

## **Propositions**

Attached to the thesis

### **Essays on Fiscal Decentralization: Evidence from Developing Countries with Special Focus on Indonesia**

*By Kumba Digdowiseiso*

International Institute of Social Studies

Erasmus University Rotterdam

1. Level of administrative approvals and social capital play an important role in the number of regional-proliferation events in Indonesia. *This thesis.*
2. Heterogeneities of fiscal authority observed in developing countries depend on the quality of institutions. *This thesis.*
3. Economic growth in developing countries depends on the level of fiscal authority and its interaction with democracy and quality of government. *This thesis.*
4. The nexus between fiscal decentralization and horizontal inequality in developing countries has been largely overlooked in the academic literature. *This thesis.*
5. Varieties of fiscal authority have a significant effect on distribution of income and ethnic inequality. The precise effect depends on the quality of institution and military expenditure in developing countries. *This thesis.*
6. In social sciences, single country studies can generate as important findings as cross-country studies.
7. Endogeneity is a typical problem in a cross-country analysis.
8. Regional proliferation may not be the only solution to solve the economic problems of less developed regions in Indonesia.
9. Full fiscal autonomy is rarely achieved by local governments in developing countries as their expenditures are often financed by transfers from the central government.
10. “The history of the distribution of wealth has always been deeply political, and it cannot be reduced to purely economic mechanisms.” –Thomas Piketty
11. Our lives are determined by prayers, luck, and chances.