Index

Abdel-Rahman, H. 76
advertising 287
agglomeration
catastrophic 131, 138, 140, 159–63
and elasticity of substitution
117–18, 159–63
empirical testing 204, 208–9, 212–13, 221
and equilibrium 44–7, 59–60
foreign direct investment (FDI)
294–8
and growth 137–46
multinational enterprises (MNEs) 294–8
multi-region models 121–2
and peering 321–2, 328–33
and regional development 351–6
and regional size 210–13, 219–24
and specialization 205–10
and technology 316, 318–19
and transport costs 102, 111–21, 122, 192, 318
and uneven growth 159–63
agriculture, support to 338, 340, 346–50
Alonso-Villar, O. 354
Altomonte, C. 298, 299, 300, 301, 302, 305
Altzinger, W. 303
Amor, M. 71, 214, 292, 293
Amsterdam Internet Exchange (AMS-IX) 315, 324, 327, 329–33
analytical adequacy 250, 253
Angriz, A. 230, 235, 237, 241
Anselin, L. 241
Angeriz, A. 230, 235, 237, 241
Anselin, L. 241
anyul, M.P. 266
artificial nesting model (ANM) 71, 88–92
Aschauer, D.A. 354
Austria 235, 243–5, 302, 344, 347–9
Balassa Index 213
Balch, R. 54, 132
Barba-Navaretti, Giorgio 287
Barrell, R. 291, 304
Barro, S., et al. 292
Basil, R. 298
Bayesian strategy 262, 268, 272
Becker, S., et al. 298
behavioral codes (netiquette) 318
Belgium 235–46, 344, 347–9
Bellak, C. 303
Bellone, F. 132, 136, 157, 160
bell-shaped curve 114–15, 116–21, 123
Benassy, J.P. 147
Berg, M. van den 71
BERI (Business Environment Risk Intelligence) 300
between-equivalence 53
Bevan, A. 300, 301, 302, 303
Bevan, A., et al. 300, 301
Black, D. 224
black hole condition 41, 60 see also
no-black-hole condition
Blair, J.P. 214
Blomström, M. 279, 290
Blomström, M., et al. 291
Blonigen, B.A. 279, 293
Blonigen, B.A., et al. 297
bootstrap J test 86–8
Bradshaw, M.J. 303
Brainard, L.S. 284, 287, 292, 293
Brakman, S. 70, 82, 103, 108, 187, 188
Braunerhjelm, P. 290, 297, 298
break points
bell-shaped curve 114–15, 116–21
closeness to 99
factor mobility 59–60
FEVL model 64
real wages 39–41
spatial distribution 124–5
tomahawk figure 112, 113, 116–21
Brenton, P, et al 303
Brida, J.G. 266
Buckley, P.J. 288
business support investment 346–50

Cambridge Econometrics’ European Regional Database 235
Cameron, L. 71
Campos, N.F. 300, 301
capital accumulation 257, 258
distribution 256–60, 261
mobility 132–4, 138–41
capital flow restrictions index 300
capitalist space economy 256–60
capital-producing sector 132
Carr, D.L., et al. 292, 293
Casson, M. 288
catastrophic agglomeration 131, 138, 140, 159–63
Caves, R.E. 279, 287, 290
Central and Eastern European Countries (CEECs) 278, 301–4, 340, 344
central place theory 206
centrifugal forces 315, 316, 317–19, 321–2
centripetal forces 315, 316, 317–19, 321–2, 346
Ciccone, A. 76, 219
Cieslik, A. 302
Cobb-Douglas (CD) function
NEG foundations 11
and NEGG models 146–7, 150–54, 157, 158, 159–63
coded dynamics 266–7
Cohesion Fund (EU) 339–44, 354, 355
Combes, P. 82, 123
commercial agreements 286–8
Common Agricultural Policy (CAP) 338, 340, 346
communication 255, 316
commuting 82, 222–3
complex phase space dynamics 263
constant elasticity of substitution (CES) function 12, 146–54, 156, 158, 159–63
see also elasticity of substitution
counterparty choice 134–5
customers’ love of variety 11, 146–50, 157–9, 206

clean consumption growth 142–4
core-periphery (CP) model 54–60, 100–102, 132, 353–4 see also FE
(footloose entrepreneurs) model
corruption-perception index 300
cost linkages 61, 66, 67
cost-of-living index 16, 24–5
cost-of-living linkages 60, 66, 67
country risk, of foreign direct investment (FDI) 300–301
credit rating index 300
Crozet, M., et al. 298
Czech Republic 303–5
data envelopment analysis (DEA) 231, 232, 234, 236
data generating process (DGP) 89
Davidson, R. 71, 85, 86
Davis, D.R. 70
Day, Richard 263, 266, 270
Debreu, G. 232
Deichmann, J.I. 300, 301, 302, 303
delivered-price function 175–6, 186
demand, and production shifting 138–41
demand linkages 60, 61, 66, 67
Denmark 235, 243–5
Deutsche Commercial Internet Exchange (DE-CIX) 315, 324, 326, 329–33
Di Mauro, F. 291
dialectics, relational 255
disequilibrium, capitalist space economy 256
distance, and foreign direct investment (FDI) 302
distance functions 185–6, 193, 232–4
Dixit, A.K. 147, 173
Dixit-Stiglitz model
advantages of 12
and agglomeration 206
and iceberg function 168, 173
and NEG models 252, 253
and NEGG models 132–3, 147
and wage models 77
Djankov, S. 301, 304
Dunning, J.H. 280, 282
Duranton, G. 82
dynamic models 264–7
EBRD (European Bank for Reconstruction and Development) 300
index 300
econometrics 250
economic activity, concentration of 101
economic geography 254
economies of distance 190–93
economies of localization 207
economies of scale 281–3
and foreign direct investment (FDI) 305
and polarization 45–7
spatial transaction costs 183–5
transport costs 179–81, 192–3
economies of urbanization 207
educational attainment 77–93
efficiency, of labour 77–93
efficiency change 230–31, 234, 235–9, 241–6, 354
Egger, P., et al. 280
Ekholm, K. 280, 292, 293
elasticity of demand 12, 19–20, 191–2
elasticity of substitution and agglomeration 117–18, 159–63
and break points 41
constant elasticity of substitution (CES) function 12, 146–54, 156, 158, 159–63
correlation surface 35
and geographical allocation 154–6
and NEGG models 146–50
and wages 36
Ellison, G. 224
Eltetö, A. 303
empirical analysis of spatial dynamics 260–73
empirical testing (NEG)
agglomeration and transport costs 111–15
background 98–9
interpretation of findings 115–21
limitations 121–5
testable hypotheses 102–4
wage equation estimate 104–11
employment and capital distribution 256–60, 261
data 208–9
density 92, 219–21
and foreign direct investment (FDI) 305
specialization 205–10
epistemological adequacy 250, 253–4, 255–6
equilibrium and agglomeration 44–7, 59–60
core-periphery (CP) model 56–7
long-run, application 32–47
in regional political economy 254, 256
short-run, application 25–32
spatial modelling 250–51
and symmetry 45–7, 59–60
Estrin, S. 300, 301, 302, 303
Estrin, S., et al. 301
Ethier, W. 286, 287
Euromoney 300
European Internet Exchange Points Association (EU) 315, 324–8, 329–33
European Union (EU) break points 115–21, 124
data 235
foreign direct investment (FDI) 277, 278
integration 295–7
NEG perspective 351–6
peering (IXPs) 322–4
regional disparities 340–44
regional productivity 230–31, 234, 235–46
specialization 214
structural policy 338, 340–50, 351–6
wage rates 74–5
Eurostat REGIO database 235
export-platform 294
exports, and foreign direct investment (FDI) 286–94, 303
face-to-face contact 317–19
factor mobility 54–60 see also labour mobility
Falzoni, A.M. 290
Fan, Y. 86
Färe, R., et al. 233
Farrell, M.J. 232
Farrell, R., et al. 290
FE (footloose entrepreneurs) model
factor mobility 54–60
and land rent 64–7
vertical-linkages 60–64
see also core-periphery (CP) model
Ferrer, C. 298
FEVL model 61–7 see also vertical-linkages (VL) model
Fingleton, B. 25, 31, 71, 76, 82, 123, 190
Finland 235, 242–5
firms’ choice, NEGG models 135–6
Fontagné, L. 291
footloose entrepreneurs see FE
(footloose entrepreneurs) model
footloose production factors 111–21
foreign direct investment (FDI)
agglomeration 294–8
and commercial agreements 286–8
country risk 300–301
definition 277–8
distance 302
economies of scale 281–3
exports 286–94, 303
horizontal 287, 289, 292, 293
institutional environment 299–300
and new economic geography (NEG) 279–80, 283–5, 305
scale of 278
theories of 280–86
and trade 286, 288–94
transition-economies 299–305
vertical 287, 292, 293
Forman, C. 317
Foros, Ø. 331
Forslid, R. 53, 54, 132, 280
franchising see commercial agreements
Fratesi, U. 346
freeness of trade 111–21, 122
Frenkel, M., et al. 300, 301
Fujita, M.
agglomeration 48, 316
iceberg model 188, 189, 195
introduction of new economic geography (NEG) 11, 70
urban economics model 76
wage equation 72, 104
Fujita, M., et al. 3, 24, 82, 103
Garibaldi, P., et al. 300, 301
Garretsen, H. 70, 82, 103, 187, 188
Gattai, V. 279, 287
Geary’s C Index 241
generalized method of moments (GMM) 90
geographical economics 271 see also new economic geography (NEG)
geographical proximity 316, 317–19, 321–8
geographical space, iceberg transport costs 173–9
geographical study 254
Germany 235–46, 291, 298, 302, 304, 343, 344
Getis-Ord statistics 242
Gini coefficient 214, 216, 218
Girma, S., et al. 294
Glaeser, E. 209, 221, 224
Glaeser, E., et al. 316
globalized spillovers (GS) 140, 141–6
Gobillon, L. 82
Godfrey, L.G. 86
Goldfarb, A. 317
Goodwin, R. 256, 257–60
Goodwin code 256–7
Goodwin model 256–60, 261, 262, 263
Görg, H. 279
Gradev, G. 298, 300, 305
Graham, E.M. 290, 291
gavity factors (FDI) 302
gavity models (transport costs) 185–7, 189–90
Great Britain
long-term regional equilibrium 32–47
regional analysis 26–7
short-term regional equilibrium 28–32
specialization 214–15, 219–22
see also United Kingdom (UK)
Greece 235–46, 343, 346–50, 354, 355
Greenaway, D. 279
Greenstein, S. 317
Grossman, G. 130
growth 137–46, 154–63
Guerrieri, P. 295
Guimarães, P., et al. 298
Hall, R.E. 76, 219
Halpern, L. 303, 304
Hansen, J. 331
Index

Hanson, G.H.  64, 70, 82, 123
Harris, C.D.  297
Harvey, David  255
Head, K.  70, 102, 103, 114, 115, 117, 290, 291, 297
Head, K., et al.  297
Heckscher-Ohlin model  234, 282, 288
Helpman, E.  64, 82, 123, 130, 173, 281, 282
Helpman, E., et al.  297
Henderson, J.V., et al.  209
Henderson, V.  224
Hendry, D.F.  71, 89, 250
Hirsch, S.  280
Hirschmann-Herfindahl index  224–5
Hoekman, B.  304
Holland, D.  300, 301, 304
Holland, D., et al.  299, 301, 303, 304
home market effect (HME)  99, 100–104
homothetic preferences  12–13
Hoover, E.M.  206, 207
horizontally integrated MNEs  282, 284–5, 290, 299, 302
Horstmann, I.J.  282, 284, 286, 287
Hotelling, H.  332
Hufbauer, G., et al.  290
Hulten, C.R.  232
human capital investment  346–50
Hummels, D.  187
Hungary  303–4
Hunya, G.  301, 303
Hymen, S.  280

iceberg transport costs
economies of distance  190–93
effect on analytical results  178
empirical justification  185–90
empirical observation  179–81
and geographical space  173–9, 253
in new economic geography (NEG)  18–20, 168–71, 193–4
Samuelson model  171–3
theoretical justification  181–5
and Von Thunen model  194–8
wage equation  72, 106
see also transport costs
income  21–4, 142–4
income distribution  257–8
Index of Specialization (BIS)  214, 216, 218
indicator of risk  300
indirect utility function  16
industrial specialization  205–10, 213–19
information technology (ICT)  184, 315, 317–19 see also Internet
service providers (ISPs)
information transfer costs  183–4
infrastructure condition indicators  300
infrastructure investment  346–50
innovation  154–6, 183–4, 316 see also research and development (R&D)
input-oriented distance function  232
input-output linkages (vertical linkages)  54, 60–67, 107, 353
insiders  318
institutional environment  299–300
integration  295–7, 339–40
intellectual property  287
interconnection agreements (ISPs)  319–20
inter-industry trade  283
internalization advantage (MNEs)  280–81, 286–94
Internet  316, 317–19
Internet exchange points (IXPs)
geographical analysis  322–8
peering  319–21, 328–33
role of  315
Internet service providers (ISPs)
geographical analysis  322–8
peering (IXPs)  320–22, 328–33
role of  315, 319
inter-regional spillovers  254
intersectoral spillovers  164
intra-industry trade  282, 283, 289
intra-regional investment  295
Ireland  235–46, 338, 343, 347–8, 354
Isaksen, A.  317
Isard, W.  194, 206
Italy  235–46, 298, 343, 344, 347–50, 355
J test  71, 85–8
Jacobs, J.  206
Japan  278, 290, 291, 297, 302
Javorcik, B.S.  300, 301, 303
<table>
<thead>
<tr>
<th><strong>joint ventures</strong></th>
<th>see commercial agreements</th>
</tr>
</thead>
</table>

| **Jun, K.W.** | 300, 301, 303 |

| **Kaldor, N** | 130, 131 |

| **Kallal, H.D.** | 209 |

| **Kalotay, K.** | 301 |

| **Kaminski, B.** | 303 |

| **King, I.T.** | 255 |

| **Kinoshita, Y.** | 300, 301, 304 |

| **Kippenberg, E.** | 305 |

| **Klundert, T. van de** | 147 |

| **Knaap, T.** | 110 |

| **knowledge, protection of** | 287 |

| **knowledge spillovers** | 154–6, 211, 316 |

| **knowledge-capital model** | 285, 289, 292 |

| **Kokko, A.** | 279, 290 |

| **Konings, J.** | 304 |

| **Krugman, P.** | 48, 316 |

| **agglomeration** | 48, 316 |

| **home market effect (HME)** | 100–102, 103, 104 |

| **iceberg model** | 168, 170, 173, 175, 181–2, 188, 189, 195 |

| **infrastructure investment** | 353 |

| **intersectoral linkages** | 71 |

| **introduction of new economic geography (NEG)** | 1, 11, 70, 72, 98 |

| **labour mobility** | 113 |

| **NEG models** | 53, 54 |

| **trade theory** | 281, 283, 286, 288 |

| **see also** | Fujita, M., et al. |

| **Kuenne, R.E.** | 206 |

| **Kumar, N.** | 297 |

| **Kuncoro, A.** | 209 |

| **labour** | costs 302 |

| **data** | 208–9 |

| **efficiency** | 77–93 |

| **productivity** | 108–9 |

| **supply** | 259 |

| **labour mobility** | and agglomeration 118, 122–3, 353 |

| **bell-shaped curve** | 113–15, 118 |

| **tomahawk figure** | 111–13, 115, 118 |

| **see also** | factor mobility |

| **labour-supply spillovers** | 212, 298 |

| **Lanaspa, L.F.** | 354 |

| **land use** | 64–7 |

| **Lankes, H.P.** | 300, 302 |

| **Lansbury, M., et al.** | 301, 303 |

| **Leamer, E.E.** | 71, 317 |

| **learning spillovers** | 133 see also knowledge spillovers |

| **legal framework index** | 300 |

| **Levinsohn, J.** | 71 |

| **Li, Q.** | 86 |

| **liberalization index** | 300 |

| **licensing** | see commercial agreements |

| **Limao, N** | 187 |

| **Limburg, Belgium** | 120–21 |

| **Lipsey, R.E.** | 279, 290, 291, 292 |

| **local indicator of spatial association (LISA)** | 241 |

| **local Moran statistics** | 241 |

| **localization economies** | 206–8, 211, 218–19 |

| **localized spillovers (LS)** | 140, 141–6 |

| **location advantage (MNEs)** | 280–81 |

| **location decision** | 297–8 |

| **location quotient (LQ)** | 210–11, 213–14, 215, 224–5 |

| **location theory** | 205 |

| **London Internet Exchange (LINX)** | 315, 322–4, 329–33 |

| **love of variety, consumers’** | 11, 146–50, 157–9, 206 |

| **Lucas, R.E.** | 156–7, 164 |

| **Lundmark, M.** | 317 |

| **MacKinnon, J.** | 71, 85, 86 |

| **Malmquist index (MTFP)** | 231–4, 235–9, 241–6 |

| **manufacturing** | 29, 50, 231, 235 |

| **Manzocchi, S.** | 295, 302 |

| **marginal labour requirement** | 17–18 |

| **Marin, D., et al.** | 304 |

| **Mariotti, S.** | 298 |

| **market crowding effect** | 61 |

| **market potential** | 77, 92 |

| **market-perception index (Euromoney)** | 300 |

| **Markusen, J.R.** | 279, 282, 284–9, 292, 293 |

| **Marrewijk, C. van** | 70, 187, 188 |

| **Marshall, A.** | 205, 206, 211, 316 |

| **Martin, P.** | 132, 353, 354 |

| **Martin, R.** | 1 |
Marxist theories 256, 257
Maskus, K.E. 279, 292, 293
Maupertuis, M.A. 132, 136, 157, 160
Mayer, T. 102, 103, 114, 115, 117, 294, 297
McCann, P. 173
McCombie, J.S.L. 230, 235, 237, 241
Melloni, N. 300, 301
Melo, M. de, et al. 300
mergers and acquisitions (M&As) 278
meta analysis, use of 278–9
Midelfart-Knarvik, K.H. 346
migration 24–5, 346
minimal differentiation principle 332
Ministry of Agriculture, Fisheries and Food (MAFF) 215
Mody, A. 297
Mody, A., et al. 294
monopolistic competition, assumption of 73–4
Moran's I Index 241, 325, 334
Mori, A. 290
Mori, T. 48
Morikawa, K. 290
Mucchielli, J.L. 294
multinational enterprises (MNEs) agglomeration 294–8
definition 277–8
horizontally integrated 282, 284–5, 290, 299, 302
internalization advantage 286–94
and new economic geography (NEG) 283–4, 292–3
and trade theory 280–86
transition-economies 299–305
and transport costs 282–3, 285
vertically integrated 282, 284–5, 289, 299, 302
multi-region models 121–2
Mundell, R.A. 288
Muraközy, B. 303, 304
Murat, M. 164
Murrell, P. 301
national-firm-model 284
Neary, P. 1, 73, 98, 102, 178, 185, 187
Netherlands 235–46, 291, 302, 344, 347–8, 350, 355
netiquette (behavioural codes) 318
New Earnings Survey 28, 74–5
new economic geography and growth (NEGG) consumer choice 132–4
elasticity of substitution 146–50
firms' choice 135–6
and geographical allocation 154–6
growth and agglomeration 137–8, 139–46
model structure 132–4
and NEG models 132
production shifting 138–9
and purchasing power 150–54
uneven growth 156–63
variety, love of 146–50, 157–9
new economic geography (NEG) and agglomeration 205–7
background 1–3, 283
introduction of additional variables 77–83
limitations 121–5
long-run wage equilibrium 32–47
microeconomic foundations 11–25
multi-region application 25–32, 121–2
new developments in 48, 70–71
notable works 2
vs regional political economy 252–6
short-run wage equilibrium 25–32
spatial modelling 251–2
two-region application 32–47, 121–2
see also empirical testing (NEG); individual models and concepts
new growth theory 132
new international trade models 173
new trade theory (NTT) foreign direct investment (FDI) 280, 281–6, 289
and iceberg assumption 193–4
internalization advantage (MNEs) 286–7, 292–3
see also trade theory
Ng, F. 303
Niebuhr, A. 70, 82
no-black-hole condition 60, 64, 183
see also black hole condition
NOMIS (National Online Manpower Information Service) 214
non-monotonic relationships 210, 289
non-nested hypotheses 71, 85–92
non-traded consumption good 82, 123
Nordrhein-Westfalen, Germany 120–21
NUTS regions data
agglomeration forces 115–21
description 125, 235
educational attainment 78–82
Great Britain 26, 28, 29
technical skills of labour 78–82
wage rates 74–5
Objective 1 regions (EU) 338, 340, 343–4, 345–50, 351–6
observational equivalence
factor mobility 54–60
introduction of endogenous variable 64–8
vertical-linkages 60–64
OLI paradigm (Ownership, Location, Internalization) 280
oligopoly, and wage equation 73–4
operation risk index (ORI) 300, 301
option theory of investment 299
Ottaviano, G.I.P. 48, 53, 54, 63, 64, 123, 132, 181, 302
output-oriented distance function 232, 239
Overman, H.G. 123, 187, 346
ownership advantage (MNEs) 280–81
Pain, N. 291, 300, 301, 304
Pajot, M. 291
path dependence 253
peering (IXPs)
and agglomeration 321–2, 328–33
geographical analysis 322–8
role of 315, 319–21
Pesaran, M.H. 86
physical geography 109
Pigliaru, F. 164
Pinelli, D. 53, 64
Piscitello, L. 298
Plummer, P. 256, 257–60
Plummer-Goodwin model 256–60, 261, 262, 263
Poland 303–5
polarization 42–7, 343–4
political geography 109
political risk index (PRI) 300, 301
population density 219–21
Portugal 235, 243–5, 298, 343, 346–9, 354
Power, D. 317
price effect 152–4
price elasticity of demand 12
price index 16–18, 20–21, 142–4, 150–54
prices 187–9, 197
privatization 300, 301
probit model 328, 334–5
production shifting, and demand 138–41
productive capacity, and region size 20–21
productivity, regional 230–34, 235–46
proximity-concentration hypothesis 284, 292–3, 294
proximity-matter argument 302
public sector 354
Puga, D. 104, 111, 113, 117, 343, 353
Punzo, L.F. 256, 263, 266
Quah, D. 317
real market access (RMA) 110
real wages
calculation of 24–5
long-run equilibrium 32–47
short-run equilibrium 25–32
and transport costs 37–42
see also wages
Redding, S. 64, 71, 110, 187
REGIO 235
region size, and productive capacity 20–21
regional capital accumulation 257, 258
regional distributional dynamics 258
regional economics 98, 170, 208, 211
see also regional political economy
regional employment dynamics 258
regional market size 60–64
regional policy (EU)
criticism of 338
development trends 351–6
economic returns 344–50
history of 339–40
regional disparities 340–44
regional political economy
capitalist space economy 256–60
empirical analysis 260–73
Index

vs new economic geography (NEG) 252–6
see also regional economics
regional productivity
background 230–31
European Union (EU) 230–31, 234, 235–46
Malmquist index (MTFP) 231–4
regional size 210–24
regional specialization
and agglomeration 205–10
Hirschmann-Herfindahl index 224–5
measures of regional size 213–19
and regional size 210–13, 219–24
Regional Trends 215
relational dialectics 255
rents, and FE model 66–7
reputation 317–19
research and development (R&D) 145–6, 164, 287, 298, 346 see also innovation
Resmini, L. 300, 301, 303, 305
returns to scale 11–16, 17–18
Ries, J. 70, 290, 291
risks, of foreign direct investment (FDI) 300–301
Rivera-Batiz, F. 76
Robert-Nicoud, F. 48, 53, 54, 63
Roberts, M. 230, 235, 237, 241
Rodriguez-Pose, A. 346
Rogers, C.A. 300, 301
Rolli, V. 290
Romer, P. 133
Roos, M. 70
Rosser Jr., J.B. 255
Saggi, K. 279
Samuelson, P. 168, 170, 171, 253
Sanz, F. 354
Sass, M. 303
Schinkmann, J.A. 209
schooling 77–93
Schramm, M. 70, 82, 103
Schwab, R.M. 232
sensitivity analysis, use of 279
Shaver, M.J. 297
Shleifer, A. 209
shocks 102
Singh, H. 300, 301, 303
skills, technical 77–93
Slovakia 305
small firms 74
Smolders, S. 147
Soci, A. 300, 301
socio-spatial dialectic 254–5
Solow, R.M. 231–2
space (relationships between places) 254–5
Spain 235–46, 343, 344, 346–50, 354, 355
spatial autocorrelation 241–6, 334
spatial concentration of industry 205, 224–5
spatial data analysis 241–6, 272
spatial distribution
of economic activity 103–4, 124–5
of foreign direct investment (FDI) 294–8
peering (IXPs) 322–33
uneven 100–102
spatial dynamics 250–52, 260–73
spatial equilibrium 58–9, 63
spatial extent of agglomeration 210–13, 219–24
spatial linkages 123–4
spatial transaction costs 183–5, 195–8
spatio-temporal analysis
and current models 252–6
empirical analysis 260–71
implications 271–3
Plummer-Goodwin model 256–60
recognizing complexity 250–53
specialization
and agglomeration 205–10
Hirschmann-Herfindahl index 224–5
measures of regional size 213–19
and regional size 210–13, 219–24
and uneven growth 156–63
spillovers
and agglomeration 297–8
globalized (GS) 140, 141–6
inter-regional 254
intersectoral 164
knowledge 154–6, 211, 316
labour-supply 212, 298
learning 133
localized (LS) 140, 141–6
technology 304
spreading equilibrium 112
stability analysis 59–60
Standard Industrial Classification (SIC) 29, 32, 208–9
Stepniak, A. 304
Stiglitz, J.E. 147, 173
Storper, M. 317
Strobl, E. 279
Structural Funds (EU) background 339
criticism of 338
development trends 351–6
impact of 344–50
and regional disparities 340–44
structural policy (EU)
criticism of 338
development trends 351–6
history of 339–40
impact of 344–50
and regional disparities 340–44
subcontracting see commercial agreements
supplier access (SA) 110
supplier proximity 66, 211–12
sustain points 44, 59–60, 64
Svensson, R. 290, 297, 298
Sweden 235, 242–6, 290, 291, 298
Switzerland 235, 243–5
symmetric equilibrium 112, 150–54, 163–4
symmetry, and equilibrium 45–7, 59–60
Tabuchi, T. 123
tariffs 185
technical change 230–31, 232, 234, 235–9, 241–6
technical efficiency (TE) 232, 239–46
technical skills 77–93
technology spillovers 304
Thiss, J.F. 123, 181, 316
threshold distances 119–21
Thunen, J.H. von 175
Tinkler, S. 290
Titley, N. 329
tomahawk figure 111–13, 115, 116–21, 122–3
Tomkins, J.M. 210
Törnqvist index 231–2
total factor productivity (TFP) 231–4
see also Malmquist index (MTFP)
tourism investment 346–50
trade and foreign direct investment (FDI) 286, 288–94
freedom of 111–21, 122
prices 187–9
volumes 186–7, 189–90
trade theory 98, 103, 193–4, 205 see also new trade theory (NTT)
transit agreements 319–20
transition index 300
transition-economies 299–305
transnational corporation (TNC) see multinational enterprises (MNEs)
Transparency International 300
transport costs and agglomeration 102, 111–21, 122, 192, 318
empirical observation 179–83
and EU regional development 352–6
and the Internet 317, 321
multinational enterprises (MNEs) 282–3, 285
price index 16–18
and price index 150–54
and real wages 37–42
see also iceberg transport costs
transport economics 170, 179–81, 194
transport investment 346–50
transportation 255
trust, establishment of 317–19
Turner, M. 209
Twooney, J. 210
two-region models 121–2
UE (urban economics) model
schooling as additional variable 77–93
technical skills as additional variable 77–93
test against NEG model 85–93
wage variation 76–7
see also urban economics (UE)
Uminski, S. 304
UN Centre on Transnational Corporations 279
uncompensated demand function 16, 17, 20
Index

United Kingdom (UK) 235–46, 291, 344, 347–50, 355 see also Great Britain

United States (US)
agglomeration 297
foreign direct investment (FDI) 277, 278, 290, 296, 302
specialization 221–2
urban economics (UE)
and agglomeration 211
commuting 222–3
multinational enterprises (MNEs) 286
and new economic geography (NEG) 71, 98
specialization 206–8
UE model 76–93
urbanization economies 206–8

Vaal, A. de 71
variety, consumers’ love of 11, 146–50, 157–9, 206
Velupillai, K.V. 256
Venables, A.J.
agglomeration 48
convergence hypothesis 284, 285
European Union (EU) 353, 354
foreign direct investment (FDI) 300
intersectoral linkages 71
introduction of new economic geography (NEG) 1, 11, 70, 72
labour mobility 53, 54, 64, 113
multinational enterprises (MNEs) 287, 289, 302
transport costs 181, 187, 188, 189, 195
wage equation 104, 110
see also Fujita, M., et al.
vertical-linkages (VL) model 54, 60–67, 107, 353
vertically integrated MNEs 282, 284–5, 289, 299, 302
Von Thunen model 175, 194–8
wage bargaining 257, 258–9, 260
wage equation

bell-shaped curve 113–15
CP model 57
estimation results 104–11, 121
income 21–4
interpretation of empirical findings 115–21
limitations of NEG 121–5
NEG basis of 72–5
role of 70
schooling as additional variable 77–93
technical skills as additional variable 77–93
test against UE model 85–93
tomahawk figure 111–13, 115
UE hypothesis for wage variation 76–7
wage flexibility 122–3
wage rates 74–5
wages
and FE model 66–7
long-run equilibrium, application 32–47
NEG model 72–5
NEG vs UE test 85–93
price index 16–18
regional differences 21–4
schooling as additional variable 77–93
short-run equilibrium, application 25–32
technical skills as additional variable 77–93
UE model 76–7
see also real wages
Wakelin, K. 291, 292, 293
Weber, A. 205
Weeks, M. 86
Weinstein, D.E. 70
Wheeler, D. 297
Wilamoski, P. 290
within-equivalence 53
World Bank indices 300
Yannopoulos, G.N. 296