

Hour: 17.10
Date: April, 27th (Thursday) 2023
Place: room 3B, building C, SGH

Labor Market Polarization and The Great Urban Divergence

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Abstract:

Labor market polarization is among the most important features in recent decades of advanced country labor markets. Yet key spatial aspects of this phenomenon remain underexplored. We develop four key facts that document the universality of polarization, a city-size difference in the shock magnitudes, a skew in the types of middle-paid jobs lost, and the role of polarization in the great urban divergence. Existing theories cannot account for these facts. Hence we develop a parsimonious theoretical account that does so by integrating elements from the literatures on labor market polarization and systems of cities with heterogeneous labor in spatial equilibrium.

Joint work with: Eric Mengus (HEC Paris) and Tomasz Michalski (HEC Paris).