

Globalization and the urban-rural divide in France

Gonzague Vannoorenberghe, Florian Mayneris, and Daniele Verdini

Abstract :

This paper investigates whether globalization has led to an economic decoupling between urban and rural areas in France. Specifically, we examine whether local labor markets in large urban areas have become more globally connected while weakening their domestic economic ties. To address this question, we calibrate a structural model using extensive administrative data from 1995 to 2015, capturing key linkages across French local labor markets. These linkages arise through competition in goods and labor markets, input-output relationships, and firms' ownership networks. Contrary to popular concerns, our findings reveal no evidence of urban-rural economic decoupling over the period, nor any significant impact of globalization on this relationship.

-