This dissertation consists of three papers. "Optional sales tax holidays: Which jurisdictions participate? Logit and a spatial analyses", reviewed the literature regarding strategic interaction among jurisdictions and border effects due to tax differentials. I used a logit model to estimate whether or not Missouri cities will participate or not in the 2004 sales tax holiday. I found that cities consider their own characteristics and their neighbor's characteristics when making the decision to participate in the tax holiday. I did not find evidence of spatial autocorrelation, perhaps because other variables already contain some spatial information.

"Convergence of Mexican states, 1993-2004", examines the convergence implications of the Solow (1956) neoclassical economic growth model for Mexico. There is no evidence of unconditional beta convergence. There is evidence of conditional beta convergence and its value is 2.37 percent. There were mixed results for sigma convergence among Mexican states.

"Disparities in Productivity Growth in Mexico, 1993-2004" examines the behavior of productivity among Mexican states for 1993-2004. Investments in physical capital are negatively related to productivity, states attracting labor force have higher productivity, human capital increases productivity. States with a higher percentage of indigenous population have lower productivity than the rest of the country.