



MWP Multidisciplinary Research Workshop
Taxation and Fiscal Policy
28th May 2018 – Emeroteca (Badia)

The recent crisis has put taxation and fiscal policy at the centre-stage of academic and policy debates. The limits of monetary policy acting on its own, the debt troubles of European countries and the difficulties in implementing effective and coordinated policies to fight the crisis have raised numerous questions on how to conduct fiscal policy at both the national and international level. Independentist movements in a number of European countries have also brought attention back to the issue of the relationship between local and central governments in the fiscal, as well as other, realms.

Taxation is also a crucial element in theories of the rise of the modern fiscal state in general, and democracy in particular. Taxation and fiscal policy are furthermore key aspects in research on inequality and redistribution. For instance, political scientists and legal scholars have investigated the politics behind the adoption and changes in taxes on income and wealth. Crucially, the adoption of a tax does not guarantee that they are actually paid. Tax compliance is commonly explained with reference to sociological phenomena such as norms, legitimacy, and trust. Economists have investigated taxation from a number of different directions. Two prominent examples are optimal taxation theory and research on the impact of different taxes on growth and unemployment. More recently, historical comparative work in these fields has become more common. A prime example of this is Thomas Piketty's work combining economic theories with historical data to shed light on the long-term development of inequality.

Much remains to be learned regarding the effectiveness and optimal design of fiscal policy and, more broadly, the way states tax, borrow and spend public funds. Politics, economics, history and myriad other factors intertwine to determine the policy options available to states, the obstacles they face, and the practical implementation of policies. While an interdisciplinary approach to these questions is desirable, it is also clearly underutilized. Today scholars are scattered between social science disciplines. Because of this organizational fragmentation there is need to create opportunities for scholars working on taxation and public finance to meet and exchange ideas. We believe that this workshop can be a first step towards this direction.

Organisers: Per Andersson (MW Fellow, SPS), Alexandra Fotiou (MW Fellow, ECO), Hanna Kleider (MW Fellow, SPS), Andrea Papadia (MW Fellow, RSC), Zbigniew Truchlewski (MW Fellow, SPS), Tomasz Zawisza (MW Fellow, ECO)

Programme

- 9:30 – 9:45 Welcome and coffee
- 9:45-11:00 Keynote lecture by **Davide Ticchi**, Professor of Economics at Marche Polytechnic University
"Engineering Crises: Favoritism and Strategic Fiscal Indiscipline"
- 11:00 – 11:15: Coffee break
- 11:15 – 12:45: Session 1
Per Andersson: "Fiscal Capacity in Non-democratic States"
Tomasz Zawisza: "Income and Redistribution in Recent CEE Parliamentary Elections"
- 12:45 – 14:15: Lunch
- 14:15 – 15:45 Session 2
Alexandra Fotiou: "Plague or Panacea? State-dependent Effects of Public Investment"
Andrea Papadia: "Slaves, Migrants and the Development of Fiscal Capacity and Public Goods Provision in Brazil"
- 15:45 – 16:00 Coffee break
- 16:00 – 17:30 Session 3
Zbigniew Truchlewski: "Attrition and Austerity"
Hanna Kleider: "On Subnational Debt and Bailouts: Does Fiscal Decentralization Lead to Overborrowing?"