

Editorial

The AUCO Czech Economic Review has entered the third year of its existence. Last year we received many original and high-quality submissions. Most of them dealt with public economics, game theory and collective decision-making issues. Nevertheless, we also received very interesting submissions on topics such as fiscal theory, and monetary and financial economics.

Two special issues were published last year. The first special issue addressed European integration issues based on papers presented at the Sixth Europaeum workshop held at Charles University, Prague. The second special issue focused on game theory and we considered papers from the 4th Spain, Italy, Netherlands Meeting on Game Theory (SING4). Prospective AUCO contributors may be interested to know that the AUCO Czech Economic Review's acceptance rate reached 55% and in most cases we were able to provide a speedy refereeing process with a first response of about two to three months. It is also worthwhile to mention that the AUCO Czech Economic Review has been accepted to Econlit and EBSCO, and is also indexed in CEEOL and RePEc.

What are our plans for 2009? We plan on publishing high-quality papers especially in topics such as game theory, political economy, public economics and law and economics. Nevertheless, we will also seriously consider — theoretical as well as empirical — submissions in any other areas of economics. The novelty is that besides regular articles we will be introducing a new section in our journal: policy discussions. For this section, we plan on publishing articles dealing with current policy issues such as the global financial crisis, economic reforms and labor market rigidities. We especially welcome policy-oriented papers that fit the main objective of the journal.

With regards to this current issue, it consists of a small special issue on public policies in Central Europe as well as two regular articles. We start the issue with an article by Lenka Štátná on the determinants of local public expenditures and its interdependence across municipalities in the Czech Republic. She puts forward that there is interdependence in overall investments and in certain expenditures, and that political party orientation influences the size of public spending. In the next paper, Elisa Galeotti analyzes the geographical and agglomeration effects of foreign direct investment in the glass-producing companies that underwent privatization after the fall of communism in the Czech Republic. Both geographical and agglomeration effects are significant and the empirical investigation suggests that they have negative spillovers on domestic firms. The financial effects of government policies on families in Central Europe are addressed by Natálie Švarcová and Petr Švarc. These family provisions differ across the countries, with the Czech Republic and Hungary being relatively generous, while Poland only has very modest expenditures. These articles present the results of early stage researchers in the PhD program of the Institute of Economic Studies (Faculty of Social Sciences of Charles University in Prague), supported by the Czech Research

Foundation grant “The Economic Theory of Political Markets.” We also have two standard articles: Alberto Behar examines the impact of labor-market institutions on unemployment in Central Europe and finds evidence that tax wedges and the duration of benefits are associated with poor labor-market outcomes. Martin Gregor and Dalibor Roháč’s article generalizes the Dewatripont and Seabright model of wasteful state aid (2006, *Journal of the European Economic Association* 4, 513–522). Under this generalized setting, the case for pro-active state aid control is limited.

Last but not least, we would like to thank our referees for their efforts; please see the back of this issue for the full list of our 2008 referees. They contributed greatly to the standards of our journal and without them it would be very difficult for us to efficiently run the AUCO Czech Economic Review.

Roman Horváth, Editor