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| Nota di contenuto       | Cover; Abstract; Contents; I. Introduction; Tables; 1. Tariff Reductions under the Uruguay Round; II. The Model; A. Households; B. The Government; C. Firms; D. The Consolidated Budget Constraint; E. The Initial Steady State; III. Parameterization; IV. Revenue neutral tariff-tax reform; 2. Model Parameterization; Figures; 1. Effects of a Domestic Revenue Neutral Tariff-Tax Reform; 3. Impact of a domestic tariff-tax reform on the DPV of domestic, foreign and world; V. Point-For-Point Tariff-Tax Reform; 4. Sensitivity analysis: The sign of the welfare effect of a domestic tariff-tax reform<br>VI. Conclusions<br>5. Impact of a domestic tariff-tax reform on the DPV of domestic, foreign and world; 2. Effects of a Domestic Point-For-Point Tariff-Tax Reform; References; References |
| Sommario/riassunto      | This paper studies tariff-tax reforms in a calibrated two-region global New Keynesian model composed of a developing and an advanced region. In our baseline calibration, a revenue-neutral reform that lowers tariffs in developing countries can reduce domestic welfare. The reason is that the increase in developing countries welfare due to higher output is dominated by the welfare losses stemming from the   |

deterioration of the terms of trade. On the other hand, the reform increases output and welfare in the advanced countries and in the world as a whole. The effects that we highlight have not been

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