

Ageing and urban agglomeration under the multi-regional overlapping generation model

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Abstract

The purpose of this paper is to construct the two-regions model, in which households take account of the number of their children and residential location within three generations. Introducing migration and longevity into the overlapping generations model, we examine the relationship between life expectancy and agglomeration. Our calibration shows that the longer life expectancy promotes agglomeration. We reveal that the unbalance of population distribution between urban and rural areas enlarges as longevity expands.

Key words: Aging, longevity, migration, self-healthcare