CHINA ECONOMY SEMINAR:

DATE:  April 14, 2021  
  
SPEAKER:  Marlon Seror: (Université du Québec à Montréal (UQÀM).   
  
PAPER: [Industrial clusters in the long run: Evidence from Million-Rouble plants in China](https://marlonseror.github.io/papers/JMP_Million-Rouble_plants_in_China.pdf)  
(paper joint with Stephan Heblich, Hao Xu, Yanos Zylberberg)

ABSTRACT:   
We identify the negative spillovers exerted by large, successful factories on other local production units in China. A short-lived cooperation program between the U.S.S.R. and China led to the construction of 156 “Million-Rouble plants” in the 1950s. The identification exploits the ephemeral geopolitical context and exogenous variation in location decisions due to the relative position of allied and enemy airbases. We find a rise-and-fall pattern in counties hosting a factory and show that (over-) specialization explains their long-run decline. The analysis of production linkages shows that a large cluster of non-innovative establishments enjoy technological rents along the production chain of Million-Rouble plants. This industrial concentration reduces the local supply of entrepreneurs.

BIOS:   
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