The Political Economy of Inter-Regional Fiscal Flows
Measurement, Determinants and Effects on Country Stability

Edited by
Núria Bosch, Marta Espasa and Albert Solé Ollé
Universitat de Barcelona (UB) and Institut d’Economia de Barcelona (IEB), Spain

STUDIES IN FISCAL FEDERALISM AND STATE-LOCAL FINANCE

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
Contents

Contributors viii
Preface and acknowledgements xi

1 Inter-regional fiscal flows: introduction to the issues 1
Núria Bosch, Marta Espasa and Albert Solé Olle

PART I COUNTING MONIES: MEASUREMENT AND PRACTICE OF INTER-REGIONAL FISCAL FLOWS

2 Inter-regional fiscal flows: measurement tools 13
Giuseppe C. Ruggeri

3 Inter-regional fiscal flows: interpretation issues 39
François Vaillancourt
Comment I 59
Núria Bosch
Comment II 64
Antoni Zabalza

4 Constitutional reforms, fiscal decentralization and regional fiscal flows in Italy 75
Maria Flavia Ambrosanio, Massimo Bordignon and Floriana Cerniglia

5 Measurement and practice of fiscal flows: the case of Belgium 108
Paul Van Rompuy

6 Inter-regional fiscal flows: Canada 125
Giuseppe C. Ruggeri
Comment III 146
François Vaillancourt

7 Inter-regional fiscal flows: methodologies, results and their determinant factors for Spain 150
Marta Espasa and Núria Bosch
PART II BEYOND THE DATA: WHY SOME REGIONS GET MORE MONEY

8 Federalism and inter-regional redistribution
   Jonathan Rodden
Comment VI
   Carles Boix

9 Decentralization by politicians: creation of grants-financed local jurisdictions
   Stuti Khemani

10 The political rationale of regional financing in Spain
   Sandra León
Comment VII
   Santiago Lago

11 The determinants of regional transport investment across Europe
   Achim Kemmerling and Andreas Stephan

12 The determinants of the regional allocation of infrastructure investment in Spain
   Albert Solé Ollé
Comment VIII
   Germà Bel

PART III IN OR OUT? REGIONAL REDISTRIBUTION AND THE STABILITY OF FEDERATIONS

13 Federalism, regional redistribution and country stability
   Enrico Spolaore
Comment IX
   Massimo Bordignon

14 The costs and benefits of staying together: the Catalan case in Spain
   Elisenda Paluzie
Contents

15 The costs and benefits of constitutional options for Québec and Canada 371
   François Vaillancourt

16 Staying together? Scotland and the rest of the United Kingdom 389
   David Bell

Index 405