International Tax Competition

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Prof. Thierry Madiès

Lecture content

Chapter 1: Basic model of tax competition

1. Describing the model
2. The fiscal Nash equilibrium
3. Three main results

Complement 1 : Is the corporate income tax ultimately borne by workers?

Chapter 2: Switzerland as a laboratory to study tax competition

1. Institutional features of the Swiss tax system
2. Tax elasticities and behavioral responses to changes in tax rates
3. The effect of tax competition on inequality and progressivity

Complement 2: How does culture affect tax preferences and tax policy?

Chapter 3: Some extensions of the basic model of tax competition

1. Tax competition when countries are heterogeneous
2. Fiscal competition over taxes and public inputs
3. Tax competition as a means to tame the leviathan

Complement 3: Decentralized taxation and the size of government: Evidence from Swiss state and local governments (Feld et al., 2010)

Chapter 4: Foreign direct investment (FDI): Do international differences in corporate income taxation matter?

1. Why has corporate tax revenue remained remarkably stable over time ?
2. Different measures of the corporate income tax
3. The main determinants of FDI location
4. The effects of corporate income taxation on FDI location in OECD countries
5. The role of public infrastructure and personal income taxation

Chapter 5: Taxing mobile top earners

1. Do millionaires move to escape taxes?
2. Do football stars follow lower taxes?
3. Can countries attract the world's best inventors with lower taxes?

Chapter 6: Tax competition and trade integration

1. Some insights into the New Economic Geography
2. Economic integration and tax competition: A non-linear relationship
3. Does trade integration cancel the advantage of large domestic markets?

Chapter 7: Do countries mimic each other when setting their tax rates?

1. Tax competition versus yardstick competition
2. Tax mimicking behavior in Switzerland
3. Tax mimicking behavior among OECD and EU countries

Chapter 8: Tax planning by multinational firms (MNFs) and the BEPS project

1. How do multinational enterprises shift profits?
2. A simple model of corporate profit shifting
3. What does the empirical evidence tell us?
4. How much corporate tax revenue is lost to profit shifting?
5. The OECD/G20 BEPS project and the two-pillar reform of international taxation

Chapter 9: Tax havens (if time permits)

1. What is a tax haven?
2. Tax havens are not only paradisiac islands
3. Special purpose vehicules (SPV) and foreign direct investment: In search of the ultimate investors
4. Private wealth located in tax havens: Are inequalities in OECD countries underestimated?