

SNSF PROJECT DATABASE

Detailed Information for Project no. 130648

General Information

Title:	The Swiss Confederation: A Natural Laboratory for Research on Fiscal and Political Decentralization
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Persons and institutions related to this project

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Disciplines

Primary Discipline(s)

Economics

Keywords

political economics, political decentralization, direct democracy, fiscal federalism, tax competition, panel data

Abstract (*Contents of abstracts are not edited by SNSF; they are responsibility of the author*)

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Switzerland is a prototypical federal democracy and, in many ways, a small-scale version of much larger federations. Our country's extreme degree of fiscal and political decentralization, its remarkable institutional heterogeneity at the sub-federal level, and its long history of political stability mean that Swiss data represent a uniquely propitious laboratory within which to test a number of hypotheses that are of interest well beyond the confines of the national policy debate. Our central objective is to gather and analyze long data series for Switzerland in order to learn about the dynamics of policy interactions among non-coordinated jurisdictions. We thereby seek to unlock the full potential of the "Swiss laboratory" and to exploit it by investigating a number of interlinked questions in public finance and political economics. Most of these questions are of scientific as well as policy interest: - How do tax havens emerge? - Is sub-federal tax competition a zero-sum or a positive-sum game? - Can local fiscal authorities tax agglomeration rents? - Is there a dynamic tradeoff between (low) taxation and (light) regulation? - How do electoral institutions such as direct democracy or women's suffrage affect subsequent economic policy choices? At the core of our proposal is an endeavor to assemble and exploit the most comprehensive longitudinal fiscal and political dataset for Swiss cantons and municipalities to date. While researchers in empirical public finance and political economics have worked with Swiss sub-federal data for some time, the Swiss laboratory in its full historical and institutional richness has as yet remained largely unexploited due to a lack of accessible data. We therefore propose to scour all possible data sources in order to compile long time series where hitherto researchers had to work with a maximum of two to three decades of data. Our corresponding scientific objective is to exploit the resulting longitudinal database for a number of studies focusing on long-term dynamic interactions between institutions, policies and economic outcomes.