Estimating Preferences for Local Public Services Using Migration Data

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Abstract
Using Swedish micro data, the paper examines the impact of local public services on community choice. The choice of community is modelled as a choice between a discrete set of alternatives. It is found that, given taxes, high spending on child care attracts migrants. Less conclusive results are obtained with respect to the role of spending on education and elderly care. High local taxes deter migrants. Relaxing the independence of the irrelevant alternatives assumption, by estimating a mixed logit model, has a significant impact on the results.