancies in fiscal capacity among the latter.

On the other hand, the disbursements from the national treasury are special subsidies whose purposes are specified. When the central state deems a particular matter important for a given local authority to perform, a fixed percentage of the burden of expenses is borne by the national treasury via the disbursements.

Japan's local authorities can be separated into 47 prefectures and 3,235 municipalities. These two levels of local government spent, in 1993, a total of 95.3 trillion yen.⁴ Of this expenditure, 16.2% was funded via the Local Allocation Tax and 14.4% came from disbursements from the national treasury.

3) Strict Control over Non-transferred Revenues

Japan's local revenues are not only unusual for the high level of fiscal transfers. A further characteristic of the Japanese system is seen in the strict control of revenues that are not transferred; i.e., revenues that the local authorities collect from their respective jurisdictions as well as the bonds they issue. In 1993, 35.2% of aggregate local revenues were supplied by local taxes, while 14.0% came from local debt issues.

The control of local taxes is accomplished through "tax denial," which is applied to the tax base, and "tax restriction," which is applied to the tax rates. The former arises through the fact that the local tax law stipulates the taxes that are permitted to the local authorities. If a local government wishes to set up a tax that is not specifically allowed according to the local tax law, then it must seek the permission of the central government.

Restriction of the tax rates does not only mean that the upper rate limits of the main local taxes are controlled; rather, standard rates are also established. These standard rates are important in the computation of the Local Allocation Tax: the basic financial revenue index used to determine the amount of Allocation Tax for a specific local authority is not computed with the actual tax rate but is instead calculated on the basis of the standard rate.

⁴See the Ministry of Home Affairs, *The Local Finance White Paper*, 1995 (Tokyo: Ministry of Finance Printing Office).

Tax denial and tax restriction produce a virtually uniform regime of local taxes and tax rates. Yet a more powerful means of tax control is evident in Japan's tax-sharing arrangements.

Tax sharing in Japan is accomplished through the fiscal transfers of the Local Allocation Tax. This tax provides the local authorities with a source of revenues to make up for discrepancies in fiscal capacity among local governments. But the amount of the Local Allocation Tax itself is determined as a fixed percentage of the main national taxes. That is, the portions of national taxes allocated to the local authorities include 32% of the personal income, corporate income, and liquor taxes, 24% of the Consumption Tax, and 25% of the Tobacco Tax.

But the method is also aimed at ensuring the central state is able to make use of the revenues. The mechanism was first instituted in Japan with the 1940 wartime tax reform, which sought to supply war expenses and so gave the central state complete authority over income taxation. In other words, the reform eliminated the Household Tax form of income taxation, which was the centrepiece of local taxation; and along with instituting a tax system that made the income tax a national tax, the reform also saw a fixed portion of the income tax returned to the local authorities. The model for this reform was the 1920 German tax reform implemented in the name of M. Erzberger, and the style is one wherein the local tax is absorbed by the national tax and returned to the local authority – via the Local Allocation Tax – in an indirect form. However, under this form of indirect taxation the authority to determine the standards of assessment and the rates passed completely into the hands of the central state. Hence, one has to regard this as the strongest form of tax control.

The above-depicted tax control is, of course, a phenomenon routinely evident in unitary states. However, Japan's tax control is particularly severe, with virtual uniformity in the types and rates of local taxes. This degree of control is not evident in other leading industrial countries.

Moreover, the Japanese case also requires local authorities to seek permission from the central state in order to issue local bonds. Of course, there are controls over local debt in other countries as well; but in Japan the central state prepares the debt planning for the local authorities, and though the system has recently been relaxed, there is still control via a case-by-case investigation of debt floatation. In other words, the control is not only regulation of the aggregate amount. This kind of strict control over the issuance of bonds is not, as with taxes, seen elsewhere among the advanced countries.

4) The Centralized-Deconcentrated System

As we have seen, the Japanese case exhibits an extremely intensive control of the fiscal resources that are not transferred between the central and local governments. For that reason, we can see in Figure 4 that via fiscal transfers and controls the Japanese local authorities have been robbed of their authority to make decisions concerning self-collected revenues. In other words, the Japanese local authorities have no “revenue autonomy.”

Another important point here is that the local authorities’ loss of revenue autonomy to the central government also entails the loss of spending autonomy. That is, the central government’s revenue transfers and controls comprise a mutually reinforcing structure that makes it also possible to control local expenditures.

The local authorities’ capacity to plan public works and seek to fund them through increased taxes is blocked in Japan. Because of the strict control of taxes, the local authorities’ are not able independently to increase tax rates or institute new taxes. Moreover, neither are they able to fund independently determined local projects by issuing local bonds. This is because the central government also controls the issuance of local debt; and in consequence of this, the local authorities are forced to turn to the central government for transfers in order to fund locally

planned works.

But requests for transfers to fund newly planned works come up against the fact that the Local Allocation Tax is distributed according to rules decided by the central authorities. Of course, once the Allocation Tax revenues are distributed, their use is at the discretion of the recipient local authorities. However, the amount of the Allocation Tax is not decided by the local authorities. Thus, when revenues for new public works are required, the local authorities are not able to secure them via increasing the Local Allocation Tax.

In such cases, the local authorities are forced to seek revenues through disbursements from the treasury. But this route, too, is problematic, as the local authorities will not receive funds for locally planned projects. The local authorities can receive disbursements, but in doing so they are also forced to accept central planning of the new projects.

The disbursements allow the centre government to guide the local authorities in the planning and implementation of public works. If the local authorities implement subsidized public works planned by the central government, then the centre is definitely not merely disbursing funds from the treasury. Via its control over local debt issuance, the central government also approves the local floatation of debt for the project. Moreover, when the centre approves the issuance of local debt, the interest to be paid on the debt is calculated as part of the particular local government's standard financial demand. That is to say, interest for the approved debt is paid through funds distributed via the Allocation Tax, and hence one can say that in fact the central government is paying the burden.

Furthermore, the receipt of treasury disbursements is a major source of difficulty for the fiscally weak local authorities. For example, even though a subsidized project will receive 50% funding from the national treasury, the remaining 50% must be supplied by the local government. But supplying this share is difficult for

the poorer local authorities. They can, as was pointed out above, seek to fund the balance through local bonds, though they must inevitably be redeemed through general tax revenues. In that case, the fiscally weak local state would be forced to raise taxes even in the face of the tax controls exercised by the central government.

Hence the Local Allocation Tax is supplied to allow fiscally weak local authorities to abide by tax controls as well as implement subsidized projects. In other words, the central state is able to distribute the Local Allocation Tax to make up the difference between fiscally weak local authorities' standard fiscal revenues and demand.

It is therefore possible to implement projects planned by the central government using the uniform local taxes and rates. In order to maintain tax control, one mechanism is to refuse permission for bond issuance to local authorities who have taxed below the standard tax rate. In this way, it has become possible to secure uniform public services from the local authorities using a uniform regime of taxes.

Japan's local authorities deliver most of the country's public services, a comparatively unusual phenomenon. A.T. Peacock and J. Wiseman wrote that the second world war saw a sudden jump in the relative provision of public services by the central governments of the advanced industrial countries.⁵ However, this process of concentration is not evident in Japan. If "concentration" refers to the case where the bulk of public services are supplied by the central government, and "deconcentration" is evident such services are largely delivered by the local authorities, then Japan's is clearly a deconcentrated system.

However, this does not mean that Japan's is a decentralized system. The attribute for determining whether there is centralization or decentralization ought as much

⁵Please refer to Peacock, A.T. and J. Wiseman, *The Growth of Public Expenditures in the United Kingdom*, Princeton: Princeton University Press, 1961, pp. 23-30.

as possible to centre on decision-making authority. Though local authorities provide the public services, when the decisions on the type of services and the allocation of their tax burden are taken at the centre then the local government is nothing more than a branch office. Hence the important matter to scrutinize is whether such decisions are taken by the central government or the local authorities.

Concerning the supply of public services and the burden of paying them, if the central state's authority is determinant, then there is centralization, while decentralization obtains when the local authorities make the decisions. Japan's is thus a centralized fiscal system. Japan's local authorities do not have revenue autonomy, and because of this they have also been robbed of their control over expenditures. In other words, the Japanese fiscal system has a deconcentrated form but is in fact centralized; it is a centralized-deconcentrated system.⁶

5) Regaining Revenue Autonomy

This centralized-deconcentrated system has up until now performed quite effectively. It allowed nationwide planning for public works implemented at the local level, and thus produced social infrastructures planned on a national scale. Needless to say, this also created a national market by facilitating production and consumption on such a scale. Furthermore, public services delivered by the local authorities compensated for market failures and a national minimum was attained.

However, the very success of this centralized-deconcentrated system has begun to cause deadlocks. Though the system brought a nation-wide scale of social infrastructure and achieved a national minimum, demands are now strengthening for more variety in public services to match the conditions in specific areas. The need for variation, rather than a uniform set of services, is however beyond the

⁶ I have made this point at length in my "Nihon gata zei, zaisei shisutemu" [The Japanese-Style Fiscal System], in *Gendai Nihon Keizai Shisutemu no Genryuu* [The Origins of Japan's Contemporary Economic System]. ed. by Tetsuji Okasaki and Masahiro Okuno, Tokyo: Nihon Keizai Shinbunsha, 1993.

competence of the current system.

The pressure for variation in services can also be said to reflect an increasing will for popular participation. The market principle is one of Darwinian competition; but unless we use public services to protect the weak, the market itself will not function. In the current centralized system, such decisions have been made in the central state and realized largely via income redistribution.

However, the central authority is distant from the public. Because of this fact, it is difficult to secure popular participation in decisions taken within the central government. In other words, the democracy of the centralized system is a redistributive democracy without participation.

But the local authorities, being administratively close to the public, can easily allow participation in decisionmaking. Moreover, to the extent that there is such participation by members of local society, it follows that there will be a supply of services that reflects the specific character of the local area.

Also, as was pointed out earlier, the globalization of the economy is making income redistribution and economic policy less effective means for protecting the local society from the marketplace. Because of these changes, the local authorities should provide a safety net of public services beneath the market economy. Redistribution is in fact now thought better performed through a variety of services from the local authorities, services which can be tailored to local needs, as opposed to the uniform monetary compensation of the central state.

If this is to be the case, an important matter is that the decision-making authority concerning the allocation of public services and their burden be in the hands of the local authorities. Japan's centralized-deconcentrated system would, through local authorities regaining revenue autonomy, be superseded by a "decentralized-deconcentrated system."

In securing revenue autonomy, the following two reforms are indicated. First, is the reduction of revenues transferred from the central state to the local authorities as well as the expansion of taxes collected at the local level. The second is the elimination or at least alleviation of restrictions on the amounts of local tax and local debt. However, such reforms are certain to produce vigorous opposition as they will increase the differences in fiscal capacity among the local authorities.

There are two methods for correcting these differences in the local authorities' fiscal capacity. One is to centralize the work of the local authorities in the national government. Another is to transfer funds among the local authorities themselves. In Japan, this latter method is at present being implemented on a large scale with the central government acting as the intermediary.

Whichever method is adopted, the costs of centralization have to be paid. However, transferring funds among the local authorities means some local governments will be paying for areas outside their own jurisdiction. This outcome would be permissible if the practice were restricted to cases where a local authority was not able to provide a national minimum. In other words, even if there is decentralization, the central state should not be released from its responsibility to secure resources for the local authorities. But this responsibility has to be limited to the maintenance of a national minimum. Financial resources for providing public services in excess of the minimum should be supplied, to the extent possible, from the local authorities' own autonomous taxation.

6) A Scenario for Bolstering Local Finances

A basic strategy for recovering revenue autonomy is to expand local taxation. Naturally, it is important to eliminate or at least alleviate tax control. However, even were tax controls to remain in place, a reinforced local tax base would make it possible to plan for increased revenues through promoting the local economy. On these terms, I will describe a scenario for bolstering the local tax base.

Historically, the real estate tax has been viewed as an appropriate local tax. This is because the division between national and local taxes is based on the mobility of the object of taxation. Items with high mobility are thought best assigned as national taxes, while those with low mobility are seen as belonging to the sphere of local taxes. The reasoning here is that the local authority, unlike the central state, does not manage the national border.

Products, capital, and people move freely within the country. Consequently, in order to tax these items, the central government's capacity to manage the national border is thought to be essential.

A further basis for separating national and local taxes concerns the respective functions of the different levels of government. The central state distributes resources, and also redistributes income, maintains economic stability, and encourages economic growth. By contrast, the local authorities only distribute resources; and hence it is thought best to allocate personal income and corporate and other taxes used in income redistribution and economic management to the national level of government.

With respect to mobility, taxation has been arranged such that the indirect consumption tax levied on the most mobile products is a national tax. Meanwhile, the real estate tax levied on the least mobile items is a local tax, and the intermediate level of the local authorities has an income tax on mobile inhabitants. This distribution was in fact sought in the past. What pushed developments in the reverse direction were the two world wars whose costs, as total wars, made it imperative that the income tax become a national tax. The justification for this tax shift derived from specific governmental functions.

However, the premise of this allotment of taxes was that the national government controlled movements across the country's border and the local governments did

not. The central government, in this view, is able to provide means for stable economic growth and income redistribution on the basis of separating the national economy from the external environment. By contrast, the local authorities have no role in managing the national border, and in order that the local economy be an open system, it is thought that the local government need only distribute resources.

Yet as noted earlier, the international economy is now borderless and the national government is not sufficiently able to manage the interaction between the domestic and international economies. Since the national government can no longer keep up with the tasks of income redistribution and maintaining stable economic growth, the local authorities will have to shoulder some of the burden.

If such is to be the case, then it will no longer be necessary to insist on separating national and local taxes according to the standards of mobility and government functions. Naturally, it is not wise to abandon these standards altogether, but there is no denying that they must be given less emphasis. Moreover, the insistence on the traditional real estate tax is already making it impossible to bolster the local authorities' fiscal base.

If we consider the growing significance of local finance, an important goal is to apportion key taxes to the local authorities. In the contemporary tax system, key taxes are those that correspond to the three aspects of income circulation: production, distribution, and expenditure. The corresponding taxes are the corporate income tax, the personal income tax, and the general consumption tax, all of which are in place. It is important that the local authorities implement key taxes in these three fields.

It is, moreover, imperative to balance local taxation among the three fields of income circulation. Local finance is essentially not for a government whose role is management of the national border. If one views the local tax as payment for the

cost of communal consumption by members of the local society, then tax burdens are imposed for membership in the local society. As a matter of course, this taxation includes the field of income distribution.

A local income tax can be seen as this form of taxation. Of course, the traditional view was that the real estate tax along with the poll tax, which was thought a suitable local tax, were imposed on the income distribution field as membership taxes. But the poll tax is inadequate for answering the contemporary local fiscal demand. At the very least, what is needed is a local income tax whose rates are allowed to vary according to the local jurisdiction. Local authorities do not control the national border, however, and must not impose strongly progressive income taxes. The reason is that the wealthy classes will be given an incentive to relocate.

There is a limit to taxation on the distribution field, in that there can only be taxation for membership in the local area. The communal consumption of the local authorities' public services is not by membership, but rather by people's production and consumption activities performed in the local area.

The real estate tax, thought to be appropriate as a local tax, is not levied according to membership. Even though one might not actually live in the local area, the possession of property there brings a tax assessment. One can thus say that this tax is levied on the field of income production. Production activities are in fact synonymous with trading on the factor markets. In other words, production activities give rise to payments for factor services that make available the three production factors of land, labour, and capital. Consequently, taxation on the field of production, whether by direct or indirect taxes, is taxation of the rents, wages, interest, dividends, and profits paid to factor services. If that is the case, then one can tax on the production field via real estate or corporate income taxes.

In implementing local taxation on the field of production, the standard can be production in the local area and communal consumption of public services rather

than just membership itself. Of course, outside of membership per se, communal consumption of local services is not only by people who come to the local area for production activities. There are those who come to engage in consumption activities and thus contribute to the communal consumption of services. In order to tax these individuals, what is indicated is taxation of transactions on the product markets; that is, there is a need for taxation via the expenditure field.

This kind of local tax regime centres on membership taxation on the distribution field, supplemented by taxes on the production and expenditure fields. It is thus necessary to balance these taxes; and the appropriate course would be to place the key taxes on these three fields under the management of the local authorities.

The differences between the functions of the local and national governments are dwindling; nevertheless, the local authorities do not decide financial policy and it is thus best to avoid taxation that allows severe fluctuations in revenues. From this point of view, the local income tax should avoid progressivity and other elements that contribute to great revenue instability. As for the corporate income tax, it should not be implemented at the local level only on the unstable basis of profits; rather, it should be constructed on a wider tax base that includes payroll, disbursed interest, rents, and other more stable items.

These means for securing stable tax revenues should also serve to reduce the gaps in revenues among the local authorities. Correcting these differences in the fiscal capacity of local authorities would also help to reduce the transfers from the central government.

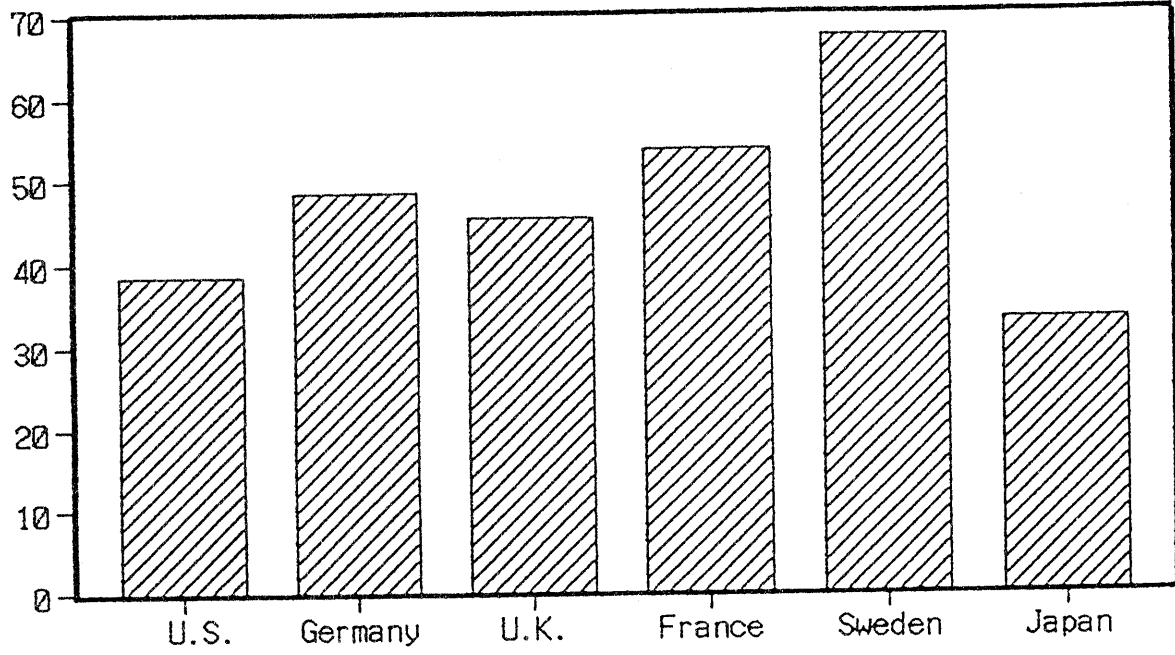
The current division of local and national taxes, as is evident in Table 1, sees key taxes as local taxes in the countries where the weight of local taxation is high, as in America, Germany, and Sweden. By contrast, in countries where the weight of local taxation is low, such as France and the UK, the local tax is the traditional real estate tax.

Though local taxes are in some jurisdictions key taxes, there are a variety of methods of implementation to take note of. In Sweden, the income tax is a local tax, and the general consumption tax is a national tax. In America, on the other hand, the income tax is the national tax while the general consumption tax is allocated to the state governments. Germany can be said to lie between the two cases.

In the Japanese case the following three matters are of note in the move to expand local taxation as well as balance its incidence on the three fields of income production, distribution, and expenditure. First, there is no general consumption tax levied on the expenditure field. However, there is a commitment to implementing a consumption-type of value-added tax at the local level. Second, the weight of taxation on corporate profits is high at the local level. Hence, it is best to create the room for rate reductions by expanding the corporate income-tax base to include such items as payroll, interest payments, and other categories. Third, the local individual income tax is too low and should be increased.

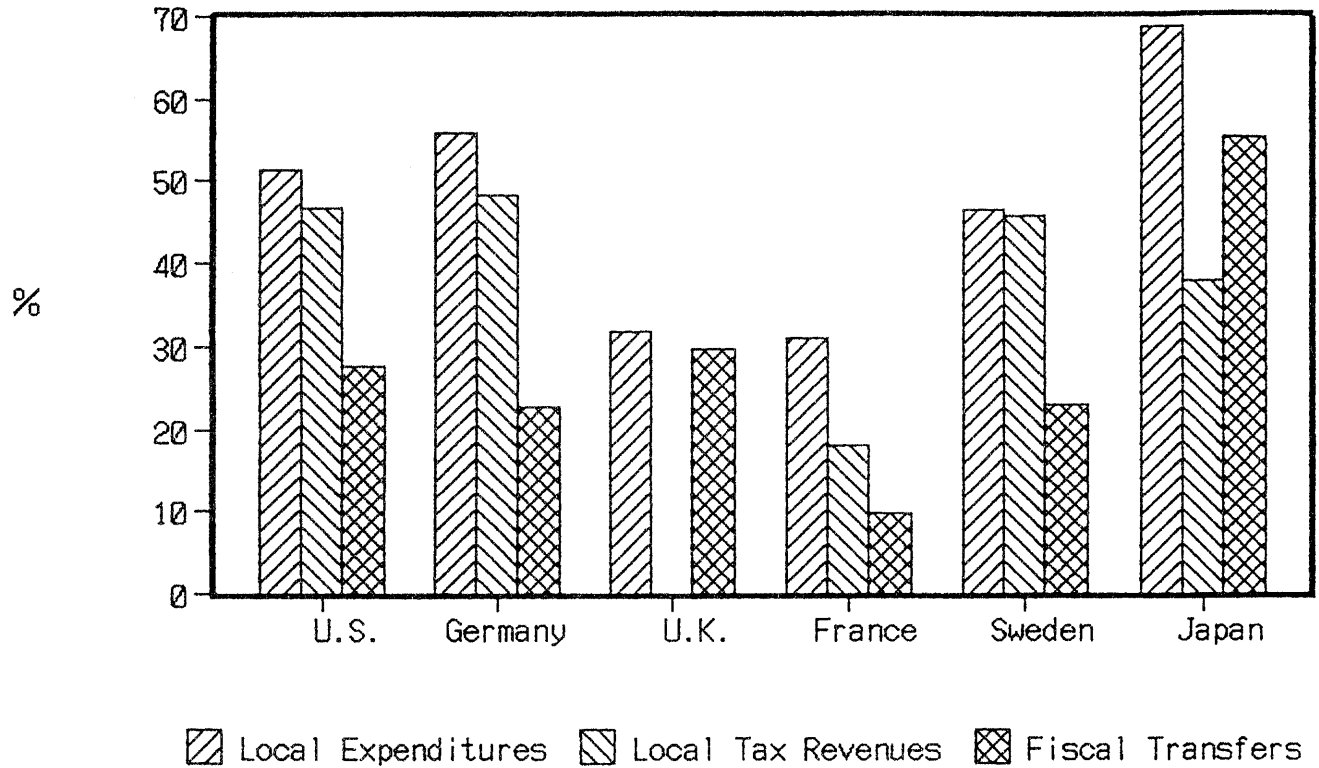
These three points should become the aim in Japanese tax policymaking. Viewed from the Japanese experience, whether or not to move quickly on decentralization depends on an adequate national minimum being in place. If the national minimum is insufficient, then decentralization is best pursued cautiously, with a good deal of moderation.

Figure 1 Weight of the Public Sector
(as a percentage of GDP) 1992



Source: O E C D, National Accounts, 1994

Figure 2 Local Expenditures/Local Tax Revenues/Fiscal Transfers 1992



Source: O E C D, National Accounts, 1994

Note:

$$\text{Local Expenditures} = \frac{\text{Local Expenditures}}{\text{Central Expenditures} + \text{Local Expenditures}}$$

$$\text{Local Tax Revenues} = \frac{\text{Local Tax Revenues}}{\text{Central Tax Revenues} + \text{Local Tax Revenues}}$$

$$\text{Fiscal Transfer} = \frac{\text{Fiscal Transfer}}{\text{Central Government Expenditures}}$$

Figure 3 The Two Dimensions of Decentralization

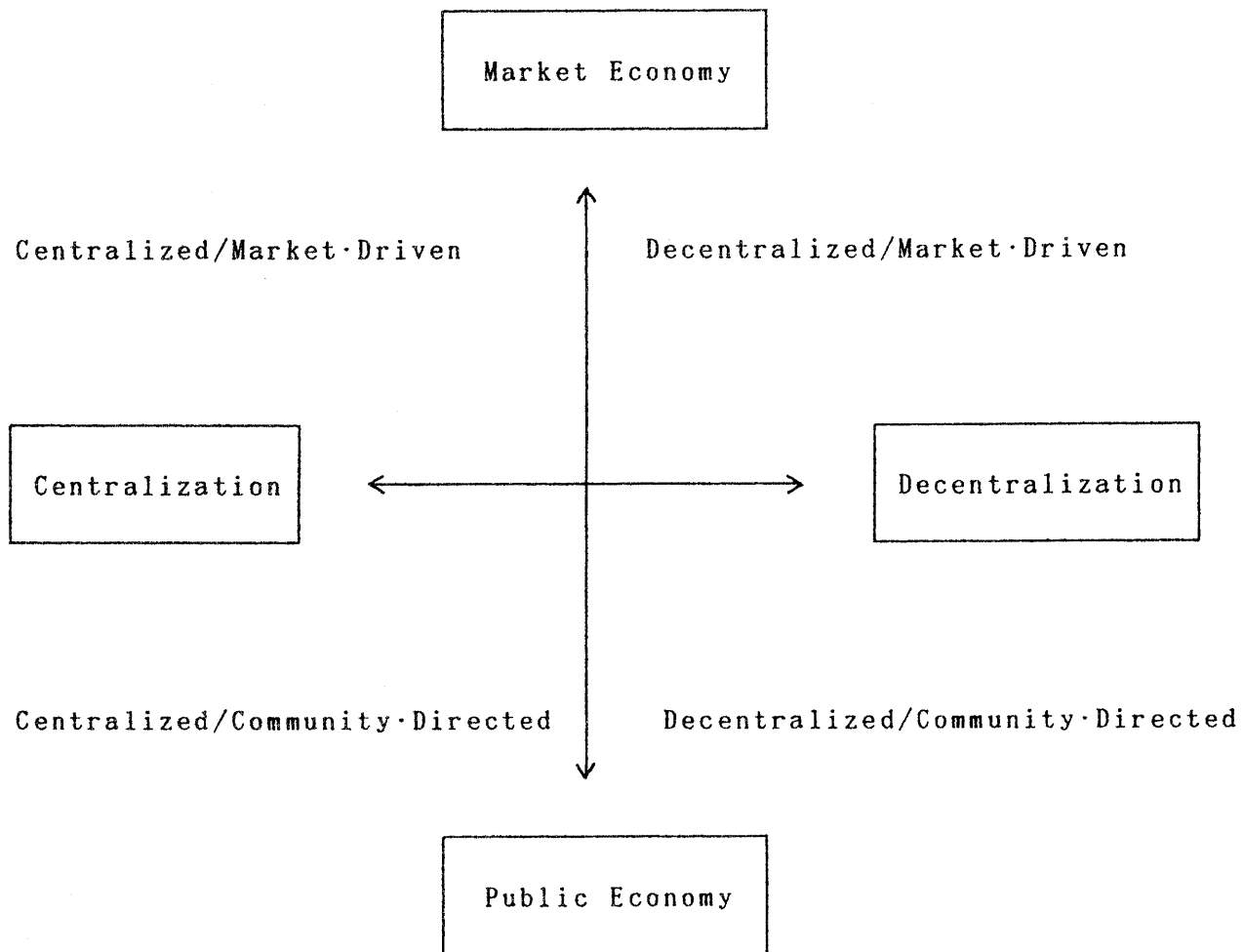


Figure 4 The Control of Local Finance

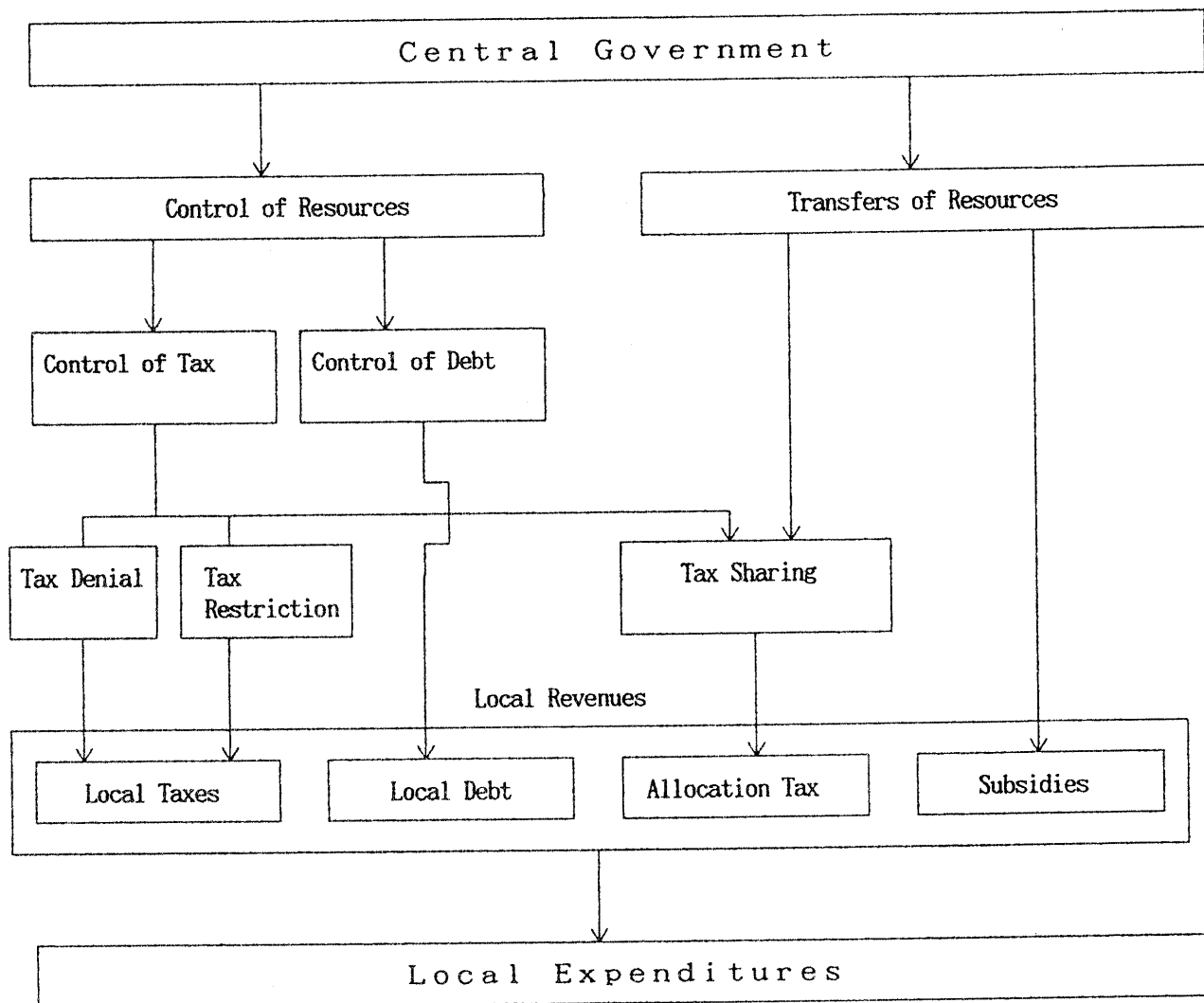


Table 1 Tax Revenues as a Percentage of GDP 1992

(単位：%)

	Income and Profits Taxes						Property	Consumption Taxes						Others		
			individual		corporate					general		specific				
	Cen.	Loc.	Cen.	Loc.	Cen.	Loc.		Cen.	Loc.	Cen.	Loc.	Cen.	Loc.			Cen.
Federal State																
U. S. A.	9.9	2.4	8.1	2.0	1.7	0.4	0.2	3.1	1.1	3.4	-	2.2	1.1	1.2	0.0	-
Germany	5.3	7.4	4.7	6.4	0.6	1.0	0.0	1.0	7.5	2.4	4.3	2.2	3.2	0.2	-	0.0
Unitary State																
Japan	8.0	4.5	5.0	2.4	3.0	2.0	1.1	2.0	3.0	0.6	1.4	-	1.6	0.6	-	0.1
Sweden	2.2	17.0	1.0	17.0	1.2	-	1.8	-	12.7	0.1	8.0	-	4.8	0.1	0.0	-
France	6.9	0.6	5.4	0.5	1.5	-	9.0	1.3	10.6	0.2	7.5	-	3.1	0.2	0.3	1.5
U. K	12.7	-	10.0	-	2.7	-	2.8	0.0	11.3	-	6.9	-	4.3	-	-	1.3

Source: O E C D , Revenue Statistics of OECD Member Countries, 1994

(Cen.=central government Loc.=local government)