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# TAX SHIFTING THROUGH MOBILITY: A NOTE

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*La presente nota caracteriza el papel de la movilidad factorial en la traslación de los impuestos sobre el capital. El marco de referencia es un modelo de equilibrio general 2×2 con factores de producción parcialmente móviles. El análisis explota una intuitiva descomposición de la incidencia de un impuesto selectivo sobre el capital en un «efecto especificidad» y un «efecto movilidad».*

## 1. Taxation and factor mobility

It has long been recognized that the flexibility and the nature of the responses of an economy to policy shocks depend crucially on the degree of mobility of its primary factors of production. In general equilibrium models used to study the comparative static effects of exogenous perturbations, the assumptions concerning which factors are intersectorally mobile and which are sector specific are often critical to the results.

For instance, think of the distributional impact of a tariff imposed by a small open economy. Under perfect factor mobility, if the protected sector is relatively labor-intensive, the tariff rises the economy-wide wage-rental ratio (Stolper and Samuelson, 1941). This is one of the fundamental propositions in the theory of international trade, according to which labor in both the protected and the non-protected sectors should favor the tariff, whereas capital-owners should oppose it. Now suppose that labor is immobile. In this setting, the tariff rises the real wage in the protected sector and lowers it in the rest of the economy, irrespective of factor intensities in production (Jones, 1971). One may conclude that the Stolper-Samuelson theorem is not adequate for explaining why labor should favor policies aimed to secure protection to its own specific industry, instead of sharing a common interest as in the perfect-mobility-factors model. Imperfect mobility implies a conflict of interests between labor in the two sectors.

Abandoning the assumption of perfect mobility can also dramatically affect the distributional incidence implications of tax policy. The case of a selective

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capital income tax (SCIT) is revealing[1]. Harberger (1962) analyzed the incidence of a SCIT in a simple 2×2 general equilibrium model with perfect factor mobility. The introduction of a SCIT in one sector initially drives a wedge between the returns to capital in the two industries, thus initiating a chain of reactions throughout the economy. The taxed sector will tend to substitute relatively cheap labor for relatively expensive capital, thus making capital owners worse-off. At the same time, however, as production of the taxed industry falls, the wage-rental ratio rises (falls) if the taxed industry is capital-(labor) intensive. The overall effect of SCIT upon the wage-rental ratio is «a priori» ambiguous.

In recent years, Harberger's analysis has been extended in many directions. The assumption of perfect factor mobility has been relaxed in a number of papers (for example, McLure, 1971; Ratti and Shome, 1977; Bhatia, 1989). These extensions posit the existence of a fixed factor. In this context, a SCIT will be borne by the owners of the taxed capital, regardless factor substitucion and factor intensities. Surprisingly, this sharp contrast in conclusions has not been followed by any attemp to explain the systematic relationship between factor mobility and tax shifting.

The need to reconcile these very different results is important from a policy perspective. Imperfect mobility is a «fact of life». Further, even if we adhere to the notion that mobility increases over time[2], tax policy involves times horizons in which factors cannot be assumed to be perfectly mobile or completely immobile. Rather, a more sensible choice would be a time frame so short that factors supply do not change, but long enough to allow market clearing, for any degree of factor mobility. The purpose of this note is to characterize the role of mobility in the shifting process in a Harberger-type model with partially-mobile factors. This is done by means of an intuitive descomposition of the incidence of the SCIT into a «specificity effect» and a «mobility effect».

## 2. The model[3]

Consider a closed economy that produces two final commodities, $X_1$ and $X_2$, using homogeneous capital, $K$, and labor, $L$. Technologies are CRS. Under

[1] This tax is chosen mainly for two reasons. First, Harberger's (1962) seminal paper was devoted to the analysis of the incidence of the corporation income tax, which exempts profits in the non-corporate sector. Second, the use of different types of taxes on capital is widespread. Even if capital income pays taxes in all sectors or regions of the economy, the qualitative results of the incidence of a SCIT will remain valid as long as capital is taxed at different rates. The analysis extends trivially to selective labor income taxes (e.g. payroll taxes), selective employment incentives (e.g. exemptions in social security contributions) and selective capital subsidies (e.g. industrial promotion schemes).

[2] Section 2 briefly deals with this issue.

[3] The basic structure of the model follows the standard general equilibrium model of international trade theory as formulated by Jones (1965). For applications to tax incidence in general equilibrium, see Atkinson and Stiglitz (1980). González-Páramo (1986) extends the basic incidence propositions to a context featured with imperfect factor mobility.

competition, the behavior of producers is completely described by the equality of price and average cost:

$$p = c_1(r_1 \tau_{K1}, w_1) \qquad [1]$$

$$1 = c_2(r_2, w_2) \qquad [2]$$

where $p$ is the relative price of $X_1$ in terms of $X_2$ (numéraire), $c_i$ $(i = 1,2)$ is the unit-cost function with the standard properties, $r_i$ and $w_i$ are the net rewards of capital and labor, and $\tau_{K1} = 1 + t_{K1}$, where $t_{K1}$ is a selective «ad valorem» tax on capital used in sector 1.

Capital and labor are imperfectly mobile. In our context of homogeneous factors, immobility can arise from two main sources[4]. First, factor movements may be inhibited by physical barriers, government restrictions or union pressures. Second, factors may be «preferentially specific», a situation in which a factor prefers being employed in a particular sector rather that being hired in the other industry (see Lancaster, 1958, Manning and Sgro, 1975, or Casas, 1984). Reluctancy to shift among occupations gives rise to a premium paid out to the factor employed in the least preferred sector. Suppose, for instance, that preferences are additive in goods and factors, i.e. $U = U_G(X_1, X_2) - U_F(L_1, L_2, K_1, K_1)$. Further, assume that $U_F$ is a CES function of the form:

$$\phi\left[(1-\rho)^{1/\eta_L} L_1^{1+1/\eta_L} + \rho^{1/\eta_L} L_2^{1+1/\eta_L}\right] + \gamma\left[(1-\xi)^{1/\eta_K} K_1^{1+1/\eta_K} + \xi^{1/\eta_K} K_2^{1+1/\eta_K}\right], 0<\rho<1, 0<\xi<1,$$

where $\eta_j$ $(j{:}K,L)$, $\rho$ and $\xi$ are constants. Maximization of $U$ subject to $pX_1 + X_2 \leq w_1 L_1 + w_2 L_2 + r_1 K_1 + r_2 K_2$ with respect to $L_i$ and $K_i$ yields the following first order conditions:

$$\frac{L_1}{L_2} = \frac{\rho}{1-\rho}\left(\frac{w_1}{w_2}\right)^{\eta_L}, \quad 0 \leq \eta_L < \infty \qquad [3]$$

$$\frac{K_1}{K_2} = \frac{\xi}{1-\xi}\left(\frac{r_1}{r_2}\right)^{\eta_K}, \quad 0 \leq \eta_K < \infty \qquad [4]$$

where $\eta_j$ $(j{:}K,L)$ is the relative supply elasticity of the $j$-th factor to sector 1 with respect to the net earnings ratio. The degree of factor mobility is given by $\eta_j$: for an arbitrary change in the rental ratio, the size of the reallocation of factor $j$ across industries increases with the magnitude of $\eta_j$. Mussa (1982) and Grossman (1983) derive mobility conditions analogous to [3]-[4] in models of heterogeneous factors of production.

Full employment of factors is ensured by perfect flexibility of factor returns:

[4] In heterogeneous factors models, immobility can also stem from «aptitudinal specificity», a situation in which a factor is more efficient in producing a good rather than another. Even if, say, capital is instantaneously transferable between sectors, capital would be imperfectly mobile if different capital units contribute differently to the stock of «efficiency capital» (see Mussa, 1982, or Grossman, 1983).

$$L_1(r_1\, \tau_{K1}, w_1, X_1) + L_2(r_2, w_2, X_2) = L \qquad [5]$$

$$K_1(r_1\, \tau_{K1}, w_1, X_1) + K_2(r_2, w_2, X_2) = K \qquad [6]$$

where the terms in the left-hand side are factor demands. Total factor supplies are fixed. Equations [5]-[6] —which state that the total supply of a factor equals the sum of the quantities of that factor demanded by both sectors— do not implly that there is a single market for factors. Although firms demand factors of production which are homogeneous, imperfect mobility may lead to an equilibrium featured by $w_1 \neq w_2$ and $r_1 \neq r_2$, i.e. the equilibrium rental rates may differ across sectors. The markets for $L_1$ and $L_2$ ($K_1$ and $K_2$) are not completely separated except when labor (capital) is immobile.

Preferences over goods are represented by a single homothetic utility function. Aggregate demand for $X_1$ is:

$$X_1 = X_1(p,I) \qquad [7]$$

where $I = pX_1 + X_2$. This definition of income is valid when the SCIT is «small» and revenues are returned back to consumers in a lump-sum fashion. In equilibrium, Walras' Law allows to ignore the demand function for $X_2$.

In order to analyze the incidence of taxation, the model can be solved for the change in factor prices using the convenient properties of the by now standard Jones' algebra (see Jones, 1965, and Atkinson and Stiglitz, 1980). This approach allows to express the rate of change of a variable as a function of the tax and a set of parameters that characterize the behavior of the economy: the elasticities of technical factor substitution, $\sigma_i$; the elasticities of factor mobility, $\eta_j$; the compensated elasticity of demand for $X_1$, $-\epsilon$; the shares in the total supply of factor $j$ of the amount of this factor employed in sector $i$, $\lambda_{ji}$; and the shares of the $j$-th factor in the value of the $i$-th product, $\theta_{ji}$. A circumflex over a variable indicates a proportional rate of change: $\hat{z} = dlogz$.

Differentiating totally [1]-[7] and noting the above definitions of parameters, the incidence of a SCIT upon $r_1$ can be expressed as[5]:

$$\hat{r}_1 = |\Sigma|^{-1} [\eta_L \eta_K \theta_{L2} \Omega - \eta_L \Sigma_B - \eta_K \lambda_{K1} \theta_{L2} \sigma_1 \epsilon - \sigma_1 \sigma_2 \epsilon]\, \hat{\tau}_{K1} \qquad [8]$$

[5] Algebraic treatment of general equilibrium models is a straightforward but tedious exercise even in the simple 2 × 2 model with perfect mobility. In our case, algebra is greatly simplified if we note that [1] perfect competition and CRS implies:

$$\hat{X}_i = \theta_{Li}\, \hat{L}_i + \theta_{Ki}\, \hat{K}_i.$$

and that [2] the definition of the elasticity of technical substitution allows to write:

$$\hat{K}_1 - \hat{L}_1 = \sigma_1(\hat{w}_1 - \hat{r}_1 - \hat{\tau}_{K1}) \qquad \hat{K}_2 - \hat{L}_2 = \sigma_2(\hat{w}_2 - \hat{r}_2)$$

Once eliminated the rates of change in $X_i$, $K_i$ and $L_i$, the model can be reduced to a three-equation system in the percentage changes in $w_1/r_1$, $w_2/r_2$ and $p$. The solution of the system may be combined with the zero-profit conditions to yield formal expressions for the tax-induced changes in factor prices (for details, see Appendix).

with

$$|\Sigma| = \eta_L\eta_K\Sigma_A + \eta_L\Sigma_B + \eta_K\Sigma_C + \sigma_1\sigma_2\epsilon$$

$$\Omega = \Lambda\theta_{K1}\epsilon - \delta_1\sigma_1$$

$$\Sigma_A = \epsilon\theta\Lambda + \delta_1\sigma_1 + \delta_2\sigma_2$$

$$\Sigma_B = \lambda_{L1}\theta_{K2}\sigma_1\epsilon + \lambda_{L2}\sigma_2(\theta_{L1}\sigma_1 + \theta_{K1}\epsilon)$$

$$\Sigma_C = \lambda_{K1}\theta_{L2}\sigma_1\epsilon + \lambda_{K2}\sigma_2(\theta_{K1}\sigma_1 + \theta_{L1}\epsilon)$$

where the short-hand expressions used above are: $\Lambda = \lambda_{L1} - \lambda_{K1} = \lambda_{K2} - \lambda_{L2}$, $\Theta = \theta_{L1} - \theta_{L2} = \theta_{K2} - \theta_{K1}$, $\delta_1 = \lambda_{K2}\lambda_{L1}\theta_{K1} + \lambda_{K1}\lambda_{L2}\theta_{L1}$ and $\delta_2 = \lambda_{K2}\lambda_{L2}$. Factor $j$ is perfectly mobile (completely immobile) as $\eta_j \rightarrow \infty$ ($\eta_j = 0$). Sector 1 is said to be relatively labor-intensive in the physical (the value) sense if $\Lambda$ ($\Theta$) > 0. At an initial equilibrium, $\Lambda\Theta > 0$ ensures stability (see Neary, 1978).

In order to understand the results in the next two sections, it is crucial to note that we are *not* assuming that the mere existence of an intersectoral difference in, say, rental rates will induce a transfer of capital. This postulate superimposes a dynamic argument on a static analytical framework. Further, it implicitly identifies the long-run equilibrium with a situation of perfect factor mobility[6]. Rather, we assume that whatever the initial rental rates in the two sectors, a change in the ratio $r_1/r_2$ is required to induce a movement of capital across industries. This movement will come to an end, with the size of the reallocation determined by the change in $r_1/r_2$. The new equilibrum will be stable even though it may involve different rental rates in the two sectors.

## 3. The specificity and the mobility effects of a SCIT

Here we aim at an expression that separates the incidence of the tax upon impact from the general equilibrium effects that take place once factors are allowed to move in response to the tax. To do this, we can reexpress [8] as:

$$\hat{r}_1 = \hat{r}_1^S + \hat{r}_1^M \tag{9}$$

where the *specificity effect* (superscript $S$) is the tax induced response of $r_1$ if capital were immobile, and the *mobility effect* (superscript $M$) represents the portion of the tax that capital in sector 1 succeeds in passing on to other factors of production through mobility.

Trivially, with $\eta_K = 0$, $\hat{r}_1^S = -\tau_{K1}$, i.e. $r_1$ falls by the amount of the tax. Subtracting from [8], the mobility effect can be written as:

$$\hat{r}_1^M = |\Sigma|^{-1} [\eta_K\eta_L\Pi_A + \eta_K\Pi_B]\, \hat{\tau}_{K1} \tag{10}$$

[6] This popular «Marshallian» assumption is controversial. Differences in preferences, in labor skills and in capital efficiency can be a feature of long-run equilibrium (for example, see Herberg and Kemp, 1971, and Grossman and Shapiro, 1982). Further, physical or legal restrictions that inhibit mobility can be long lasting.

where $\Pi_A = \theta_{K1}\theta_{L2}\epsilon\Lambda + \theta_{K2}\delta_1\sigma_1 + \delta_2\sigma_2$ and $\Pi_B = \sigma_2\lambda_{K2}(\theta_{K1}\sigma_1 + \theta_{L1}\epsilon)$. A necessary condition for any shifting to take place is that capital be mobile. On the other hand, equation [10] indicates that the degree of labor mobility largely determines the proportion of the tax that is shifted. The link between mobility and shifting that the former decomposition establishes is best characterized in two main results:

*Proposition 1:* Sufficient conditions for capital in sector 1 to bear less than the full burden of the tax, i.e. $\hat{r}_1^M > 0$, are: (i) $\Lambda \geq 0$, for all $\eta_K > 0$, $\eta_L > 0$, and (ii) $\eta_L = 0$, for all $\eta_K > 0$.

Suppose that $\epsilon = 0$ initially. Then, as labor is substituted for capital at a fixed level of output of $X_1$, the net return to capital will start to rise. If we now allow $\epsilon \neq 0$, an additional factor intensity differential effect will further encourage shifting when $\Lambda \neq 0$ by creating an economy-wide excess demand for the factor intensively used in the untaxed sector as industry 1 cuts down production. Result (*ii*), first proved by McLure (1971) for $\eta_K \rightarrow \infty$, emerges as a special case when the factor intensity differential does not play any role. Provided that $X_2$ is not produced by means of a Leontief-type technology, capital in sector 1 always gains from mobility when labor is sector-specific.

Is it possible that capital in sector 1 actually loses from mobility when trying to escape the tax? We know that under the assumption of perfect capital mobility, capital may end up bearing more than the full amount of the tax (Harberger, 1962). Equation [10] indicates that this cannot occur when any factor is immobile. This implies that although mobility is necessary for any shifting to be possible, it is not sufficient to improve the position of capital owners.

*Proposition 2.* Necessary conditions for capital in sector 1 to bear more that the full burden of the tax, i.e. $\hat{r}_1^M < 0$, are that both factors be mobile and that sector 1 be relatively capital-intensive. These, together with either: (*i*) $\epsilon \rightarrow \infty$ and $\sigma_2 = 0$, or (*ii*) $\epsilon \rightarrow \infty$ and $\eta_L \rightarrow \infty$, or (*iii*) $\sigma_1 \rightarrow 0$ and $\sigma_2 \rightarrow 0$, suffice to ensure a negative mobility effect.

Propositions 1 and 2 show that, perhaps contrary to intuition, analyses of tax incidence based upon the specific-factors model ($\eta_j = 0$) could yield misleading results when capital and/or labor are in fact partially mobile. If the degree of factor mobility is positive but arbitrarily close to zero, both the size and the sign of the mobility effect could be substantially different from those associated to the immobility benchmark.

## 4. Tax shifting under increased mobility

The available literature on tax incidence has neglected the analysis of the effects of changes in the degree of mobility upon tax shifting. This is not surprising, since the existing models are special cases of [1]-[7] when $\eta_j$ is either 0 or $\infty$. From equation [10], we can obtain:

$$\frac{\partial \hat{r}_1^M}{\partial \eta_K} = |\Sigma|^{-2}\left[\Pi_A(\eta_L^2\Sigma_B + \eta_L\sigma_1\sigma_2\epsilon) + \Pi_B(\eta_L\Sigma_B + \sigma_1\sigma_2\epsilon)\right]\hat{\tau}_{K1} \qquad [11]$$

$$\frac{\partial \hat{r}_1^M}{\partial \eta_L} = |\Sigma|^{-2}\left[\Pi_A(\eta_K^2\Sigma_C + \eta_K\sigma_1\sigma_2\epsilon) - \Pi_B(\eta_K^2\Sigma_A + \eta_K\Sigma_B)\right]\hat{\tau}_{K1} \qquad [12]$$

Expressions [11] and [12] indicate how the incidence pattern of a SCIT is modified as a result of an exogenous change in mobility conditions. Suppose that these can be modified by government policy. Since $\Pi_B$ is non-negative, the qualitative effect of changes in factor mobility upon tax shifting depends on the sign of $\Pi_A$. Capital in sector 1 will favor policies intended to increase capital mobility when $\Pi_A > 0$ (industry 1 relatively labor-intensive or even «moderately» capital-intensive) and oppose those intended to increase the mobility of labor when $\Pi_A < 0$ (industry 1 «highly» capital-intensive). From *Proposition 2* we know that the mobility effect may be harmful for capital in sector 1 only if this industry is relatively capital-intensive and there are no immobile factors. When a negative factor intensity differential effect dominates, owners of capital in sector 1 will favor policies to reduce its impact. Restrictions on labor mobility will always do the job. The case for an increase in capital mobility is just symmetric.

Finally, note that when factor substitution is not possible in either sector ($\sigma_i \rightarrow 0$), tax shifting becomes independent of factor mobility considerations. Capital in sector 1 gains (loses) relative to the immobility benchmark as $\Theta > (<) 0$. This Harberger-type result generalizes to situations featured by any degree of factor mobility, provided that no factor is completely «tied» to its sector of employment (i.e. $\eta_j > 0$).

## Appendix
## Derivation of equation [8]

We just need to reduce equations [1]-[7] to a three equation system in $(\hat{w}_1 - \hat{r}_1)$, $(\hat{w}_2 - \hat{r}_2)$ and $\hat{p}$. First, notice that the zero-profit conditions [1]-[2] imply:

$$\hat{w}_1 = \hat{p} + \theta_{K1}(\hat{w}_1 - \hat{r}_1) - \theta_{K1}\tau_{K1} \qquad [A.1]$$

$$\hat{w}_2 = \theta_{K2}(\hat{w}_2 - \hat{r}_2) \qquad [A.2]$$

$$\hat{r}_1 = \hat{p} - \theta_{L1}(\hat{w}_1 - \hat{r}_1) - \theta_{K1}\tau_{K1} \qquad [A.3]$$

$$\hat{r}_2 = -\theta_{L2}(\hat{w}_2 - \hat{r}_2) \qquad [A.4]$$

The full-employment equations [5]-[6] can be rewritten as:

$$\lambda_{L1}\hat{L}_1 + \lambda_{L2}\hat{L}_2 = 0 \qquad [A.5]$$

$$\lambda_{K1}\hat{K}_1 + \lambda_{K2}\hat{K}_2 = 0 \qquad [A.6]$$

Subtract [A.5] from [A.6] to get:

$$\lambda_{K1}\hat{K}_1 + \lambda_{K2}(\hat{K}_2-\hat{L}_2)+\lambda_{K2}\hat{L}_2 = 0 \quad [A.7]$$

From [A.5], $\hat{L}_2 = -(\lambda_{L1}/\lambda_{L2})\hat{L}_1$. Substituting in equation [A.7] for the mobility conditions [3]-[4] and using the definition of $\sigma_2$ and equations [A.1]-[A.2], expression [A.8] becomes the first equation of the system:

$$-(\lambda_{K1}\theta_{L1}\eta_K+\lambda_{L1}\theta_{K1}\eta_L)(\hat{w}_1-\hat{r}_1)+(\sigma_2+\lambda_{K1}\theta_{L2}\eta_K+\lambda_{L1}\theta_{K2}\eta_L)(\hat{w}_2-\hat{r}_2)+ \\ +(\lambda_{K1}\eta_K-\lambda_{L1}\eta_L)\hat{p} = \theta_{K1}(\lambda_{K1}\eta_K-\lambda_{L1}\eta_L)\hat{\tau}_{K1} \quad [A.8]$$

The second equation is obtained as follows. The mobility condition [3] can be restated as $\hat{L}_2 = \hat{L}_1-\eta_L(\hat{w}_1-\hat{w}_2)$. On the other hand, perfect competition and CRS imply $\hat{X}_1 = \theta_{L1}\hat{L}_1 + \theta_{K1}\hat{K}_1 = \hat{L}_1+\theta_{K1}(\hat{K}_1-\hat{L}_1)$. Thus, if we use this result and the definition of $\sigma_1$, [A.5] becomes:

$$\hat{X}_1 - \theta_{K1}\sigma_1(\hat{w}_1-\hat{r}_1-\hat{\tau}_{K1}) - \lambda_{L2}\eta_L(\hat{w}_1-\hat{w}_2) = 0 \quad [A.9]$$

Using the demand condition [7] and substituting for $(\hat{w}_1-\hat{w}_2)$ from [A.1]–[A.2], we have:

$$-[\theta_{K1}(\sigma_1+\lambda_{L2}\eta_L)](\hat{w}_1-\hat{r}_1)+\theta_{K2}\lambda_{L2}\eta_L(\hat{w}_2-\hat{r}_2)-(\epsilon+\lambda_{L2}\eta_L)\hat{p} = \\ = -\theta_{K1}(\sigma_1+l_{L2}\eta_L)\hat{\tau}_{K1} \quad [A.10]$$

Analogous substitutions allow to rewrite equation [A.6] as:

$$[\theta_{L1}(\sigma_1+\lambda_{K2}\eta_K)](\hat{w}_1-\hat{r}_1)-\theta_{L2}\lambda_{K2}\eta_K(\hat{w}_2-\hat{r}_2)-(\epsilon+\lambda_{K2}\eta_K)\hat{p} = \\ = (\theta_{L1}\sigma_1-\theta_{K1}\lambda_{K2}\eta_K)\hat{\tau}_{K1} \quad [A.11]$$

In order to derive the incidence expression [8], we must solve:

$$\Sigma\begin{bmatrix}\hat{w}_1-\hat{r}_1\\ \hat{w}_2-\hat{r}_2\\ \hat{p}\end{bmatrix} = \begin{bmatrix}\theta_{K1}(\lambda_{K1}\eta_K-\lambda_{L1}\eta_L)\\ -\theta_{K1}(\sigma_1+\lambda_{L2}\eta_L)\\ \theta_{L1}\sigma_1-\theta_{K1}\lambda_{K2}\eta_K\end{bmatrix}\hat{\tau}_{K1}, \quad [A.12]$$

where $\Sigma$ is the coefficient matrix of the system [A.8], [A.10]-[A.11]. Solutions for $(\hat{w}_1-\hat{r}_1)$ and $\hat{p}$ can be combined with [A.3] to yield equation [8] in the text.

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## Abstract

This note characterizes the role of capital and labor mobility in the shifting of capital taxes in a 2 × 2 general-equilibrium model with partially-mobile factors. This is done by means of an intuitive decomposition of the incidence of a selective capital tax into a «specificity effect» and a «mobility effect».

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# I JORNADAS DE ECONOMIA FINANCIERA

BILBAO 17 y 18 de junio de 1993

Patrocinado por el INSTITUTO DE ECONOMIA PUBLICA-FUNDACION BBV

Las Jornadas de Economía Financiera nacen con el objetivo de cubrir una importante laguna en las reuniones científicas españolas. Pensamos que el rigor académico que ha alcanzado la Economía Financiera en nuestro entorno requieren un lugar de encuentro periódico y específico del área. De esta forma esperamos facilitar el intercambio de nuevas ideas entre los académicos financieros con prestigio nacional e internacional existentes en nuestro mundo universitario e investigador dentro de un foro de discusión apropiado. Sus objetivos se enmarcan en la consecución de un elevado nivel de calidad.

Las Jornadas contarán, como máximo, con 16 aportaciones originales de investigación en Economía Financiera que se repartirán en 8 sesiones de trabajo, disponiendo cada uno de ellos de 45 minutos para su presentación y discusión. Los trabajos serán sometidos a una evaluación anónima que determinará su presentación en las Jornadas. Asímismo, las Jornadas tendrán una Conferencia Inaugural que pronunciará un prestigioso economista de alto renombre internacional.

**Presentación de Originales**

Enviar dos copias del trabajo o de una versión preliminar del mismo (no es suficiente la presentación de un breve resumen) a:

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