

TABLE OF CONTENTS

SUPERVISOR APPROVAL.....	ii
ORAL EXAM REPORT	iii
STATEMENT OF THESIS ORIGINALITY	iv
MOTTO AND TRIBUTES	v
ABSTRACT	vi
ABSTRAKSI	vii
ACKNOWLEDGEMENT	viii
LIST OF TABLE	xii
LIST OF FIGURE	xiii
LIST OF APPENDIX	xiv
CHAPTER I INTRODUCTION.....	1
1.1 Background	1
1.2 Research Question.....	3
1.3 Research Aims and Objectives.....	3
1.4 Thesis Outline	3
CHAPTER II LITERATURE REVIEW	5
2.1 Theoretical Review	5
2.1.1 The Role of Government in the Economy.....	5
2.1.2 Institutionalism and Tax Policy	6
2.1.3 Taxation and Income Distribution.....	8
2.1.4 Measuring Income Distribution.....	8
2.2 Empirical Evidence	11
2.3 Theoretical Framework	14
2.4 Research Hypothesis	15
CHAPTER III RESEARCH METHODOLOGY	16
3.1 Variable and Definition.....	16
3.1.1 Dependent Variable	16
3.1.2 The Main Explanatory Variable	16
3.1.3 Control Variables	17
3.2 Data Source	19
3.3 Estimation Method.....	20

3.4 Statistical Inference	24
CHAPTER IV RESULTS AND DISCUSSION	25
4.1 Descriptive Statistics.....	25
4.2 Estimation Results.....	28
4.2.1 Baseline Results	28
4.2.2 Heterogenous Effects.....	31
4.2.3 Robustness Checks	33
4.3 Result Discussion	39
CHAPTER V CONCLUSION	41
5.1 Conclusion	41
5.2 Limitation.....	42
5.3 Suggestion for Further Research.....	42
REFERENCES	43
APPENDIX.....	49

