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Events

For your calendar: [11th UECE Conference on Economic and Financial Adjustments](#), ISEG - Lisbon School of Economics and Management, Universidade de Lisboa, Lisbon, 21 July 2023.

5 June 2023, deadline for submissions.

15 June 2023, acceptance decisions.

30 June 2023, registration.

Papers should be submitted electronically to: rem@iseg.ulisboa.pt

Further information is available at the [conference site](#).

REM [Working Papers](#)

Natural disasters, epidemics and intergovernmental relations: More or less decentralisation?, Luiz de Mello and João Tovar Jalles, *Working Paper 0248-2022*

The subnational governments, at the regional and local levels, play an important role in the prevention, management and recovery from natural disasters and pandemics/epidemics. These jurisdictions are responsible for issuing and monitoring compliance with several aspects of regulation that are essential for risk prevention, including land use and construction codes; for providing frontline services that are crucial for effective crisis management, including health care, civil protection, and public order and safety; and for rebuilding lost or damaged physical infrastructure in the recovery phase. This paper provides empirical evidence based on impulse response functions that the occurrence of natural disasters and the outbreak of

pandemics/epidemics are associated with an increase in the subnational shares of government spending and revenue in the years following these shocks. These decentralisation effects vary according to specific shocks and are conditional on the business cycle: they tend to be stronger when the shocks materialise during cyclical expansions

Is public investment in construction and in R&D, growth enhancing? A PVAR Approach, António Afonso, Eduardo de Sá Fortes Leitão Rodrigues, Working Paper 0249-2022

We study the impacts of public investment, notably in construction and in R&D on economic growth and of crowding-out effects on private investment. For this purpose, we use Panel Vector Autoregression (PVAR) models and the Generalised Method of Moments (GMM) approach for 40 advanced and emerging countries from 1995 to 2019. Our findings are as follows: i) innovations in public investment have more positive effects on GDP growth and private investment in emerging economies; ii) the positive impulse of public investment on private sector is pronounced and significant in emerging economies; iii) government construction investment has a more positive effect on economic growth in emerging economies; iv) innovations in public construction crowd-out private investment spending in advanced countries; v) emerging economies benefit from public R&D investment; vi) the public investment multiplier of the full sample is 1.67, while it is 0.87 for advanced economies and 2.29 for emerging economies