

Seminar

Regional Economics in a Globalized World: Empirically Investigating the Distribution of Economic Activity Over Space

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March 4, 2021

1 Outline

Economic activity spreads over space, forming the global, regional, and local patterns of trade and mobility which we observe today. Understanding why and how such patterns emerge is of interest for understanding the global economy. Improvements in data availability at more disaggregated levels allows empirical studies to focus on subnational economic activity. In this seminar, we will consider advances in the literature, focusing on economic interactions at the regional level as well as the role of international trade. Special attention will be given to transport costs, agglomeration, geographic distance, as well as trade liberalization.

2 General Issues

This course addresses master's students of Business Administration, Economics, History & Economics, Internationale Wirtschaft und Governance,

and Philosophy & Economics. Advanced interested bachelor's students may also participate.

The course will focus on the reproduction and discussion of a selection of papers covering different aspects of regional economics. It consists of an introductory meeting on 23 April 2021 (2 – 4 pm), some compulsory reading in preparation for the presentations, two days of student presentations on 18 and 19 June 2021, and a graded term paper.

Interested students are asked to **sign up** by sending an email to Hanna Adam (hanna.adam@uni-bayreuth.de) before **15 April 2021**, indicating their previous knowledge in statistics and empirical economics as well as their three preferred topics.

For further questions concerning course details, please contact Hanna Adam (hanna.adam@uni-bayreuth.de).

3 Requirements and Assessed Course Work

Requirements

In order to participate in the course, interest in and good knowledge of empirical economics is expected.

Assessed Course Work

The assessed course work consists of a term paper in which you reproduce and critically discuss the results of your topic. The student presentations in June will cover the same topics as the term papers.

The date of submission of the term paper will be 30 September 2021 (of course, an earlier submission is possible at any time).

Language and Formal Requirements

The language of the course (and hence your presentation and presentation slides) is English. Also, all the literature is in English. Your term paper can be written in German or in English, even though we suggest to write it in English. For more details concerning the formal requirements of the written assignments, please see the style sheet available at our chair's website in

German (Formatierungshinweise für Seminar -und Abschlussarbeiten) and in English (Formal requirements for term papers and Bachelor's/Master's theses).

4 Target Group

The course addresses students from the following degree courses:

- Betriebswirtschaftslehre (MSc): as “Advanced Empirical Economics II” (as part of the bloc “B 1 Forschungsmethoden” or as part of the bloc “V Empirische Wirtschaftsforschung”).
- Economics (MSc): as “Advanced Empirical Economics II” (which is part of the specialization “Modelltheorie”) or as “Individueller Schwerpunkt”.
- Internationale Wirtschaft und Governance (MA): as “Advanced Empirical Economics II” (which is part of the specialization “Ökonomische Modellbildung und empirische Analyse”) or as “Individueller Schwerpunkt”.
- Philosophy and Economics (MA): as electives course.
- History and Economics (MA): as specialization.

Additionally, interested bachelor's students may participate.

5 Reading List

As useful general background, we provide the following reading list:

- Head and Mayer (2004): “The empirics of agglomeration and trade” gives an introduction to the approach of New Economic Geography and examines empirical strategies used to evaluate the importance of agglomeration and trade models.

- Combes and Overman (2004): “The spatial distribution of economic activities in the European Union” examines the spatial distribution of economic activities in the European Union (EU). It gives an overview over available data, provides evidence on the spatial distribution of economic activity in the EU, and offers attempts for explaining the observed patterns.

6 Topics

Transport costs and economic activity

1. Duranton, Morrow, and Turner (2013):
“Roads and Trade: Evidence from the US”
 - Software: Stata
2. Monte, Redding, and Rossi-Hansberg (2018):
“Commuting, Migration and Local Employment Elasticities”
 - Software: Stata

Agglomeration economies

3. Wheeler (2003):
“Evidence on Agglomeration Economies, Diseconomies, and Growth”
 - Software: Stata

The costs of remoteness

4. Redding and Sturm (2008):
“The Costs of Remoteness: Evidence from German Division and Reunification”
 - Software: Stata

5. Kalnins and Lafontaine (2013):
“Too Far Away? The Effect on Distance to Headquarters on Business Establishment Performance”

- Software: Stata

6. Forman, Goldfarb, and Greenstein (2012):
“The Internet and Local Wages: A Puzzle”

- Software: Stata

Trade liberalization

7. Autor, Dorn, and Hanson (2013):
“The China Syndrome: Local Labor Market Effects of Import Competition in the United States”

- Software: Stata

8. Kovak (2013):
“Regional Effects of Trade Reform: What Is the Correct Measure of Liberalization?”

- Software: Stata

7 Information on the Use of Software

Due to the current situation, there is currently no access to university computers (PC pools, library). Depending on how the situation develops, students using Windows 8.1 and Windows 10 (64bit) can access STATA via a streaming server, see “Software für Abschlussarbeiten”, direct link via <https://software.cip.uni-bayreuth.de/>. Note that this requires prior software licensing via the IT Servicezentrum.

8 Overview of Important Dates

- 15 April 2021: registration deadline.
- 23 April 2021, 2pm to 4pm: compulsory introductory meeting, allocation of topics.
- 16 June 2021: submission deadline for presentation slides.
- 18-19 June 2021: student presentations (exact times tba).
- 30 September 2021: submission deadline for seminar papers.

References

- AUTOR, D. H., D. DORN, AND G. H. HANSON (2013): “The China syndrome: Local Labor Market Effects of Import Competition in the United States,” *American Economic Review*, 103(6), 2121–2168.
- COMBES, P. P., AND H. G. OVERMAN (2004): “Chapter 64: The spatial distribution of economic activities in the European Union,” in *Handbook of Regional and Urban Economics*, vol. 4, pp. 2845–2909. Elsevier Inc.
- DURANTON, G., P. M. MORROW, AND M. A. TURNER (2013): “Roads and trade: Evidence from the US,” *Review of Economic Studies*, 81(2), 681–724.
- FORMAN, C., A. GOLDFARB, AND S. GREENSTEIN (2012): “The Internet and local wages: A puzzle,” *American Economic Review*, 102(1), 556–575.
- HEAD, K., AND T. MAYER (2004): “Chapter 59: The empirics of agglomeration and trade,” in *Handbook of Regional and Urban Economics*, vol. 4, pp. 2609–2669. Elsevier Inc.
- KALNINS, A., AND F. LAFONTAINE (2013): “Too far away? The effect of distance to headquarters on business establishment performance,” *American Economic Journal: Microeconomics*, 5(3), 157–179.
- KOVAK, B. K. (2013): “Regional effects of trade reform: What is the correct measure of liberalization?,” *American Economic Review*, 103(5), 1960–1976.
- MONTE, F., S. J. REDDING, AND E. ROSSI-HANSBERG (2018): “Commuting, migration, and local employment elasticities,” *American Economic Review*, 108(12), 3855–3890.
- REDDING, S. J., AND D. M. STURM (2008): “The costs of remoteness: Evidence from German division and reunification,” *American Economic Review*, 98(5), 1766–1797.

WHEELER, C. H. (2003): “Evidence on agglomeration economies, diseconomies, and growth,” *Journal of Applied Econometrics*, 18(1), 79–104.