Estimating Interregional Utility Differentials[*]

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18 May 2007

Abstract

Examining Japanese long term data of interregional migration, we revealed three stylized facts of migration behavior. Based on the facts, we built an operational model and estimated interregional utility differentials. We found that the interregional utility differentials have been converging until late 1970s. We showed that the utility estimates are highly correlated to per capita real income. We also applied the model to interregional migration in the United States and Canada, and to interindustry movement in Japan, and confirmed its validity.

Keywords: migration costs; payoff monotonicity; revealed preference; gross migration
J.E.L. Classification: R11, R23