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## Preface

This book is a collection of eight papers that were published in a special symposium issue of *Empirical Economics* during 1999. These papers cover several areas of interest in contemporary public economics, including tax incidence, underground economy, welfare system, fiscal federalism, public infrastructure and the growth of government. The contributions utilize a variety of quantitative tools of analysis, including applied econometrics, applied general equilibrium modeling analysis, technical efficiency analysis and institutional analysis. The introductory essay in the book summarizes the contributions of applied public economics papers in this book and places them in a broader context of modern public finance economic theory. The objective of the book is to make these essays available in a convenient form to scholars and students engaged in research on public policy topics as well as to instructors of courses in public economics, both undergraduate and graduate. A brief motivation for the book is given below.

The study of public economics has experienced a number of dramatic changes during the past two decades. These changes have revolutionized, in a fundamental way, the subject of public economics. This is due largely to several major developments in economic theory, including the roles of information theory and game theory along with its derivative theories, such as design of institutions as well as inter-temporal analysis. These economic theory developments have altered in a fundamental way the way economists and policy analysts perceive the role of government. Also these developments have called into question the ability of governments to carry out some of its traditional tasks, particularly the efficient design of redistribution and tax systems. The theoretical research in public economics has contributed to the development of new instruments and approaches to tackle problems of economic policy in a more effective manner. Given that the evaluation of policy options requires a sound understanding of both the nature and magnitude of economic, behavioural and institutional constraints

that are faced by governments, there is a need for empirical analysis of underlying policy questions and issues.

This collection of essays on empirical finance indicates that empirical assessment is possible using a rich and diverse set of empirical approaches. The various papers exemplify some of the various techniques that can be used by applied researchers for shedding light on the questions of interest in applied public finance and its applications.

The editors are grateful to the contributing authors for their contributions, and to the reviewers of the papers in *Empirical Economics* for their timely and insightful comments. The names of the authors are listed in the table of contents and the names of reviewers, along with their affiliations, are listed in section 4 of the introductory essay. Also, the editors extend special thanks to Werner A. Mueller (Executive Economics Editor, Physica-Verlag) and Scott Carson (Dean of the School of Business and Economics, Wilfrid Laurier University) for their encouragement and support for this project.

Robin Boadway  
Baldev Raj

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