
Editorial

This collection of published works is a double reflection of the first issue of the Journal of Local Public Economics (REPUL) and of authors inaugurating with their works and stamp what we want to project for the years to come.

Such a journal has been in the minds of many of us who have collaborated first with the International Seminar on Local Public Economics since 2009 and then with the formalisation of the network of collaborators in the International Association of Local Public Economics AC. This transformation represents greater capacity to undertake new challenges and grow in various fields, developing and creating thematic interrelationships of both Local Public Economics and Public Economics. These two topics now bring together an increasing number of aspects because not only the public sector is becoming more dynamic and complex, but also the theories that explain it have increased and diversified, a situation that makes the same Public Economics. The thematic description in the posters of each year's seminars is not enough, as it is overwhelmed by the variety of papers received.

The present journal is an effort of all the associates and a new experience because although its members and those who have participated with some work in some SEMEPUL accumulate knowledge in the handling and management of academic publications, maximum when the environment of this turn has been modified and is in constant growth at the time that it is developed with interrelated aspects. These mainly range from new phenomena that are reflected in a growing participation of connected academics, in an imperative need to increase the size of the physical and electronic literary-academic space worldwide to place their specialised production, to influencing the process of adaptation to the way in which the quality and standards of research have been evolving to make it credible and which has acquired more formal guidelines. These three aspects have modified the connectivity of academic research production coinciding with the development of -critical bodies- that are incorporated and above all exchanging theoretical and practical results.

It is not precisely that those of us who make up the network and then AIEPLAC have waited until conditions became comfortable to bring out this first issue. Rather, it coincides with a maturation of several aspects associated not precisely with something planned but with working together and the possibility of joining forces, a circumstance that has coincided with the development of platforms and interested people that facilitates the possibility of capturing research results in this electronic journal and probably in a print version with a reduced print run.

The papers in this issue reflect some of SEMEPUL's thematic range. Stefan J Bailey produces a work that reflects the persistence of his work in dealing with the results of conventional policies for financing local government in EU countries, and which in practice makes an explanation based on institutional aspects necessary if we want to understand the financing processes of local governments in developed countries in this region, without neglecting their complexity understood as an institutional framework. Bailey is a pioneer in introducing institutional economics not only in Public Economics but also in Local Public Economics since he published two treatises in the nineties of the last century and the beginning of this one. It is relevant that many emphasise the focus on the local from an institutional analysis where it is appropriate to interpret at least theoretically policy issues installed strongly in the local in comparison with the atomicity of encompassing the whole economy.

The four papers in this issue are on the topics of Public Economics and Local Public Economics. The way they are analysed and the methods used are varied and have become complex as theories have developed. Econometrics as a method and technique of analysis has developed in a field which, as well as locating problems in the main pillar of allocative efficiency, has started with the theory of choice and that of collective action and politics. This has made it an intrinsic aspect of the methodology itself to reinforce the robustness aspect, and a central aspect of the measurements and statistics and models designed for public cases. This development may be similar to what happened in the fifties of the previous century with the formalisation that helped economics and although this adaptation of mathematics was not easy, it did succeed in substantially simplifying economic and social phenomena but was eventually understood as a part of economic analysis (in prices and efficiency), and in a certain sense occurs with econometric analysis when incorporating institutional and political variables. The question of the idiosyncrasy of econometrics, if this term is of any use, helps to say that formalisation with mathematics as a form of modelling, data and theory, remains at the heart of the validity as a scientific method of econometrics. However, it should be emphasised that in these four contributions there can not only be an exploitation of the results of the object of research itself, but they present us with a thematic set for discussing the role of the scientific method in economics.

Thus, for example, the analysis carried out by Jorge Ibarra and Catalina Santos by incorporating economic and institutional variables reflects the political phenomena with the method of analysis they had initiated under theoretical concepts of economic efficiency and the behaviour of the rational agent (rational choice theory). The model designed contains economic, institutional and political variables in order to explain the results. Thus, on the one hand, it is the representative data of the chosen variables and on the other hand, it is the design of the model that associates the variables. The results themselves are the substance of econometrics. But in Valero & Valero's work, despite the fact that it is the econometric method that leads to findings without a prior theory on the role of children in the labour force, based on the contributions of other authors, their results are complementary to the cases of some Mexican state economies. The first paper deals with a classic public economics topic with the question of transfers and distribution and the economic effects they have, and in the background it appraises the political-institutional factor together with economic efficiency. In the second, it is an issue that is not only one of equity, but one that no government can ignore when proposing public policies, so that children in Mexico and in many countries in Latin America, Africa and the Asian continent are central as a topic of public economics.

It should be noted that the question of the importance of the topic under analysis and the design of the methodology for economic analysis are different. The papers become important because they address each aspect, i.e. a more in-depth methodological development, a crucial issue of theory as a topic, or both. In Ibarra et al, institutional analysis is fundamental in the local public economy and the methodology for this analysis is a methodological challenge. In Valero et al, the pure analysis of children ceases to be such a neglected aspect as it deals with the issue from a point of view that encompasses health, education and informality. The results of the statistical analysis shed light on the phenomena occurring in Mexican childhood.

Horacio Sobarzo's work on how to finance universal insurance is based on a general equilibrium and input-output matrix methodology. The model is the general equilibrium and input-output model. The theoretical underpinnings are the behaviours of agents and institutions, which in this case constitute the exchange of goods in the market. The data represent the variables to be analysed. They are aggregated and therefore the data information is in accordance with the needs

of the model which is consequently aggregated. The methodology allows further questions to be answered about whether economic variables explain the effects on prices by increasing indirect taxes and effects on the informal sector itself. Finding the financing of universal insurance is of course welcomed by all political forces, because usually the provision of insurance is an issue that resonates with the political class. However, the results obtained with a purely fiscal exercise are not very encouraging, as it is difficult to finance this security and may even lead to an increase in the informal sector. Thus, it is an ingenious solution to propose financing with value added tax when there is a large informal sector, as long as this does not have repercussions on the formal sector of the economy. This issue is undoubtedly an economic issue par excellence in the sense that it only deals with the economic allocation and that this is sufficient to establish a methodology that makes it viable to sustain the economy for universal and more equitable security. If it is a question of assessing whether a public policy can be made to provide universal security, the work responds well by stating that it must first analyse whether the economy, which is structured in a certain way, is capable of financing this amount of resources. In this sense, although this implies assumptions in the methodology, there would not yet be the time to introduce an analysis on this, as long as the problem of financing is not solved. The options range from being able to observe the results when structurally modified or when the cost of universal security changes.