

FICHE DESCRIPTIVE DE COURS
COURSE SYLLABUS FORM

Code UE	Titre UE / Course name Economie géographique, inégalités spatiales & aménagement du territoire Economic geography, spatial inequalities & regional development policies
Enseignants / Teachers	Miren Lafourcade (ML) and Sandrine Mesplé-Somps (SMS)
Volume horaire / Load	21h = 7 sessions of 3h
TD / Tutorial	No
Semestre / Semester	Second
Descriptif général / Course Outline	<p>Economic Geography is concerned with fundamental questions about the location of economic activity: what causes economic activity to be unequally distributed across space? Is regional integration a force triggering spatial disparities? Can location patterns be explained by general rules? What location specificities explain the exceptions to these rules? What are the policy implications to be drawn?</p> <p>The course will start with several insights drawn from comparing different indices of spatial inequalities computed both at the worldwide level (so as to make the North-South dichotomy salient) and at the European scale, with a particular historical focus on France regional disparities. Then, it will move to the presentation of the models expanded to understand the key economic foundations of location patterns. It will show that one of the main results of economic geography is to show that the decline of trade costs raises a difficult trade-off for policy-makers, as it gives firms and workers new incentives to cluster into a handful of regions to benefit from increasing returns to scale, which in turn exacerbates spatial disparities. Such trade-off will be analyzed from both the theoretical and empirical points of view.</p> <p>The second part of the course will turn to the question spatial disparities in less developed countries. First, it will focus on a recurrent debate in development economics regarding the impact of geographic factors on spatial disparities. Second, it will present models of the urbanization process in less developed countries, and will discuss their policy implications and empirical validations. In particular, it will examine the intra-country income disparities within Brazil and China. Finally, the course will end up by exploring the micro-empirical foundations of spatial income disparities using household panel data. We will see how these data can be used to understand why poor populations concentrate in specific areas and investigate the policies that can be implemented in order to prevent the constitution of poverty traps or to escape them, with a particular focus on Peru and in China case studies.</p>
Programme par séance / Course Syllabus	<p>Chapter 1: Spatial Inequalities: An Overview (ML) Chapter 2: The Core-Periphery Model and the Bell-Shaped Curve (ML) Chapter 3: The Empirics of Agglomeration (ML) Chapter 4: Economic Geography and Development, introduction (SMS) Chapter 5: Geography, Institution and Development (SMS) Chapter 6: Urbanization, Migration and Development (SMS) Chapter 7: Persistent Regional Income Disparities and Spatial Poverty Traps (SMS)</p>

Méthode pédagogique / <i>Teaching Method</i>	Diaporama / Slides
Contrôle des connaissances / <i>Assessment Method</i>	Master dissertation to be defended
Bibliographie / Bibliography	
Manuels / Textbooks	Combes, P-P., T. Mayer and J-F. Thisse (2008) <i>Economic Geography. The Integration of Regions and Nations</i> . Princeton University Press. Combes, P-P., T. Mayer and J-F. Thisse (2006), <i>Économie géographique : l'intégration des régions et des nations</i> . Economica, Corpus Économie
Lectures additionnelles / Other recommended readings	<p><u>Other books on economic geography:</u> Fujita, Krugman and Venables (1999) <i>The Spatial Economy, Cities, Regions and International Trade</i>, The MIT Press. Kanbur and Venables (eds) (2005) <i>Spatial Inequality and Development</i>, Oxford University Press. Crozet and Lafourcade (2009), <i>La Nouvelle Economie Géographique</i>, La Découverte, Repères n°542 World Bank (2008), <i>Reshaping Economic Geography</i>, World development report 2009, The World Bank, Washington DC.</p> <p><u>Specific readings</u></p> <p>Chapter 1 Anderson and van Wincoop (2001), "Trade costs", <i>Journal of Economic Literature</i> 42(3), 691-751. Gallup, Sachs and Mellinger (1999), "Geography and Economic Development", <i>International Regional Science Review</i>, 22(2), 179-232. World Bank (2008) <i>Reshaping Economic Geography</i>, World development report 2009, The World Bank, Washington DC.</p> <p>Chapter 2 Krugman (1991) "Increasing returns and economic geography", <i>Journal of Political Economy</i> 99, 483-499. Krugman and Venables (1995) "Globalization and the inequality of nations", <i>Quarterly Journal of Economics</i> 110, 857-880.</p> <p>Chapter 3 Combes, Lafourcade, Thisse and Toutain (2008), "The Rise and Fall of Spatial Inequalities in France: A long-Run Perspective", <i>PSE WP</i> n°2008-54 and <i>CEPR DP</i> n°7017. Davis and Weinstein (2002) "Bones, bombs, and break points: the geography of economic activity", <i>American Economic Review</i> 92, 1269-1289. Redding and Venables (2004), "Economic Geography and International Inequality", <i>Journal of International Economics</i> 62, p. 53-82. Redding and Sturm (2008), "The Costs of Remoteness: Evidence from German Division and Reunification", <i>American Economic Review</i> 98(5), 1766-1797. Hanson G. (2005), "Market potential, increasing returns, and geographic concentration", <i>Journal of International Economics</i> 67, 1-24.</p> <p>Chapter 4 Fujita, Krugman and Venables (1999) <i>The Spatial Economy, Cities, Regions and International Trade</i>, The MIT Press Cambridge, Massachusetts, London England, 367 p. Krugman (1995) <i>Development, Geography and Economic Theory</i>, The MIT Press Cambridge, Massachusetts, 117 p.</p>

Krugman (1999) The Role of Geography in Development, *International Regional Science Review*, 22(2): 142-161.

Murphy, Shleifer and Vishny (1989) "Industrialization and the Big Push", *The Journal of Political Economy* 97(5): 1003-1026.

Nordhaus and Chen (2009) "Geography Graphics and Economics", *The B.E. Journal of Economic Analysis & Policy*, 9(2).

Chapter 5

Acemoglu, Johnson, and Robinson (2001), "The Colonial Origins of Comparative Development: An Empirical Investigation", *American Economic Review*, 91(5), 1369-1401

Acemoglu, Johnson, and Robinson (2002), "Reversal of Fortune: Geography and Institutions in the Making of the Modern World Income Distribution", *The Quarterly Journal of Economic*, 107(4), 1231-1294.

Engerman and Sokoloff (2002), "Factor Endowments, Inequality and Paths of Development Among New World Economies", NBER WP 9259, Cambridge MA.

Fujita and Mori (1996), "The role of ports in the making of major cities self agglomeration and hub effect", *Journal of Development Economics*, 49, 93-120.

Gallup, Sachs, and Mellinger (1999), Geography and Economic Development, *International Regional Science Review* 1999, 22(2), 179–232.

Mellinger, Sachs and Gallup (2000) "Climate, Coastal Proximity, and Development", chap. 9 in Clark, Feldman and Gertler *The Oxford Handbook of Economic Geography*, Oxford University Press.

Nunn (2009) "The Importance of History for Economic Development", *Annual Review of Economics* 1(1), 65-92.

Rodrik, Subramanian and Trebbi, (2004), "Institutions Rule: The Primacy of Institutions Over Geography and Integration in Economic Development", *Journal of Economic Growth* 9(2), 131-165.

Warner (2002), "Institutions, Geography Regions, Countries, and the Mobility Bias", CID Working paper n°91, Center for International Development at Harvard University, Cambridge, MA.

Chapter 6

Bairoch (1988), *Cities and Development*, Chicago, IL: University of Chicago Press.

Bardhan and Udry (1999), "Development Microeconomics, Migration" (Chap 5) and "The Dual Economy" (chap 15).

Hering and Paillacar (2009), "How does market access shape internal migration? The Brazilian case", mimeo, 38 p.

Puga (1998) "Urbanization patterns: European versus less Developed Countries", *Journal of Regional Science*, 38(2): 231-52.

Chapter 7

Fally, Paillacar and Terra, "Economic geography and wages in Brazil: evidence from micro-data", Forthcoming in *Journal of Development Economics*.

Hering and Poncet, "Market access impact on individual wages: evidence from China", forthcoming in *Review of Economics and Statistics*.

De Vreyer, Herrera and Mesplé-Soms (2009), "Consumption growth and spatial poverty traps: an analysis of the effect of social services and community infrastructures on living standards in rural Peru", in *Poverty, Inequality and Policy in Latin America*, Klasen S. (ed), CESifo Series, Harvard: MIT Press, 2009.

Jalan and Ravallion (1998), "Geographic Poverty Traps? A micro Model of Consumption Growth in Rural China", *Journal of Public Economics*, 67, 65-85.

Ravallion (2005), "Externalities in Rural Development: Evidence for China", in Kanbur and Venables (eds) *Spatial Inequality and Development*, Oxford University Press, 137-160.