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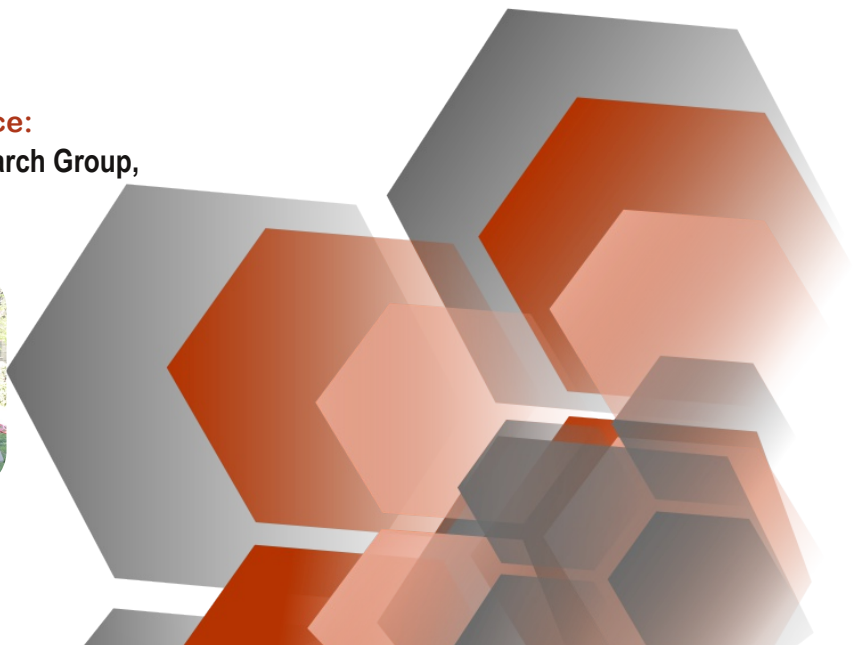
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## 1. Introduction

### 1.1. Welcome from the President

by Andrés Rodríguez-Pose



Dear friends and colleagues, readers of the RSAI newsletter, Welcome, once again, to the latest edition of the official RSAI newsletter, superbly edited by Andrea Caragliu and Graham Clarke.

This newsletter will reach the majority of you either at the 56th Congress of the European Regional Science Association in Vienna or at the 14th PRSCO Summer Institute in Bangkok. The Regional Science community is gathering anew and in big numbers in order to exchange ideas, network and spread the results of our research. This is important in a moment when rising territorial inequalities and budgetary constraints in many parts of the world are pushing for better targeted and more efficient public policies. Continuing to drive ahead and improving the dissemination of our research is a crucial step towards warranting that public and private intervention leads to more even development opportunities and to better livelihoods throughout the world. Therefore, I would encourage all delegates to not only continue to push the theoretical and empirical boundaries of our discipline, but also to reach out to other regional scientists and to society as a whole in order to make sure that our work brings about further economic and social progress.

Bangkok and Vienna – and the forthcoming 63rd North American Meetings of the Regional Science Association International, which will take place in Minneapolis in early November – represent important milestones in this process. I would encourage all participants to soak up the atmosphere at these Regional Science events and to gather inspiration and recharge batteries in order to keep up the good work you have all been conducting.

With best wishes,

Andrés Rodríguez-Pose, *President of the Regional Science Association International* ([A.Rodriguez-Pose@lse.ac.uk](mailto:A.Rodriguez-Pose@lse.ac.uk))

### 1.2. Welcome to the 2016 ERSA Congress

by *Gunther Maier, Vienna University of Economics and Business*  
- Chair of the LOC ([gunther.maier@wu.ac.at](mailto:gunther.maier@wu.ac.at))

Dear Colleagues,

After a few years in the geographical periphery of Europe the ERSA congress will return to Central Europe in 2016. The ERSA 2016 congress will be held Aug. 23-26 in Vienna, Austria, and will be hosted by WU, the Vienna University of Economics and Business, at its new campus.

Once again, the ERSA congress will be the place to meet with colleagues, listen to the latest research results, and discuss their significance. With almost 1000 abstract submissions the congress will offer a diverse and busy scientific program garnished with plenary events, technical excursions, and – an innovation in ERSA congresses – pre-congress workshops that will take place on Tuesday, Aug. 23rd, before the congress opens.

Many of these activities will build on the general theme of the congress: “Cities and Regions: Smart, Sustainable, Inclusive?” As you are probably aware, this theme is rooted in the EU’s Europe 2020 strategy, which aims for “smart, sustainable, and inclusive growth”. As a scientific endeavour, the ERSA congress 2016 adds a question mark around this policy target and tries to investigate to what extent the adjectives “smart”, “sustainable”, and “inclusive” are compatible with our cities and regions. Many of the proposed papers will engage in this discussion as will some of the other activities. For the first time in the history of ERSA congresses we aim to make the congress 2016 a certified “Green Meeting”. The adjectives contained in the congress theme also serve as a guideline for the congress organization!

Most important in an academic conference is the academic program, of course. But, there are additional attractions worth pointing out. The first one is the venue of the congress, WU’s new campus. Opened in 2013, it is



definitely one of the most exciting university campuses in Europe. Search for your favourite photo sharing service for “WU Wien”, “WU Vienna”, “WU campus” etc. and you will quickly see what I mean. The campus is an award winning ensemble of buildings all designed by star architects. Of course, a new campus is equipped with the newest technology for presentation and communication. It is all there for the congress participants to enjoy.



The second attraction is the city itself. For many years in a row, Vienna has been selected “most livable city” in the world. It offers an exciting mix of historic buildings and new developments. Check out the museums in “Museumsquartier”, enjoy a relaxed evening at the open air music film festival on “Rathausplatz” or at one of the numerous cafes, bars and restaurants in the city. Getting around is super easy. Vienna has one of the best public transport networks in the world. In just a few minutes, trains, trams, and buses can take you away from the vibrant city to quieter areas; to stroll through picturesque neighbourhoods, hike in the Vienna woods, or stop at a “Heuriger”, a traditional wine tavern, to enjoy a glass of wine or two and to watch the sun set over the city.

The third attraction lies just outside the city boundaries. Austria offers a wide range of options for your enjoyment. They will be hard to reach while you attend the conference. Adding a few extra days, you may choose to ride a bike along the Danube or one of the other rivers, hike or climb in the mountains, visit castles, churches, and monasteries or see famous places like Salzburg, Innsbruck, Graz, and Hallstadt. But, be aware that the

attractions are just too numerous to see in just a few days. You may have to come back!!

We are looking forward to welcoming you to ERSa 2016 in Vienna.

Gunther Maier

### 1.3. Welcome from the Editors

by [Andrea Caragliu](mailto:andrea.caragliu@polimi.it) ([andrea.caragliu@polimi.it](mailto:andrea.caragliu@polimi.it)) and [Graham Clarke](mailto:G.P.Clarke@leeds.ac.uk) ([G.P.Clarke@leeds.ac.uk](mailto:G.P.Clarke@leeds.ac.uk))



Andrea Caragliu



Graham Clarke

We are happy to welcome you to the Spring 2016 issue of the RSAI Newsletter.

In this issue we focus on a very hot topic, something that is clearly focusing the attention of policymakers and media alike across the World, viz. the massive flow of refugee migrants escaping wars and famines in the Middle and Far East, and Africa, and looking for a safe haven in Turkey and the EU. Jacques Poot (thanks Jacques) has assembled a very fine set of contributions by himself, Brigitte Waldorf, Annekatrin Niebuhr and Dimitris Ballas. We refer the reader to their articles to show what regional scientists can contribute to the understanding of refugee migration. Suffice to say, they provide an overarching perspective on this issue that is both challenging and emotive.

For the usual article on famous ‘Centres of Regional Science’, we take you to Milan, where the Politecnico di Milano hosts the research group led by Roberto Camagni and Roberta Capello. This article narrates the evolution of the group over time, while also highlighting some of the major theoretical and empirical contributions its members have made to the regional science literature over the last 30 years.

Finally, our regular ‘Meet the Fellows’ article presents the career of Jerry Carlino. Jerry has been kind enough to tell us about how he started thinking about urban issues, and

presents an interesting story of his early years in Pittsburgh and his many collaborations with famous regional scientists. In his article he also summarises some of several path-breaking contributions to urban economics. Thanks Jerry for sharing this with our community. This issue also hosts the usual news from the Association. It will be distributed at the Vienna ERSAs Conference, and we both wish you all a pleasant and fruitful stay in the city.

## 2. News from the RSAI Council

### 2.1 Major events

During 2015 two RSAI Council Meetings, one in Lisbon (Portugal) and one in Portland (USA), were held. Their minutes are available on the RSAI webpage ([www.regionalscience.org](http://www.regionalscience.org)). The Council was pleased to welcome Fabio Mazzola as a new Councillor at Large. The RSAI Council was also enlarged to include the Presidents of the Supra-nationals and the Executive Directors. There has also been a slight increase in the number of members, from 4,368 in 2014 to 4,399 in 2015. In 2016 two further Council Meetings will be held: one in Vienna, and one in Minneapolis. Such meetings will continue to regulate the activity of RSAI, in defining the mobilization and allocation of funds, identifying the venue of the next World Congress and providing space to channel the ideas and activities of members, sections and supra-nationals. The election of a new Councillor at Large will also be held in 2016, with nominations to be received within July 2016, while elections proper will be held in September 2016.

Five issues of *Papers in Regional Science*, three issues of *Regional Science Policy and Practice* and two issues of the *RSAI Newsletter* were published in 2015, with the Newsletter distributed at the PRSCO congress in Chile, ERSAs congress in Lisbon, and NARSC congress in Portland. The work of regional scientists has been reflected and appreciated through the usual round of RSAI awards. A new program "Nurturing Talent" helped to fund the implementation of Summer Courses in Vienna and Barcelona, while the program "Building Bridges" created a connection with Kirghizstan. The Summer Course in

Armenia reinforced the links with the Caucasus Area.

### 2.2 Postponement of the RSAI World Congress

In light of the March 13th terrorist attack in Ankara and the increasing concerns about security, the 11th World Congress of the RSAI, which was due to take place April 25-28, 2016 in Istanbul was postponed to a later date. The postponement was decided at the request of the Local Organizing Committee (LOC).

We are sorry to communicate this news, especially in light of all the enthusiasm and work that had been put into the preparation of the Congress. But you would appreciate that the security of delegates is of utmost concern to the LOC and the RSAI.

The RSAI is grateful to the LOC and, in particular, to its president, Professor Tüzin Baycan, for the excellent work done in the preparation of the Congress in what have proven to be increasingly difficult circumstances. We are also indebted to all members of the Scientific Committee and especially to its co-chairs, Professors Alpay Filiztekin and Raymond Florax, for their work in evaluating all submissions. We would like to extend also our heartfelt gratitude to the Turkish Ministry of Development for its generous support of the conference and hope that it will continue to support the celebration of the World Congress at a later date and the activities of the Turkish Regional Science Association.

A rescheduling of the congress is being reconsidered with the LOC in light of the evolving security situation.

Fees disbursed by participants will be reimbursed during the coming weeks.

Once again, many thanks for your understanding and support.

*Andrés Rodríguez-Pose*

President of RSAI

**Additional comments by Tüzin Baycan, Istanbul Technical University - Chair of the LOC ([tbaycan@itu.edu.tr](mailto:tbaycan@itu.edu.tr))**

Dear Colleagues and Friends,

Terrorism is a global threat for metropolitan cities. All world

cities have been going through security threats due to the terrorism and increasing security measures. No one can know when something will happen, what will happen, and where it will happen. Cities cannot claim that they are 100% secure. We strongly condemn the inhuman terrorist attacks occurring in Paris, Istanbul and Brussels. These attacks have been carried out against the universal heritage of humanity.

The tourist and conference/business industries have been hugely affected by these attacks. Some congresses have been postponed from the city for future years and we also had some cancellations like other cities that have been affected by terrorism. In light of the terrorist attacks and our increasing concerns about security, we decided to postpone the 11th World Congress of the RSAI, which was due to take place April 25-28, 2016 in Istanbul to a later date as the security of delegates is of utmost concern to the LOC and the RSAI. A rescheduling of the congress is being considered with the RSAI Committee in light of the evolving security situation.

On our side, all necessary measures are being promptly and actively taken by the General Directorate of Security Affairs in Istanbul in order to ensure the safety of foreign guests. Hence, travels and transportation to and within Turkey have not been halted. Furthermore, many planned cultural and social activities, meetings and congresses in our city will go ahead as planned. For example, the 13th Islamic Summit Conference of the Organization of Islamic Cooperation (OIC), hosted by Turkey, has just begun at the Istanbul Congress Center (14-15 April 2016) at the level of the Kings and Heads of State and Government of 56 Member States under the overall theme "Unity and Solidarity for Justice and Peace". What we know is that although individual acts of terrorism may take place, life and business must go on as normal in the vast majority of the country. Most events will go ahead with nothing more challenging than heightened security checks and more rigorous risk management planning. We believe most delegates will leave having had a wonderful experience.

We are all aware of that security is the major global concern for all world cities and we know the fact that these

concerns are affecting people's choice of destinations for their future leisure and business events. However, we believe that the daily lives and universal values must not be defeated by the fear of terrorism, and meetings, leisure and cultural activities should continue to grow in size and scope. It is crucial that travelling to Istanbul, and more broadly to other destinations, must continue, for a variety of reasons but most importantly we deeply believe that solidarity against terrorism and inhuman acts is the key solution for all destinations. The most crucial support in the fight against terrorism is to maintain our economic life and to continue our travel and meeting plans. We should all support each other even more than ever before.

As the World's top 10 congress destination and 5th most visited city (with an estimated 12 million international visitors) we are certain that confidence will return to Istanbul and we believe that RSAI members have an important role to play in encouraging that confidence to emerge, by attending the future congress.

We are sure that Istanbul will keep its strong position both as a tourist and business destination. Our city will not be defeated by terrorism. We continue in our daily lives and as the LOC, we will look forward to hosting the 11th RSAI World Congress planned in Istanbul and will be awaiting our congress participants.

Many thanks for your understanding and support.

With warmest regards,

Prof. Dr. Tüzün Baycan

*President of Turkish Regional Science Association*

*Chair of the RSAI World Congress Local Organizing Committee*

## **2.3 An interview to Hans Westlund, President of the Regional Science Academy**

*President, Regional Science Academy*  
([hans.westlund@abe.kth.se](mailto:hans.westlund@abe.kth.se))

Hans, thanks for sharing your thoughts about the Academy with us.

**RSAI:** Why start a Regional Science Academy? What will the academy do?

**H:** I see five very important tasks for the Academy: 1. To act as a think-tank and take initiatives to research on new issues, 2. To set up some guidelines for what education in regional science is and eventually be a unit that can “approve” courses given in various university environments as courses in regional science, 3. To gather and publish information on where to find regional data across the world, and maybe also host such data bases, 4. To encourage younger scholars to engage in regional science, and 5. To spread information about regional science.



**RSAI:** Will the Regional Science Academy be different from the regular, traditional academies?

**H:** Yes, traditional academies often consist mainly of only senior (male) researchers with a lifetime membership. The regional science community has its fellow system for honoring people who have served research and education a long time. In my view, the Regional Science Academy should have a limited membership time, and it should be open for everyone that have reached a certain level in research and education and that wants to be active within the Academy.

**RSAI:** People may wonder how the Academy will be related to all the other Regional Science organizations? A competitor or a complement? In other words, what's missing in the current structure of the RSAI that could be complemented by the Academy's activities?

**H:** I have been going to regional science conferences for almost a quarter of a century and I have served in various boards and committees for about a decade. The things I have missed are what the Academy aims at: being a think-tank that can gather a group of scholars around a new issue, set up a tentative research agenda and start research projects. Of course, this occurs already today without the Academy, but I think that the Academy can be a catalyst that facilitates this more. That is: the Academy has no interest at all in competing with the existing regional science organizations, but it can be a nice complement.

**RSAI:** What are the challenges in building up a Regional Science Academy? Did you have any problems in finding consensus, and how did you tackle them?

**H:** Right now we have very practical challenges. We need to get the Academy to work as an organization with formal members. We need to establish an economic foundation for the Academy. Other things are already more developed. Together with individual colleagues and research groups, a number of workshops are planned for 2016 and 2017. So far, we have been unanimous about the need for an Academy and since I am sure that most people think we are dealing with the right things, I see no foundation for problematic conflicts.

**RSAI:** Do you have a vision for the future workings of the Academy? Where do you expect the Academy to be in five years from now?

**H:** In five years from now, I hope the Academy has an established organization with a good set of activities and a well-functioning information unit. Also, I hope the Academy is characterized by a good and enthusiastic spirit that encourages new and exciting research!

**RSAI:** Hans, thanks again and good luck!

**In 2016, the Regional Science Academy has already hosted, and will host, the following events:**

- 19-20 January ABC, Stockholm (jointly with Spinlab) on: **'It's a Small World' Big Data and Beyond**

Organizers: Hans Westlund, Henk Scholten Peter Nijkamp and Karima Kourtit

- 17 February Academic Venue (WRSA conference), Hawaii  
 Regional Science Academy Inaugural Meeting

- 20-23 March ABC, Napoli (jointly with PRIN and Spinlab) on: **The Science of the City**

Organizers: Luigi Fusco Girard, Henk Scholten, Peter Nijkamp and Karima Kourtit

- 2 May ABC, Amsterdam (jointly with IAB) on: **The Pensionado-Migration Nexus in Regional Labour Markets**

Organizers: Peter Nijkamp, Uwe Blien, Roger Stough and Karima Kourtit; Contact person: Peter Nijkamp

- 2-4 June ABC, Paris (jointly with NECTAR) on: **Bigger Data, Better Transport Policies?**

Organizers: Pierre Zembri and Aura Reggiani; Contact person:

Aura Reggiani

- 15-16 August ABC, Poznan on: **Urban Empires - Cities as Global Rulers in the New Urban World**

Organizers: Waldemar Ratajczak, Peter Nijkamp and Karima Kourtit; Contact person: Waldemar Ratajczak

- 23-27 August Academic Venue (ERSA conference), Vienna  
 Contact person: Karima Kourtit and Neil Reid

- 28-30 August ABC, Banska Bystrica (tentative) on: **Smart People in Smart Cities**

- 8-10 September ABC, Santiago de Chile (tentative)

- 29-30 October ABC, Lugano (jointly with NECTAR) on: **The Leisure Society**

Organizer & contact person: Rico Maggi

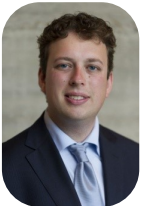
- 13-16 November Academic Venue (NARSC conference), Minneapolis

Contact person: Neil Reid

- End November ABC, Morocco

Contact person: Abdel Khattabi

## 2.4 Special Issue on Papers in Regional Science – “Agglomerations and the Rise of Urban Network Externalities”



Martijn Burger



Evert Meijers

The Special Issue, guestedited by Martijn Burger and Evert Meijers, deals with urban network externalities, defined as external economies from which firms and households can benefit by being located in agglomerations that are well embedded in networks that connect with other agglomerations. The contributions in the special issue focus on the conceptualization of urban network externalities and their influence on urban performance. Finally, a research agenda is presented, that should focus on multiplexity and heterogeneity in networks and their impacts; interrelations between agglomerations and networks and their dynamic and place-based nature;

and, the policy implications of urban network externalities. You can find the special issue at <http://onlinelibrary.wiley.com/doi/10.1111/pirs.v95.1/issueto>

## 3. Exodus: how should we respond to the refugee crisis?

### 3.1 An introduction

by Jacques Poot, *University of Waikato* ([jpoot@waikato.ac.nz](mailto:jpoot@waikato.ac.nz))

War, conflict, poverty and the collapse of societal institutions have throughout human history led to waves of refugees seeking safe havens and brighter futures. UNHCR has estimated that there are presently about 60 million refugees in the world, compared with less than 40 million in 2000. About one third of the current number have crossed borders and two thirds are internally displaced. The fast growth in the number of refugees in recent years has been clearly triggered by the war in Syria since 2011 and other situations of conflict in the Middle East and northern Africa. The media confront us almost daily with harrowing reports of people drowning while trying to reach Europe or living miserable lives in squalid camps near borders they are not permitted to cross.



So what can regional scientists contribute to resolving the current crisis, besides responding individually to calls for donations by humanitarian organisations, or participating locally in volunteer organisations that assist in refugee settlement and integration? Our founding father, Walter Isard, grappled with this question right from the early days of developing regional science. He advocated the rational analysis and resolution of conflict situations by means of the same rigorous interdisciplinary quantitative methods that became the hallmark of regional science. That is what encouraged him to initiate the parallel field of peace science, with the Peace Science Society providing the professional network and the Journal of Conflict Resolution as the outlet for research.

Negotiated peaceful resolution is surely the goal through which complex and volatile situations ought to be settled. Negotiations can be assisted through analytical and evidence-based research and recommendations to which regional scientists can contribute. For example, economists believe that externalities are best addressed by market-based instruments. In the present context the deficiencies of the European asylum-seeking system could be addressed through cross-country tradable refugee-admission quotas, combined with a matching mechanism that enables refugees to reach preferred destinations (Moraga and Rapoport, 2015). Additionally, regional scientists have an obligation to fight the ignoring or misrepresenting of scientific evidence.

In the present context, we can use our expertise to dispel common myths regarding the impact of the refugee crisis on Europe and beyond. In this newsletter, Brigitte Waldorf first identifies three key issues where regional scientists, and particularly those working on migration, can contribute. The first is projecting the potential magnitude of future refugee migration based on the demography of volatile regions (and similar work regarding potential climate change migration out of climate 'hotspots' ought to continue as well). Secondly, the determinants of the spatial distribution of refugees in host societies ought to be better understood at different spatial scales from countries to neighbourhoods. Thirdly, more needs to be done to identify pathways to successful integration. In much of the public discourse, the social cost of refugee migration is highlighted and the economic gain ignored. Yet the evidence of previous waves of refugee inflows, at least in the United States, is that refugees made bigger gains than comparable economic migrants (see e.g. Cortes, 2004).

Being interdisciplinary, regional science can contribute much to obtain a better understanding of the current situation: for example, in terms of identifying policies that might modify incentives and nudge behaviour towards better outcomes; generate greater credibility of proposed policy settings; understand conflict better by means of game and conflict studies; and contribute to comprehensive impact studies that cover demographic,

socio-economic and attitudinal outcomes. As noted by Annekatrien Niebuhr in this issue, much work has already been done on labour market impacts. This research clearly shows that permitting refugees to work is the most effective means of securing harmonious integration. While we have to accept that, due to the global economic and technological transformation, the absorption capacity of unskilled and semi-skilled migrants will be limited in any developed country, complementarities between skilled refugees and the native born, as well as positive local scale effects, suggest that cities can be remarkably resilient when absorbing new arrivals. On average, additional labour supply triggers a commensurate growth in demand, leaving wages and unemployment largely unaffected. As Annekatrien notes, additional investment will be needed for this to happen but, given the low cost of borrowing at present, there should not be a capital constraint. Besides offering employment opportunities, much is known about other factors that lead to successful integration, such as: sensible urban planning that discourages segregation, effective education and training programs – and particularly language training has a high social rate of return (see, e.g. Cheung and Phillimore, 2014) – combined with clear signals that public welfare eligibility can only be granted after several years of residence, except in the case of hardship.

One final way in which regional scientists can contribute is to encourage better dissemination and interpretation of information. It is remarkable how much confusion there is even about headline migration statistics: inflows are invariably interpreted as net immigration numbers while we know that in this highly mobile world the rate of outward migration, even from desirable destinations such as Germany and the United Kingdom, is high. Here regional scientists can, and do, make major contributions to Geographical Information Systems and the development of conjoint systems concerned with monitoring increasingly complex cross-border and internal migration flows.

However, we should not lose sight of the fact that this refugee crisis affects the lives of millions of individual



people. The contribution by Dimitris Ballas is therefore inspiring. He describes the situation of Lesbos, a relatively poor island region of Greece, itself a country that has suffered severe economic hardship since the Global Financial Crisis. Lesbos has been the first port of call in Europe for many refugees and the flows are the equivalent of many multiples of the local population. Yet, despite the severe pressure on local infrastructure, the island is blessed by a high level of so-called bridging social capital, that is, a positive attitude toward the newcomers and a willingness to jointly seek solutions to this difficult situation. Dimitris argues that such local solidarity has not yet been matched by equally unified decision-making at the pan-European level, where key ingredients of social capital such as trust and collaboration, are often sadly lacking. Fortunately some progress is now being made in designing pan-European solutions that also engage the countries at Europe's borders. Hopefully, as has been the case in refugee crises of the past, this will ultimately provide the refugees with safe and successful lives back at home again, or in their newly adopted home countries.

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## 3.2 Regional science and the refugee crisis

by **Brigitte Waldorf**, *Purdue University* ([bwaldorf@purdue.edu](mailto:bwaldorf@purdue.edu))

The refugee crisis in Europe, the Middle East and parts of Africa has become a humanitarian crisis of historical proportions, with millions of children, women, and



men—mostly from Syria—fleeing brutal and escalating wars and conflicts. The public discourse focuses heavily on two issues that are also of concern to spatial demographers in the regional science community:

(1) Containing the flow of refugees.

People will continue to flee the war-devastated areas and seek safe havens as long as the fighting continues. In Syria, for example, more than five million or almost a quarter of the Syrian population have already fled their country. More than six million are internally displaced within Syria, some are without access to basic services and some have been starving to death. These conditions will undoubtedly feed into tomorrow's refugee flows.

(2) The distribution of refugees across host countries. The status quo is as chaotic and uneven as can be expected given the speed and magnitude of the flows as well as the lack of coordination across governments and multinational organizations. The immediate neighbours of Syria—Turkey, Jordan and Lebanon—were the first sought-out destinations after the Syria crisis started in 2011. In the meantime, these countries have already absorbed more than they can reasonably be expected to house, let alone offer services and jobs. Greece, the most popular country of first-entry into Europe, is overwhelmed by the sheer numbers of new arrivals from Turkey as well as those who cannot leave because they are denied transfer along the Balkan route. At the other extreme are countries like Poland and the United States that refuse to accept any or, at best, only take in very small numbers of refugees.

A third issue of interest to regional scientists—refugee integration and settlement in the host society—has received comparatively little attention. The immediacy and severity of the other two issues is a likely reason for this relative neglect. Yet the neglect may also be rooted in misconceptions and generalizations about refugee repatriation, and consequently the necessity to even deal with refugee integration and resettlement.

The various host countries have quite different

expectations about refugees' integration and repatriation. Turkey, Jordan and Lebanon do not have plans for refugee integration in the long run. The vast majority of refugees in these initial destination countries live in large refugee camps, protected by the UNHCR; those who live outside the camps face severe restrictions that make integration impossible.

The European countries that have not (yet) closed their borders entirely give a mixed message. On the one hand, they do indeed take in many refugees, especially Germany. On the other hand, there are also signs that there is the sentiment that refugees "eventually" ought to return to their home countries – an expectation similar to the misplaced attitude towards guest workers in the 1960s and 1970s. Some countries even engage in deliberate attempts to appear as inhospitable as possible, such as slowing or even curtailing family unification procedures.

Despite these mixed signals, and pushed by the wars at home and lack of prospects in refugee camps, many refugees seek to reach the European Union. Refugees who survive the dangerous journey are placed in asylum centres upon arrival. In these centres they await registration, identification as "true" refugees (as opposed to unwelcome economic migrant), and the initiation of an often lengthy asylum process. During the time spent in the asylum centre, refugees are in idle limbo, ineligible for work and for integration courses. Moreover, all too often they face the hostility, angst, and aggression of the local population. As such, this period is not only wasted in terms of productivity but also in terms of opportunities for multi-cultural understanding and integration. The losses may never be recovered and, worse, they may even raise the cost of integration once asylum has been granted. After all, while living in the asylum centres, refugees learn to function in the host society often despite language difficulties. And, being structurally separated from the local population, they will form their own community and networks. Such ethnic community bonds may persist well beyond the time spent in the asylum centre and become a foundation of structural apartheid and segregated settlement patterns.

'New World' countries like the US, Canada, Australia and New Zealand take a very different approach to resettlement and integration, anchored in their long immigration history. Being far away from the crisis centres of the Middle East, they select – with the help of UNHCR – a group of people allowed to enter. The selected few – the numbers are almost negligible compared to the millions of refugees housed in Turkey and Germany – are carefully vetted before they enter. The process is highly selective, for example favouring families over single men, and thus cherry-picking the most promising model-citizens. Both government and non-government agencies are involved in the relocation and integration assistance. Although the extent of assistance varies, the ultimate goal is for newcomers to integrate and stay. Nobody encourages repatriation. In fact, unlike in Europe, it is taken for granted that refugees want to stay.

Regional science can make valuable contributions to the public discourse on refugee resettlement and integration. While regional scientists have done very little work on refugees per se, they have significantly contributed to the migration literature. Some of that work will most certainly have relevance for issues surrounding the resettlement and integration of refugees. In particular, many regional scientists have worked on the factors influencing people's location and relocation decisions. They have contributed to our understanding of forced migration, onward migration and return migration—at very small spatial scales like neighbourhoods, but also at regional and international scales. Regional scientists also have added to the literature on the emergence and perpetuation of segregation. Last, not least, they have contributed to our understanding of how living in ethnic enclaves affects social and economic outcomes, from language proficiency and naturalization to welfare reliance and labour productivity.

Angela Merkel announced optimistically "*Wir schaffen das*" (we can do it). I believe that her by-now famous words were meant to resonate beyond Germany and reach the entire European Union. But actually, it is the entire global community that has to confront the refugee crisis. How

successful the global community will be in dealing with the refugee crisis will depend partly on our understanding of refugees' resettlement and integration into the host society, whether it be Turkey, Germany, or Canada. And to that, regional science can contribute a great deal.

### 3.3 Refugees and the labour market

by *Annekatrien Niebuhr*, *Institute for Employment Research and Christian-Albrechts-Universität zu Kiel*  
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The large influx of refugees to Europe raises the question how this will affect European labour markets. We can make use of the voluminous literature on the labour market effects

of immigration to derive some tentative assessments. Meta-analyses of the empirical evidence so far suggest that the average impact of immigration on wages and employment of native workers is quantitatively small and estimated coefficients are often statistically insignificant. However, effects tend to differ across groups of workers and crucially depend on the extent to which migrants are substitutes or complements to native born workers and earlier migrants (Longhi et al. 2010a, 2010b). Dustmann et al. (2008) emphasize the significance of the skill structure of immigrants and domestic workforce in this context.

With respect to the effects of the current refugee crisis, we firstly need to assess the overall size of the inflow. The strength and timing of the labour supply shock also depend on the conditions regulating labour market access during the asylum claim procedure, as well as on the participation rates of the refugees, on how many asylum applications are granted and the average period until asylum is granted. Labour market access and average length of the procedures differ significantly across countries and regions. Current estimates of the OECD (2015) indicate that the cumulative impact of the asylum seekers inflow by the end of 2016 will correspond to less than 0.4% of the labour force in the European Economic Area. However, the asylum seekers are not evenly

distributed across European countries and regions. The spatial clustering of the refugees within the host countries might even increase once asylum and free mobility is granted. Thus, in some areas, the increase of the local labour force might be quite sizeable. Moreover, the future development of the size and spatial distribution of the refugee inflow is highly uncertain.

Findings of the migration literature indicate that we need to consider the skill level of domestic workers and refugees in order to assess potential labour market effects. Unfortunately, there is no comprehensive information on the skill level of the refugees up to now. There is some indication that the skill distribution might be polarized in the sense that a certain percentage of the refugees are high skilled while the majority are low skilled. The medium skill level, i.e. those with a completed vocational training, seems to be missing. Given these presumptions, we might expect adverse effects primarily on low-skilled natives and previous (low-skilled) immigrants as these groups are likely to be substitutes to the refugees. High-skilled workers, in contrast, might even benefit if they are complements to the asylum seekers. At the regional level, we may thus expect adverse effects especially in local labour markets which show a massive inflow of refugees and a relatively high share of low-skilled workers and previous immigrants. However, it is important to consider the low average age of the refugees in this context. A significant percentage of the young workers might still be able to complete professional training. The probability of significant negative effects on wages and employment of low-skilled natives is likely to decrease if policy succeeds in fostering education and vocational training of the refugees.

In a long-term perspective, we also need to take account of the impact of immigration on the accumulation of capital. If the regional capital stock adjusts swiftly to changes in labour supply, no significant effects on local labour markets should emerge, as long as refugees resemble natives in terms of skills and experience. The additional labour supply will simply be absorbed by economic growth. If we allow for differences in the skill

composition, native workers might benefit or experience adverse effects depending on their skill level and the skill composition of the asylum seekers. Whether the average labour market effects of immigration are beneficial or detrimental depends again on the elasticity of capital supply (Dustmann et al. 2008). However, empirical evidence on this topic is still scarce.

From a regional science perspective, the consequences for regional disparities are also an issue. It is probable that the refugees will move to regions with rather favourable labour market conditions once asylum and free mobility within host countries is granted. Whether this will reduce or increase disparities among regional labour markets in Europe is likely to be influenced by the skill composition of the migration flows as well. Findings by Granato et al. (2015) suggest that the migration of low- and medium-skilled workers seems to reduce differences in regional unemployment rates, whereas the migration of high-skilled workers tends to reinforce disparities. Taking into account that a high percentage of the current refugees are medium- or low-skilled, and assuming that the majority will settle in countries and regions with rather favourable labour market conditions, the disparity-reducing impact of labour migration is likely to dominate. In contrast, inequality within regional labour markets might well increase in response to refugee immigration if high-skilled workers benefit due to complementarities while low-skilled workers and previous immigrants experience a deterioration of their labour market outcomes.

Results of previous studies suggest that we should not overrate the overall impact of refugee immigration on European labour markets. Firstly, the inflow (so far) is of moderate size compared to the entire European labour force. Secondly, a significant proportion of refugees is likely to move to large urban areas with favourable labour market conditions and hence high absorptive capacities. A high percentage of high-skilled workers in these regions should ensure a comparatively high degree of complementarity between the domestic labour force and the refugees. However, adverse effects on labour market outcomes of residents whose skills do not differ much from

those of the asylum seekers might become visible. Moreover, the inflow is not evenly distributed across European countries and some of the main destination regions still face high levels of unemployment.

Altogether it is extremely difficult to assess the impact of the current refugee crisis on European labour markets based on the available information. It is impossible to forecast the future development of the inflow of asylum seekers and we lack detailed information on the (professional) qualifications of the refugees. Without doubt, the massive influx of refugees creates immense challenges for the societies in the host regions. And clearly, successful labour market integration of refugees is a precondition for potential benefits to exceed the drawbacks of immigration. This probably calls for accelerated procedures and adjustments with respect to recognizing professional qualifications of the refugees, job placement, education, training, and in particular access to language courses in the host regions.

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## 3.4 A letter from Lesvos

by *Dimitris Ballas, University of Sheffield and University of the Aegean* ([d.ballas@sheffield.ac.uk](mailto:d.ballas@sheffield.ac.uk))



I am writing this post at the beginning of 2016 in my office at the University of the Aegean, part of which is situated on the island of Lesvos, near to Turkey. I've been working at the University here since last April on

special unpaid leave from the University of Sheffield and inevitably I've been reflecting on what has been an extraordinary year for an island that has not only become one of the hotspots in the worst global refugee crisis in recent history but is also located in a country going through financial implosion following a sustained recession. Throughout the past months I've witnessed heart-breaking, shocking and overwhelming images, but I've also seen extraordinarily touching manifestations of humanity and compassion.

According to the most recent estimates by the International Organisation of Migration, at least 650 refugees have died in desperate attempts to reach the shores of Greek islands, travelling in dinghies and other unseaworthy vessels often in extremely dangerous weather conditions. Most of these tragic deaths occurred just off the coasts of Lesvos, very near to where I've been living. In many cases they included the deaths of babies and young children. The UNHCR estimated that one million refugees and migrants arrived in Europe by sea in 2015, with a significant increase in numbers and changes in regional patterns compared to 2014. Of these, more than 80% arrived in the Greek islands, with an estimated half a million arriving in Lesvos alone.

A data snapshot for Lesvos Island shows the dramatic increase of the monthly arrivals throughout 2015, going up from 742 in January 2015 to 5,440 in April; then rapidly rising in the summer months and peaking at 135,063 in October. They arrived on an island with a population of just 85,000. July and August were particularly challenging, given that it was the peak tourist season which meant that

all scheduled passenger ferries were fully booked and it was thus impossible for refugees to leave the island. In addition, most of them had to walk for days in extreme heat along mountain roads to reach Mytilene, the capital and main port of the island. Throughout August and early September more than 20,000 refugees were estimated to be stranded on the island each day due to passenger ferries being booked to capacity with most of them staying in Mytilene (a town with a population of just under 40,000). Their numbers included many families with babies and elderly people staying in tents or outside in public parks, streets and beaches. Most aimed to travel to the mainland and from there to northern Europe, although some chose to stay.

These people are coming to one of the least affluent island regions of Greece, a country that saw its per capita income shrink by a quarter over the past six years. Unemployment rates rose to more than 25% as the country went through the worst political and economic crisis in its recent history, generating widespread pessimism about the future amongst its people. However, the many remarkable expressions of the positive attitude of the local population have been encouraging and indeed inspiring to witness. The people of Lesvos have reached out to refugees, making so many spontaneous acts of generosity and humanity that it is impossible to describe them all. They have ranged from just smiling and making others feel welcome, to buying and giving food and clothing, to offering transport and accommodation, to rescue at sea and sometimes engaging in the grim task of arranging a proper burial for the bodies that washed ashore, as well as generally being involved in or setting up formal and informal volunteering organisations. The people doing this have themselves suffered so much so recently and have so little material resources; but they have good hearts, are kind, and recognise when people they have never before met are in desperate need.

As one of the local volunteers put it, 'even if Greece is bankrupt and we have no money, we will still have our bodies and we will help the people who need us' (Padoan, 2015). The vast majority of work has been done by the

islanders themselves, but they have also been joined by NGOs and people coming from all over the world, offering help and forming waves of humanity laid bare on the shores of Europe: 'often taking unpaid leave from work, bringing their own equipment and living in whatever accommodation they can find; a nurse from Palestine, a doctor from Israel, lifeguards from Barcelona; from Bolton to Oslo, everyday people are making a difference' (Duley, 2015). Volunteers coming from afar include the American actress Susan Sarandon and the Chinese artist and activist Ai Weiwei, who is setting up a studio in Lesvos to highlight the plight of refugees.

There has also been a strengthening of existing local volunteering groups and networks. New teams of volunteers have been emerging, increasingly co-ordinating their efforts. The University of the Aegean has also been supporting these volunteering activities by making formal plans and proposals for open access and enrolment of the refugees, as well as offering support to the local authorities by drawing on the expertise of academic staff (who have, for example, translated texts and signs into Arabic to help the refugees) and by supporting on-going efforts by staff and students in all that they are doing in their own time and with their own resources to help.

However, all these amazing manifestations of humanity and solidarity have so far not been matched by adequate government policies and actions at the national, European and global levels. The European Union has put forward emergency plans for all member-states to relocate 120,000 migrants and refugees across the continent over the next two years and German Chancellor Angela Merkel urged Germans in her New Year address to see refugee arrivals as an opportunity. Nevertheless, these actions are inadequate and disproportionately small when considered against the sheer scale of the crisis and the huge resources European states have at their disposal. In addition, some European politicians and many media reports have tended to approach the refugee and migration crisis as a failure of immigration control, often adopting a toxic discourse, rather than seizing the opportunity to celebrate humanity and uphold ideological

and humanitarian responsibilities that are usually considered to be pan-European and universal ideals.

In addition to the obvious humanitarian imperatives, there is also a very strong economic case for refugees and immigrants to be welcomed, especially given their demographic and educational profile and the potential contribution that they can make to the economies and pensions systems of ageing European countries increasingly faced with a demographic and pension crisis. Also, there are non-monetary benefits for countries like the UK and cities like London, where the integration of people with diverse backgrounds can be culturally enriching.

At a time when the numbers of people drowning in the Mediterranean Sea are increasing, the foremost action that is needed should be to make urgent arrangements for the safe transportation of the refugees by licensed passenger ferries or airplanes rather than dinghies. For example, an airline ticket costs massively less than the amounts refugees pay to travel in unseaworthy boats, but it is not possible for refugees to travel that way due to the apparent misuse of EU Directive 2001/51/EC. In my view, what is happening now will be seen in the future as a crime. Refugees were barred from much travel within Europe during the Second World War and many died as a result. The famous Kindertransports were only Kindertransports because the children's parents were barred entry. We too easily forget the errors of the past when they should be valuable lessons for today.

## Note

This is an edited version of an article originally published on the [speri.comment: the political economy blog](http://speri.comment:the-political-economy-blog) (<http://speri.dept.shef.ac.uk/2016/01/06/a-letter-from-lesvos/>), which includes full references and web-links to relevant external sources.

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## 4. Centres of Regional Science: The Regional and Urban Research Group, Politecnico di Milano



*Roberto Camagni speaking as ERSA President at the 45th ERSA congress in Amsterdam, 2005*

Our recent history started in 1994, when Roberto Camagni was appointed as a full professor at the Politecnico di Milano, after many years spent at Bocconi University in Milan and the University of Padua where he worked on spatial diffusion of innovation (mainly robotics and ICTs), spatial self-organisation modelling, regional development and EU policies and urban sustainability. Roberta Capello, working with Roberto since her first degree at Bocconi University (1986), was already an assistant professor at the Politecnico. The possibility of being appointed in the same University reinforced synergies and cooperation between the two and especially created the opportunity for establishing a research group in a prestigious Italian university. After multiple entries and exits of young researchers, this dream has come true, with the establishment of a strong, dynamic, highly committed and stable research group. Besides the two full professors, there are two associate professors, Ugo Fratesi and Camilla Lenzi, two assistant professors, Andrea Caragliu and Giovanni Perucca, and a Ph.D. student, Silvia Cerisola.

The group is considered as a major contributor to research in regional and urban economics in Italy and, one can say, worldwide. Thanks to the creativity of its leader, Roberto

Camagni, the group is known for conceptual approaches that are still recognized for their unique expertise and contribution in both urban and regional economics.



*Roberta Capello speaking as immediate past President of the RSAI at the 9th World Congress in Timisoara, 2012*

In the urban economics field, the city network paradigm, launched as a conceptual conjecture by some Italian geographers in the early 1980's for the interpretation of urban systems in partial antithesis to Christaller's hierarchical model, found in Roberto and his school a sound economic interpretation and an early empirical corroboration. Moreover, Alonso's intriguing dilemma about 'a single or infinite optimal city size?' has been a major research project of the team working towards rational solutions. Roberto's SOUDY (supply and innovation oriented urban dynamics) model, and other recent works of the team, have suggested a way to overcome the (too) simple idea that urban efficiency only depends on physical size, underlining (and econometrically proving) the role of urban functions, appropriate and compact urban form and cooperative city-networks - explaining in this way the structural dynamics of urban areas. Recent advances of the school include reflections on the importance of dynamic, rather than static, agglomeration economies to explain urban growth. In the field of regional economics, Roberto's milieu innovateur theory, developed with the GREMI network, (re-) interprets in a dynamic and evolutionary way the industrial district theory of the Italian tradition, attributing to



*Roberta Capello and Roberto Camagni chilling out at a Tinbergen workshop*

local relational space the crucial role of the reduction of dynamic uncertainty and support to collective learning processes. The idea of space as a system of localised externalities, both pecuniary and technological, of localised social, economic and cultural proximity relationships, which constitute a 'relational and cognitive capital', of cultural elements and values which attribute sense and meaning to local practices and define local identities, characterizes the regional economics approach of the Milan school. Intangible assets (like identity, trust, sense of belonging, relational elements) are for this school important explanatory factors of regional growth.

The development of the territorial capital concept and its empirical measurement and application can also be attributed to this group of researchers. More recently, territorial capital assets, embracing tangible and intangible assets (and their interaction) for local growth, were introduced into a macroeconomic regional growth model, an undertaking of the whole group: the MASST model, whose acronym contains the different dimensions – Macroeconomic, Sectoral, Social and Territorial – that have to be considered in order to interpret regional growth. The model is the product of an elegant merger of the traditional macroeconomic Keynesian growth theory – the



**The research group on the Politecnico Campus. Left to right: Ugo Fratesi, Giovanni Perucca, Andrea Caragliu, Camilla Lenzi, Silvia Cerisola, Roberto Camagni, and Roberta Capello. April 2016**

national growth component – with the theory of endogenous development based on territorial capital endowment – the regional differential growth component. Multiple quantitative scenario forecasts have been produced, before and after the crisis, for the European Union.

A traditional, but recently upgraded research programme of the group, is based around innovation processes and policies. Six 'innovation patterns' were identified in Europe, through a breakdown and a spatial re-composition of the traditional 'linear' model of innovation, pointing out the multiple possibilities that exist of blending local and external competencies, basic and applied knowledge and entrepreneurial capabilities.

The scientific strengths of the group are reflected in the structure of the two textbooks produced in Italian; one in Urban Economics by Roberto Camagni, translated into Spanish and French, and one in Regional Economics by Roberta Capello, translated into English and Chinese. For their innovative structure, they remain distinct with respect to the others present in the field.

The research group has joined the international scientific community participating in the organization of many activities: the ERSA conference in Milan, in 1984 and the ERSA summer school in Milan in 2016 are two examples over time. The research group has received international scientific recognition for its work. Roberto Camagni was President and one of the founding fathers of the Italian section of RSAI (AISRe); was President of ERSA (2003-05) and of GREMI. Roberta Capello was Secretary of AISRe, Treasurer of ERSA (1999-04) and President of RSAI (2009-10). In 2013, she was appointed a Fellow of RSAI and she is now Editor-in-chief of *Papers in Regional Science*. Ugo Fratesi has been AISRe Treasurer, and is Book Review Editor of *Regional Studies*. Andrea Caragliu is internal auditor (2013-2016 term) of AISRe, and acts as co-editor of the *RSAI Newsletter*, and Book Review Editor for *Papers in Regional Science*. We are sure that, given the high dynamism and engagement of the group in regional science, many other international recognitions and roles will follow for our younger generations.



## 5. Meet the Fellows: Gerald Carlino



I grew up in Pittsburgh, during its “Smoky City era”, before the Pittsburgh of today, a hub of technology and R&D. As a child, my favorite pastime was attending Pirates games at Forbes Field. My dream was to be a professional baseball player. I could characterize my career in two words: Who knew? Like many Pittsburghers of my day, I started working in “the mill” a few years after high school. After working several years at the United States Steel’s Homestead Works, I realized that I did not want to do this for the rest of my life. As the poet Jack Gilbert, who grew up in Pittsburgh, said, “You can’t work in a steel mill and think small.” So in spite of my lack of academic prerequisites, I decided to quit the mill and go to college. I started at Allegheny County Community College and eventually transferred to the University of Pittsburgh, where I majored in philosophy and economics. In 1972 I entered Pitt’s graduate program in economics. Many prominent regional economists passed through the department, such as Ed Hoover, Ben Chinitz, and Charlie Leven. Urban and regional economics was “in the air” at Pitt. Harry Richardson spent a few years at Pitt while I was a graduate student, and his research and mentoring led me to write my Ph.D. thesis on urban agglomeration economies. Unfortunately, Harry left Pitt before my dissertation was completed, but fortunately one of the best economists I have ever known, Jack Ochs, became my thesis advisor. I was privileged to have the guidance of Harry and Jack and I am deeply indebted to them. After completing my thesis, I took a job at Florida International University, and after one year I joined the University of Missouri. I spent one year at the Kansas City campus and several years at the St. Louis campus. A paper looking at agglomeration economies in

manufacturing activity from my thesis was published in the Journal of Regional Science in 1979, and a book followed. Soon after arriving in St. Louis, I paid a visit to Charlie Leven, who was chairing the Economics Department at Washington University. Charlie had just published a book examining the “turnaround phenomenon” in U.S. population dynamics. In the 1970s, a dramatic reversal of the long-standing tendency for people to concentrate in metropolitan places was observed — rural places gained migrants largely as the result of increased outmigration from metropolitan places. This reversal engendered the “clean break” hypothesis — namely, that the U.S. population trend had undergone a major break with the past. This new trend led to a flurry of academic papers during the 1970s and 1980s. I was surprised that no one had looked at whether the employment profile between rural and metro places paralleled that of the population profile. I seized the opportunity, and my research uncovered a turnaround in employment growth that had preceded the reversal in the rates of population growth and was published in the Journal of Urban Economics. We now know that reversals in population growth during the 1970s proved to be temporary and the trend toward greater population concentration reasserted itself. Charlie was an inspiration for my research, and we formed a fast and lasting friendship. That’s why I was delighted when Marcus Berliant asked me to present a paper at a conference honoring Charlie, who passed in 2011. It was special to spend time with mutual friends and to meet Charlie’s family. My association with the Regional Science Association began in 1980, when I attended the North American Meeting held in Milwaukee. I presented a paper showing that current estimates of urban agglomeration economies were too large and appeared to be declining over time. The paper was published in *Papers in Regional Science Association*. What attracted me most about the association was, as David Plane has noted, the “simple style of regional science – it’s all about the scholarship and collegiality without the extraneous trappings of other disciplines and groups.”

I was fortunate enough to meet Don Mullineaux, who was the chair of the research group at the Philadelphia Fed. In 1980, I was trying to model inflation expectations for a project I was working on, and Don had just published a paper using a new series on inflation expectations. I called Don to see if he would share the data with me, which he most graciously did. We got to talking, and when Don found out that I was a regional economist, he told me that the Bank was looking to hire an economist for its regional section and asked if I would be interested. One thing led to another, and in January 1981, I began my 35-year (and counting) career at the Philly Fed. That same year, Ted Crone joined our group, and Dick Voith joined us a few years later. This marked the beginning of a productive and stable period of urban and regional research at the Philly Fed. I am fortunate to have had Ted and Dick as colleagues and friends. Dick and I worked on a number of projects. Our first paper considered the regional impacts of exchange rate movements. In my second paper with Dick, we analyzed the determinants of aggregate productivity at the state level using the new (at the time) gross state product data. I am the only member of the original group who is still at the Philly Fed; my section now includes Leonard Nakamura, Jeff Lin, and Jeff Brinkman. A number of other notable urban economists have passed through the regional section such as Albert Saiz, Ethan Lewis, and Jason Faberman. Although Albert was at the Fed only for one year, we remain close friends and coauthored a paper called "City Beautiful" that provided evidence of the demand for urban amenities that stems from consumer revealed preferences based on the number of leisure tourist visits to metropolitan areas.

During the early to late 1980s, Ed Mills visited the Bank on a regular basis. My exposure to Ed proved to be especially fruitful, as we went on to work on a number of projects. This collaboration produced my most frequently cited paper, which is on the determinants of county growth. Bob Inman was also a regular visitor in the 1980s, as he is today. I learned a lot about local public finance from Bob, and recently we coauthored a couple of papers. One paper published in the *Journal of Monetary Economics*

looks at the extent to which states have the ability to stabilize their own economies. A second paper, forthcoming in *Tax Policy and the Economy*, considers the extent to which states can be used as fiscal agents for federal macroeconomic policy, such as what was done during the American Reinvestment and Recovery Act.

I don't have to tell anyone reading this article how great a place Philadelphia is for people with interest in regional science. The Regional Science Department at Penn was considered the academic leader in the field. I benefited almost immediately from interactions with Dan Vining, whose research demonstrated that the 1970s trend reversal observed for the U.S. was happening in many industrialized nations. It was great spending time at the department and having many of the people there spend time at the Fed, such as Tony Smith, Masa Fujita, and Janice Madden. In addition, Wharton's Finance Department housed a number of people with urban interests, such as Pete Linneman, Bob Inman, and Joe Gyourko. In 1981, I became an adjunct—first in Wharton's Finance Department and until around mid-2000s in the school's Real Estate Department. My colleagues and I are fortunate to have some of the leading scholars in urban economics as neighbors. Gilles Duranton, Fernando Ferreira, Jessie Handbury, Todd Sinai, Tony Smith, and Maisy Wong are regular visiting scholars at the Bank.

I have benefited immensely from fruitful interactions with a number of colleagues and friends. Bob DeFina and I produced a number of papers looking at the differential regional effects of monetary policy. Ed Coulson and I wrote a paper examining the social benefits to cities from hosting a National Football League team. Len Mills and I looked at regional income convergence in the postwar period. My continuing interest in postwar urban evolution of population and employment led to two papers on employment deconcentration with my colleague Satyajit Chatterjee. Later, Chatterjee and I teamed up with Bob Hunt on an article on urban density's role in innovation. More recently, I have an exciting project looking at the spatial clustering of R&D labs with Kristy Buzard, Jake

Carr, Bob Hunt, and Tony Smith.

All of these collaborations played a big role in my selection as a Fellow in 2010, which is a highlight of my career. This award was presented to me by Roberta Capello at the Denver meeting. Another highlight was becoming a Senior Fellow in the Rimini Center for Economic Analysis in Rimini Italy. Given my Italian heritage, I was especially proud of this honor. Another highlight was coestablishing the Conference on Urban and Regional Economics (CURE) with Diego Puga. The CURE is differentiated from other conferences in that fewer papers are on the program and each presenter is given ample time to fully present the paper. Diego organized the inaugural meeting of the CURE held in Milan in 2009, and it was an instant success. It is gratifying that the conference continues to be successful, drawing remarkable papers and participation from many of the world's leading scholars of urban economics and economic geography. The conference alternates each year between Europe and the United

States. I am especially grateful to Esteban Rossi-Hansberg, who helped launch the CURE in the US. Esteban and I organized the first two U.S. conferences, held at Princeton University in 2010 and 2012. Another highlight of my career was being asked by Gilles Duranton, Vernon Henderson, and Will Strange to write a chapter with Bill Kerr on "Agglomeration and Innovation" for the Handbook of Urban and Regional Economics that was published last year.

Over the years, I have witnessed a growing interest in regional science. The numbers of sessions at the annual North American meetings have grown not only in quantity but in quality, too. The discipline continues to attract highly talented people, both junior and senior scholars. The support I received from the many people involved with the Association makes me glad I chose to work on urban and regional topics. Most of the industrial mills are gone from Pittsburgh. But like baseball in Pittsburgh, the future continues to look bright for regional science.

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