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**EXTENDING THE 'VOTING WITH THE FEET' PROPOSITION: THE
IMPACT OF LOCAL ECONOMIC DEVELOPMENT ACTIONS ON
IMMIGRATION ACROSS MEXICAN MUNICIPALITIES**

Abstract:

Since the early 1990s, experts across the economic development world have increasingly supported a sub-national response to the development challenges and opportunities stemming from economic globalisation and financial crisis. Recently, a notable number of studies stress the favourable impact of bottom-up development policies on population well-being in comparison to limited achievements of national government interventions.

In this context, this study analyses quantitatively the effect of the fundamental features and policy actions of the bottom-up or local economic development approach (LED) on population mobility among the lowest level of government jurisdictions in Mexico. The relevance of this research lies on the fact that "voting with the feet" (Tiebout, 1956) takes other dimension if the bottom-up approach to economic and social development is taken into account. This is because individuals can choose to move to a particular jurisdiction not only by considering its bundle of taxes and public services but also on the basis of development prospects that best satisfy their needs and aspirations.

This paper finds significant evidence of a positive impact of LED elements on immigration across Mexican municipalities during the period between 1990 and 2005. In other words, in the Mexican context, the evidence provided in this analysis shows that the migration implications of Tiebout's proposition work when its scope is extended to include LED fundamental elements as an indication of a more active role of the lowest sub-national level of government in economic and social development.

Keywords:

Tiebout, decentralisation, local economic development, Mexico, immigration, municipalities

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