

DESCRIPTION FOR THE GENERAL PUBLIC (IN ENGLISH)

In recent years economists have provided much evidence confirming the significance of constitutions operating in states for the functioning of their economies. The main link here is the role that constitutional provisions have for constraining the discretion of actors in power and for inducing them to make decisions aiming at long run pro-development goals and not short run goals of their own or of particular groups. However, this literature mainly found that it is the factual implementation of constitutions and not their formal wording (text) that matters. This leads to important questions, what causes the rise of discrepancies between constitution texts and constitutional reality (in other words, what can explain the so-called *de jure* – *de facto* constitutional gaps) and what the consequences of this phenomenon are. In the ECC project we undertake this topic, offering for the first time a comprehensive and systematic economic account of the constitutional compliance problem.

The research planned in the project develops in three main steps. Firstly, to allow for its measurement, the conceptualization of the *de jure* – *de facto* constitutional gap is inevitable. This encompasses answering questions such as: What are the relevant legal norms and who has to comply with them? Secondly, we undertake the challenge to indicate the determinants of the gap between *de jure* and *de facto* constitutions. These can be characteristics of the rules themselves, characteristics of the constitutional document, or country characteristics in terms of culture, politics and socio-economic conditions. Distinct sets of factors may play a role as determinants of different constitutional rules. Thirdly, we explain the consequences of the gap between *de jure* constitutional norms and their *de facto* implementation. We argue that the existence (and size) of such gaps is not only relevant for the effectiveness of these constitutional norms, but also e.g. for trust in government and public sector corruption.

The conducted research has its fundamentals in cross-disciplinary approaches in economics such as new institutional economics and political economy. In the empirical part we make use of econometric tools allowing for analysis of data for states, as well as (for the first time in constitutional economics) experiments allowing to study individual behavior with regard to (non)compliance with the constitution.

Understanding the causes and consequences of the discrepancies between constitution texts and their interpretation is not only a valuable supplement of economic studies of constitutions conducted to date, but also has fundamental practical relevance. Namely, it helps to design better (i.e. more effective) legal institutions and creates awareness among legislators and political decision-makers of the limits of what planned constitutional reforms can achieve.

The Polish-German cooperation on this project allows not only to combine the expertise and potential of two important centers of research in constitutional economics, but it also provides a unique opportunity to conduct experiments in Germany, Poland, and Egypt (where the University of Cairo is a partner of the University of Hamburg) and compare the perceptions of constitutions and constitutional compliance across countries with substantial differences in many characteristics ranging from income levels to historical legacies and political regime experience.