

Abstract :

In this paper, we study migratory flows between countries of asymmetric size. People migrate from one country to the other for mainly two reasons: to avoid high taxes or/and to benefit from public goods supplied locally in a country. We find that the large countries can be destination of migrants for sufficiently high provision of public goods, even when the large country taxes too much. The high provision of public good offsets the congestion effect

While, the small country can be the destination of migrants for two reasons. Firstly, when public good supply is intermediate, people move to avoid congestion in the large country and to benefit from low taxation in the small one. Finally, when the provision of public goods is low, people move towards the small countries just to avoid congestion.

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The Center for Research in Economic Analysis of the University of Luxembourg is pleased to invite you to the **Lunchtime Seminar in Economics:**

Migrations, public goods and taxes

Salome GVETADZE
Université Catholique de Louvain

December 15, 2010
13:00 – 14:00

Campus Limpertsberg
Building of Science – Room BS001
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