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This Issue contains four papers. The first article, authored by Ch. Wang (School of Economics and Trade, Human University, China), uses a duopoly setting of a three-stage game in order to analyze environmental policy, mergers and environmental R&D with spillovers. The study focuses on two main questions: (i) what is the effect of merger on R&D, and the effect of commitment on R&D?; and (ii) what is the effect of merger and commitment on the economy? Using numerical simulations, the papers finds that: (i) merger has a positive effect on R&D under no-commitment and exogenous tax scenarios; (ii) merger has negative or positive effect on R&D depending if goods are imperfect substitutes or homogeneous or if goods are complements or independent, respectively.

The second article authored by J. Palomino (Pontificia Universidad Católica del Perú) traces an overview of the evolution of Regional economic studies in Peru. Among other issues, the paper revises different conceptions of space in regional economics through time, origins of Regional economics and factors explaining the interest in the development of regional studies in Latin America. The paper argues the importance of space of Peru for regional research indicating that Peru represents a perfect setting given its wide diversity, implementation of many public policies, social issues to propose territorial policies. However, regional research in Peru is relatively less than in other Latin American countries. The paper offers an overview of the contributions and criticisms of the regional studies in Peru.

An analysis of the local public investment drivers in Peru is the topic of the third article authored by A. Jiménez, C. Merino and J. C. Sosa (Fiscal Council of Peru). Using a dynamic panel data model for 1796 local governments between 2010 and 2018, the authors argue that the principal drivers for local public investment are: (i) availability of funding sources; (ii) variables related to the capacity of local governments to plan, budget and execute public investment; and (iii) political budget cycle effects during the year following local elections. The paper distinguishes between local government with reelected and non-reelected authorities and also grouping local governments according to their economic size. The results of this paper could be useful to design mechanisms in order to make public investment more stable and predictable.

The fourth paper is authored by F. Alves (Brazilian Ministry of Education) and O. Candido (Catholic University of Brazilia and University of Porto). Using the last three editions of the PISA data, the authors aim to assess the effect of Latin American schools on student attainment and identify factors that contribute to their performance. Two variables are found to be important: family background students' characteristics and school community profile (peer effect). Other relevant variables are: school facilities, disciplinary climate in the classroom, existence and adequacy of pedagogical resources. At the end, the peer effect and the school effect suggest that the socioeconomic inequality in Latin American countries are quite important in determining the performance of the students.

For further information, please visit <http://revistas.pucp.edu.pe/index.php/economia>.

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