



INNOVATIONS FOR SUCCESSFUL SOCIETIES

Broadening the Tax Base in Indonesia

In the mid 2000s, Indonesia's Directorate General of Taxes (DGT) was still struggling to recover from the shock of the Asian financial crisis of the previous decade. Tax revenue had plummeted during the crisis, and the collection rate remained well below accepted standards, as well as below the standards of many peers in the region. In 2006, the directorate's new leaders launched a nationwide overhaul, drawing lessons from a successful pilot program that had reorganized the DGT's biggest offices and enabled large taxpayers to settle all of their tax-related affairs with a single visit to one office rather than having to go through multiple steps. Expanding that pilot to more than 300 locations across a 3,000-mile archipelago presented no small challenge. The implementers built a digital database that linked all offices to a central server in the capital of Jakarta, increased staff skills, and took steps to improve relationships with taxpayers. Other measures aimed to reduce corruption and tax fraud. When political and practical crosswinds frustrated the DGT's efforts to build the workforce its leaders thought it needed, the agency turned to big-data analytics to improve compliance and broaden the tax base. By 2018, domestic revenue mobilization had plateaued, but the changes introduced had produced important improvements. The question was then what to do to broaden the base further without decreasing incentives for investment or raising administrative costs to unsustainable levels.

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The primary tax service office in Jakarta, Indonesia. Photo by BxHxTxCx (using album) (Grogol Petamburan Tax Office) [CC BY-SA 2.0 (<https://creativecommons.org/licenses/by-sa/2.0>)], via Wikimedia Commons

In this interview, **Gbovadeh Gbilie** discusses his role in reforming Liberia's teaching service and expunging ghosts from its payroll. He outlines the framework of the reform process and the steps taken to secure buy-in from governmental stakeholders, reform participants, and donors. He explains how his team reached objectives and how it overcame the challenges such bold reforms often face.

Applying to Graduate School in the US?

Some of our readers asked us to provide some guidance and occasional schedule reminders for applying to graduate school in the United States. [Here](#) is how to prepare.

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+1 609-258-5258 | iss@princeton.edu | successfulsocieties.princeton.edu

 PRINCETON UNIVERSITY