

A Model of Liberalization of Nurse and Trade

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Abstract:

Aging developed countries are now accepting foreign nurse and liberalizing trade. This paper proposes a model of an aging developed economy with nurse inflow and trade and analyzes the welfare effects of liberalization of nurse and trade. We show that the welfare effects of liberalization of nurse depend on the cost-saving and tariff revenue effect and that the liberalization is not always welfare enhancing. We derive a sufficient condition for the liberalization of nurse and trade to be welfare enhancing. Moreover, we derive the optimal gap of the rate of returns to foreign nurse and the optimum tariff.

Keywords: Aging society, Cost-saving effect, Tariff revenue effect

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