

Tax competition: An impossible coordination?

Published on June 28, 2019 – Updated on November 25, 2019

Dates

on the June 28, 2019

Focus on Research

Tax competition: An impossible coordination?

Tax competition describes the competition between governments to attract capital to their countries. The 2008 crisis, the bankruptcy of some States, and the multiple scandals of tax evasion or very aggressive tax planning (from Panama Papers to Luxleaks) have highlighted the importance of the issue of fair or unfair tax competition, and called for more tax coordination or cooperation. Rota-Graziosi (2019) establishes a sufficient condition for the existence of the equilibrium of tax competition. He deduces some results regarding the uniqueness of this equilibrium, the impossibility of coordination through coalition, and the effects of an endogenous stock of capital.

[Read in French](#)

About the author



Grégoire Rota-Graziosi

Professor of Economics, Director of Cerdi

Université Clermont Auvergne, CNRS, IRD, CERDI, F-63000 Clermont-Ferrand, France.

Reference

Rota-Graziosi, G. 2019. "[The supermodularity of the tax competition game](#)", *Journal of Mathematical Economics*, 83 (August), 25-35.

<https://doi.org/10.1016/j.jmateco.2019.04.003>