



Economics Seminars

Thursday 23 May 2024 at 12:00

Aula Anfiteatro

Facoltà di Scienze Economiche Giuridiche e Politiche - Viale Sant'Ignazio 17

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Springing out of the development traps

Abstract. In their recent influential work, Diemer et al (2022, Economic Geography) introduced to the literature the concept of ‘regional development traps’ – defined as a condition of relative underperformance whereby regions face “significant structural challenges in retrieving past dynamism or improving prosperity for their residents”. The concept – and the empirics surrounding it – has received a lot of attention, both in the literature and by policy. Not unsurprisingly, this attention is directed mainly on the question of what puts regions into such traps. In this paper we are interested in the inverse question: inspired by original evidence that we produce, showing that regions – occasionally – spring out from their development traps (and, low-growth equilibria more generally), experiencing fast growth sustained over a number of years, we undertake a two-fold analysis. First, we develop regional measures of ‘growth acceleration’ and document cases of regions which successfully manage to “spring out” from their development traps. Second, we perform an exploratory analysis, examining the regional characteristics which account for the probability that a ‘trapped’ region will experience sustained accelerated growth (“springing out”). We relate our results to a discussion of regional disparities (essentially, in growth-acceleration opportunities) and the potential role of policy in stimulating such growth acceleration in ‘trapped’ and ‘non-trapped’ places.