Seminari di Economia

Prossima iniziativa:

Venerdì 20 marzo 2015
Marco Delogu, Université de Luxembourg
On the Effectiveness of Infrastructure Policies in Developing Countries

Il seminario si svolgerà nell'aula magna della ex-Facoltà di Economia alle ore 12:20 del giorno indicato.

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Abstract

Infrastructure and human capital are two widely recognized key ingredients to achieve development. Developing economies are characterized by large informal sector and substantial high skilled migration flows. This paper studies the interplay between infrastructure, informality and high skilled migration through a macroeconomic model which aims to depict a developing stylized country. Two frameworks are considered: exogenous and endogenous brain drain. Theoretical results are derived along with dynamical properties of the model. Subsequently, the model is calibrated for 60 countries. Numerical experiments show that the informal sector slows down the infrastructure accumulation process while helping low skilled to escape from extreme poverty. A quantitative assessment of restrictive fiscal policies suggest that, in the long run, an increase in the tax rate would be beneficial for high skilled individuals without worsening the welfare of low skilled individuals. The results are robust to the brain drain mechanism accounted.