Financial Reforms in Myanmar and Japan’s Engagement  
ERIA Discussion Paper 2016-27

By Tomoo Kikuchi and Takehiro Masumoto

Since 2011, under the Thein Sein government, Myanmar has started to build financial institutions almost from scratch. Japan has played a leading role in this transition – writing off debt, opening the Yangon Stock Exchange, vying for the entry of Japanese banks, and laying out finance-related laws. As in other Southeast Asian countries, Myanmar’s oligopolistic economic structure and colonial past present considerable challenges. There is a rich literature on the relationship between well-functioning financial institutions and economic growth, but the causality of this relationship remains inconclusive. This paper examines the preconditions for financial institutions to be a vehicle for Myanmar’s development.

Measuring Tax Administration Effectiveness and its Impact on Tax Revenue  
ERIA Discussion Paper 2016-17

By Arindam Das-Gupta, Gemma B. Estrada, and Donghyun Park

This paper proposes a method for constructing a tax administration measure of effectiveness (TAME), and describes its desirable properties. TAME was empirically constructed using data from external audits of value-added tax administration of India’s state governments. TAME was used to quantitatively assess the impact of tax administration effectiveness on tax revenues. The impact was found to be both statistically significant and large. This paper then identifies the causes of tax administration effectiveness in poorly performing states. Finally, it suggests guidelines for constructing TAMEs for other jurisdictions and time periods.