

The Barcelona Institute of Economics (IEB)

Open Call

6 RESEARCH GRANTS ON 'FISCAL FEDERALISM'

One of the aims of the **Research Program "Fiscal Federalism"** (Heads: **Prof. Albert Solé-Ollé & Prof. Núria Bosch-Roca**) at the IEB is to promote and disseminate research in this area.

We plan to fund **6 research projects, worth 6,000 euros** each. The IEB will decide on the allocation of the research grants after evaluation of applications received. Applicants must have documented research competence in the area. Graduate students may only apply for grants if the project leader is a researcher with a Ph.D. Applications will be evaluated by a research committee and ranked on the basis of established scientific criteria. The following criteria apply:

- (i) The project will concern research in the areas deemed most relevant to the program, which are:
 - Evaluation of decentralization and intergovernmental grants
 - Tax competition: horizontal, vertical and yardstick
 - Political economy of grant-allocation and inter-regional fiscal flows
 - Governance, corruption and efficiency in local governments
 - Fiscal federalism and sub-national public finance in general
- (ii) Priority will be given to applied research projects and/or projects oriented towards results that are relevant for policy-design
- (iii) IEB researchers are economists but our approach to 'Fiscal Federalism' places particular emphasis on political economy considerations. This means that we also welcome applications from other disciplines, especially by political scientists.
- (iv) A limited number of the research grants will be allocated to projects studying 'Fiscal Federalism' in Spain.

The deadline for applications is 15 December 2008. The research committee will decide on the applications before the end of the year, and will announce its decision in January 2009. 30 % of the grant will be paid in June upon the presentation of a progress report, and the rest in December 2009. Researchers must:

- (i) Submit a paper (no more than 50 pages) by the end of October 2009, which will be included in a new collection of Working Papers on Fiscal Federalism to be published by the IEB. This paper should be written in English. The work should be unpublished and the author should not have other sources of finance for this particular project.
- (ii) Submit a paper (no more than 20 pages) by the end of October 2009, which should explain in a non-technical way the main research results obtained and the relationship of the work to broader lines of research. This paper may be written either in English or Spanish and may be selected for publication in a new IEB report on the state of fiscal federalism, to be launched next year.

There is no application form. To apply, candidates should submit a document with less than 2500 words stating: 1) The aim of the paper, its general outline, its theoretical framework and empirical method as well as its relevance to other research in the area; 2) The researcher's competence in the area. The paper should be submitted with a CV of the project leader (PDF file) to ieb@ub.edu indicating in the title of the message '**Application for research grant**'.

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DECISION TO AWARD:

6 RESEARCH GRANTS ON 'FISCAL FEDERALISM'

The IEB received 51 applications for the Research Grants on 'Fiscal Federalism' advertised in its Open Call. Ten of the applications corresponded to projects studying 'Fiscal Federalism in Spain'.

As a result, and in accordance with the conditions of the Open Call, the directors of the IEB's Research Program on Fiscal Federalism (Núria Bosch & Albert Solé-Ollé) decided to reserve two of the grants for projects focusing on Spain, and to award the remaining four to international projects.

In both cases, the projects awarded were selected on the basis of:

- The CVs of the researchers
- The scientific merit of the project
- The relevance for policy-design

The two Spanish projects selected by the directors of the research program were:

Spanish projects

Roberto Fernández Llera & M^a Ángeles García Valiñas (U. de Oviedo): *Efficiency and elusion: both sides of public enterprises in Spain*

Juan González Alegre (European University Institute): *Fiscal decentralization and intergovernmental grants: the European Regional Policy*

In view of the number of high quality applications for the international projects, the selection was made by a committee comprising the directors of the research program and by two renowned experts in the field: Robin Boadway (Queens University) & David Wildasin (University of Kentucky).

The four international projects awarded are:

International projects

Jonathan Rodden (Stanford U.): *The political economy of equalization*

Toke Aidt (U. of Cambridge) & **Jayasri Dutta** (U. of Birmingham): *Fiscal federalism and electoral accountability*

Mario Jametti (U. of Lugano) & **Marcelin Joanis** (U. of Sherbrooke): *Determinants of fiscal decentralization: political economy aspects*

Peter Egger (University of Munich), **Marko Koethenburger** (U. of Vienna) & **Michael Smart** (U. of Toronto): *Electoral rules and fiscal equalization*