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Federico Revelli , Emanuele Bracco
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edited by

Robin Boadway

Queen's University

Frank A. Cowell

The London School of Economics and Political Science

Massimo Florio

University of Milan

EMPIRICAL FISCAL FEDERALISM

Federico Revelli

University of Turin

Emanuele Bracco

University of Verona



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Empirical Fiscal Federalism

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Federico Revelli
University of Turin

Emanuele Bracco
University of Verona

Author for correspondence: Federico Revelli, federico.revelli@unito.it

Abstract: Fiscal federalism has long been an important topic of inquiry in applied public economics, and interest in the functioning of intergovernmental fiscal relationships in multi-tiered public sector structures does not seem to be fading. Rather, the recent economic downturn and sovereign debt crisis have brought the analysis of multilevel fiscal governance to the forefront of academic discourse and stimulated the search for tax assignments that ease the coordination between authorities at different tiers while preserving local fiscal autonomy and minimizing the harmful effects of taxation on the prospects of economic recovery. This Element examines the recent empirical work in this area and discusses the most critical issues that future research will need to address in order to push further the frontier of econometric analysis in fiscal federalism.

Keywords: fiscal decentralization, political accountability, fiscal competition

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