

Special Session on:
The Urban-Rural Wage Divide



Organizer

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Purpose and Scope

Significant spatial wage disparities can be observed in virtually all countries with market economies. In particular, larger cities offer higher wages compared to more rural areas. There are at least two major explanations for this observation: (1) people with characteristics that are related to higher wages prefer to live in larger cities and (2) the same worker becomes more productive if she or he is located in a larger rather than a smaller city. In this session, we shed light on the relative importance of those explanations and measure the relative magnitude of further mechanisms that, after controlling for worker and industry sorting, explain spatial wage disparities.

SUBMIT AN ABSTRACT