

Report of the 2nd Workshop of the RSA Research Network – GLUN LAB

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The acronym GLUN LAB, Geographical Localisation, intersectoral reallocation of LABour and UNemployment differentials, summarises the main research areas that are covered by this RSA Research Network. GLUN LAB kicked off in 2008 and it is coordinated by the Rimini Centre for Economic Analysis (RCEA). In particular, GLUN LAB aims at collecting multidisciplinary contributions to investigate and to explain agglomeration, regional differentials in unemployment and migration flows, both with qualitative and quantitative approaches coming from: regional economics, economic geography, labour economics, econometrics and international economics among others. This aim is pursued through a series of workshops where keynotes and papers presented by scholars that are selected via open calls for papers.

Picture 1 – The GLUN LAB coordinating team at work



The first workshop of the network was held at the University of Macedonia (Thessaloniki, 31st October 2008) organised by the co-coordinator of the Network (Theodore Panagiotidis), whilst the second one was organised at the Rimini Centre for Economic Analysis (Rimini, 14th and 15th May 2009).

In two nice sunny and warm days of May, the workshop gathered about 30 people coming from 12 different countries. The programme was composed of 19 very high level papers stimulating fruitful discussions on labour and agglomeration economies from very different points of view and disciplines. Keynotes were given by invited speakers and the main ones were those of Gerald A. Carlino (Federal Reserve Bank of Philadelphia, USA), Gill Duranton (University of Toronto, Canada).

Picture 2 - Gerald A. Carlino presenting the keynote “Why cities?”



In particular, Carlino raised the attention to why employment is so heavily concentrated in selected areas of countries highlighting both theoretical and empirical relationships between labour and urban concentration. On the day after, Duranton explored the economic rationale of cluster policies and the reality of cluster benefits. He argued that the theoretical case for active cluster policies is very complex whilst empirical case is very weak. According to his analysis, therefore, cluster policies should pay attention to the cost curve rather than the productivity curve as well as carefully evaluate the opportunity of going for growth, considering the trade-off growth vs. amenities, focusing on providing good local public goods. Furthermore, policies should be 'sprawly', to be opportunistic and to let local governments compete.

Within the sessions of the 14th of May, a stimulating contribution was given by Andrew Clark (Paris School of Economics and RCEA) who presented a study, based on the European Social Survey (ESS), regarding estimation of religious spillover effects in life satisfaction, thus discussing its relationship with individual religion, regional religion, income, labour market, health, marital status and personal characteristics. Alfredo Minerva (University of Bologna) discussed spatial clustering and production-to-order choices, Roberto Patuelli (University of Lugano and RCEA) presented a spatial-dependence continuous-time model for regional unemployment in Germany; Wolfgang Polasek (Institute for Advanced Studies, Vienna) a study on the human capital diffusion and regional growth in Switzerland. Alexander Cordes (NIW) analysed the relationship between skill-specific employment growth and training provision in West German manufacturing firms.

Picture 3 – Alfredo Minerva opening the first paper session



In the morning session of the 15th of May the focus was on agglomeration of firm and labour implications. In particular, Marta Casanova (Universitat Jaume I, Spain) presented a study on spatial location patterns of Spanish manufacturing firms; Marcello Pagnini (Bank of Italy) presented two econometric based indicators to assess agglomeration within and between regions; Alessia Matano (University of Rome) discussed the role of sorting in externalities and in wage distribution; Silvia Grandi (University of Bologna and RCEA) presented a spatial

analysis on trade liberalisation and intersectoral reallocation of labour in Italian industrial districts, focusing on the case of Prato.

The question of convergence of regional unemployment rates was faced in the afternoon session in three papers presented by Natalia Presman (Bank of Israel) focusing to Israel; by Joanna Tyrowicz (University of Warsaw) applying a nonlinear stochastic convergence analysis to Poland and by Kostantin Kholodilin (DIW) studying the case of Russia.

The concluding speeches were by Tim Worrall (University of Manchester) on self-enforcing migration policies and by Giuseppe Croce (University of Rome) on employer-provided training and knowledge spillovers.

Further information in short:

- Material about RSA was distributed (leaflet and .ppt presentation provided) to all participants in the workshop folder and directly. During the welcome speech by Prof. Pelloni, RSA and RSA Research Network was described.
- The call for abstract and the workshop programme were advertised thru several network and mailing list (i.e. RSA, RCEA, Economic Geography list-server, Faculty of Economics of University of Bologna, Italian Young Geographer Network, Inomics.com, Econometriclinks.com etc.)
- Zuhra Kodirova received a junior grant.
- A section of the www.rcfea.org website was dedicated to the workshop, the final programme of the workshop can be found at the above web site as well as in the end of this document.
- A call for paper to publish the best paper is open for the on-line journal Review of Economic Analysis until 30th of September 2009
- A meeting was organised to decide on the future of the Network. Given the excellent results in term of quality of papers and discussion during workshops as well as still open issues in the topic, it was decided to continue the work of GLUN LAB renewing the application of funds to RSA enlarging the coordinating group and planning 3 new workshops in Vienna, Paris and Rimini in 2010 and 2011.
- The event was co funded by the RCEA and the Faculty of Economics in Rimini Campus (University of Bologna).
- Invited keynotes/chairs: Gerald Carlino; Theodore Panajotidis; Silvia Grandi; Gilles Duranton; Roberto Patuelli; Tim Warral; Andrew Clark; Wolfgang Polasek.