

# The Geography of Unemployment

Adrien Bilal

Comments: Samuel Kortum

July 6, 2020

# Robert E. Hall, 1991

“Macroeconomics is a close relative of regional economics.”

“Along a line drawn from New York to Los Angeles, the level of economic activity is hardly uniform.”

“Agglomeration over time involves the same principles as agglomeration over space ...”

- *Booms and Recessions in a Noisy Economy*,  
Yale University Press

Adrien Bilal, 2020

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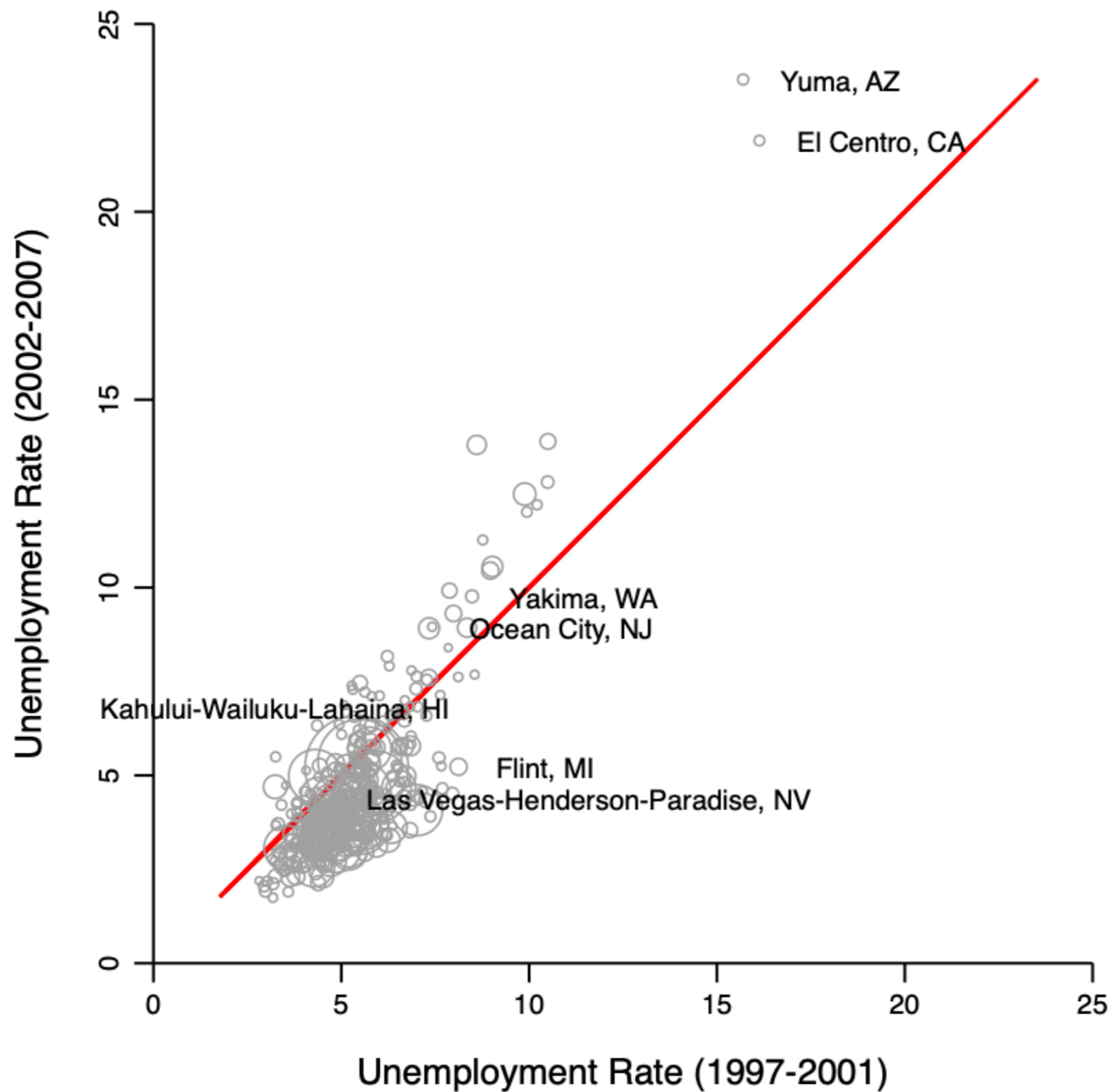
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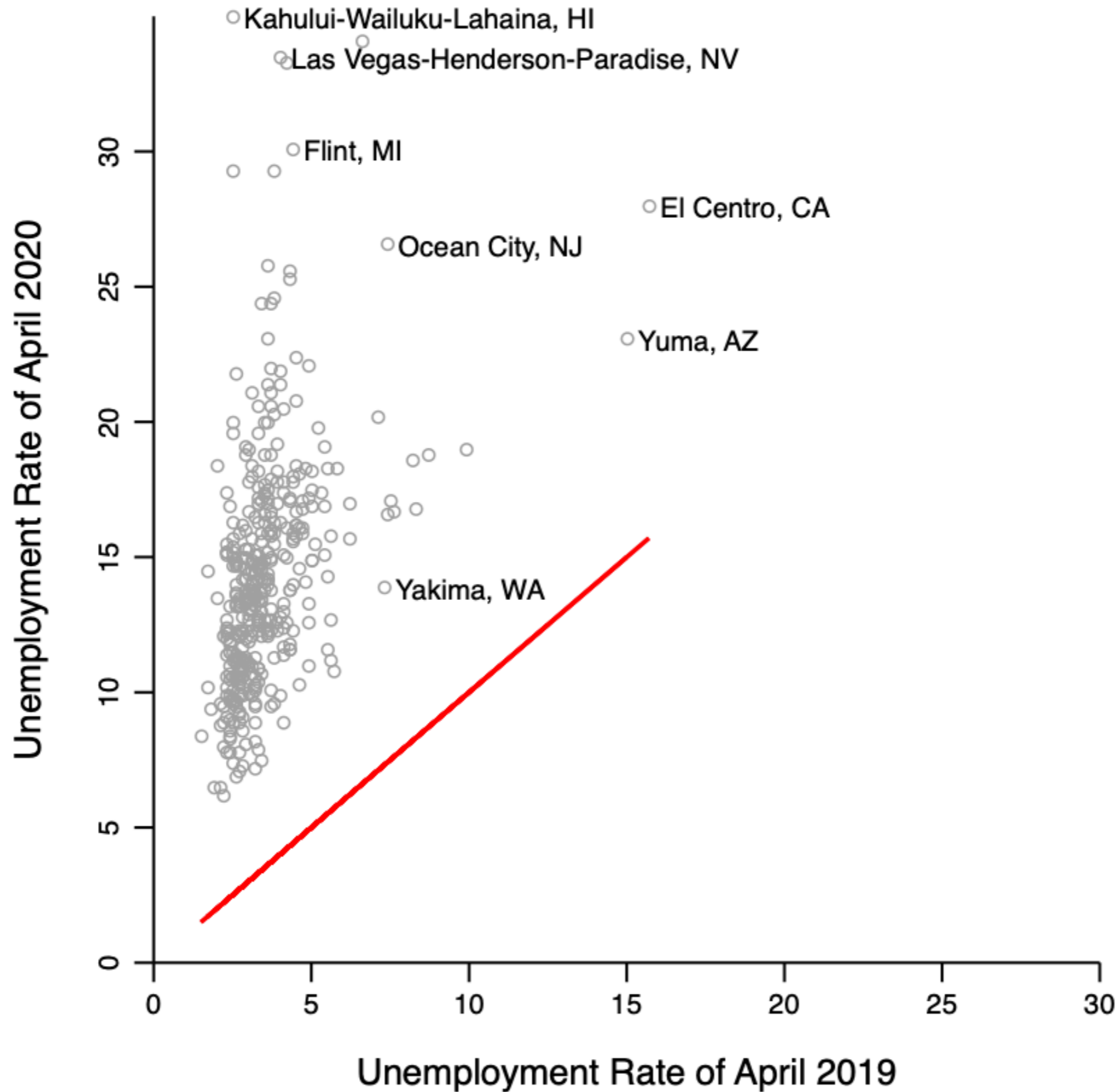
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    - Look at the United States and the pandemic ...



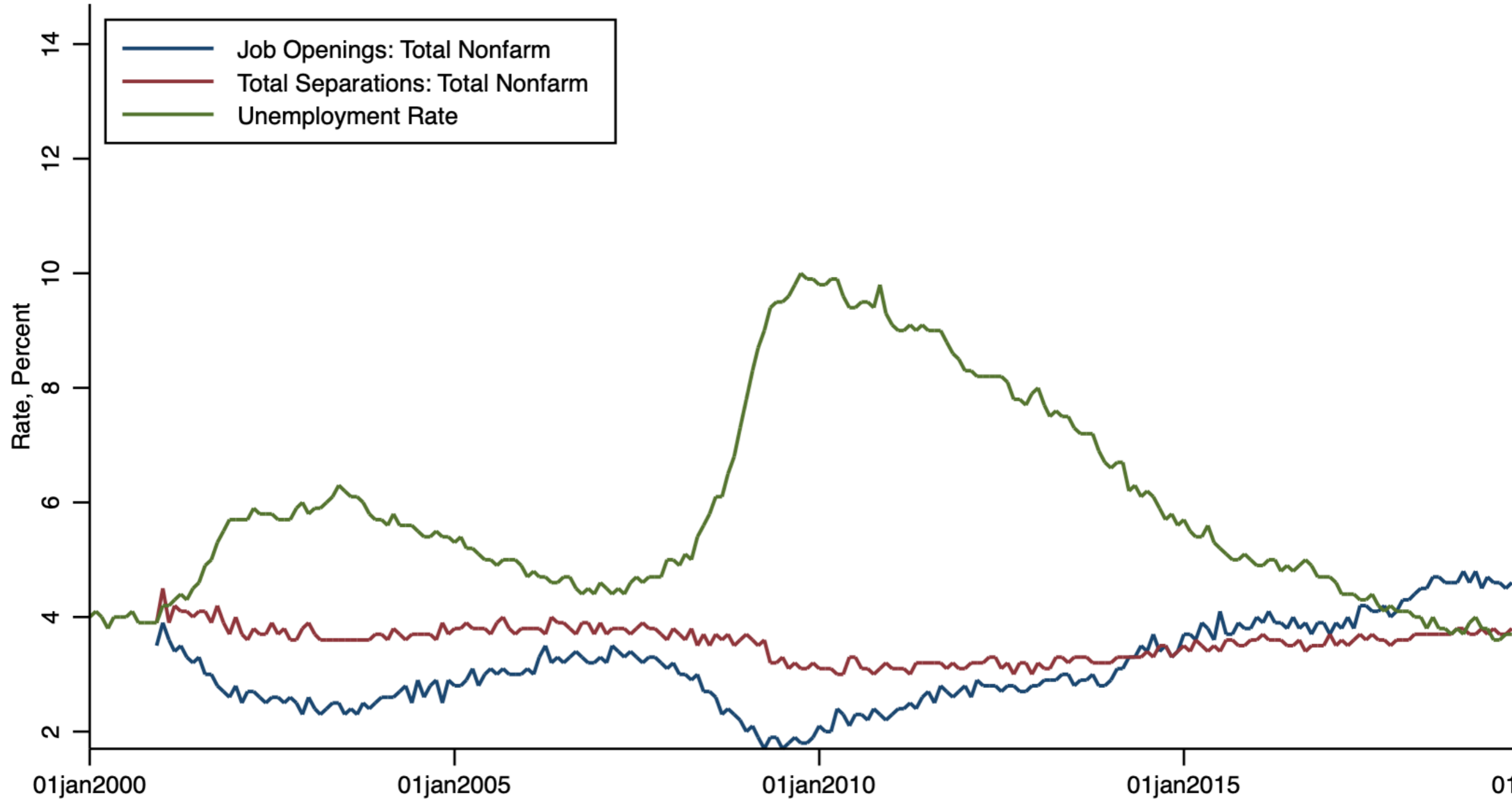
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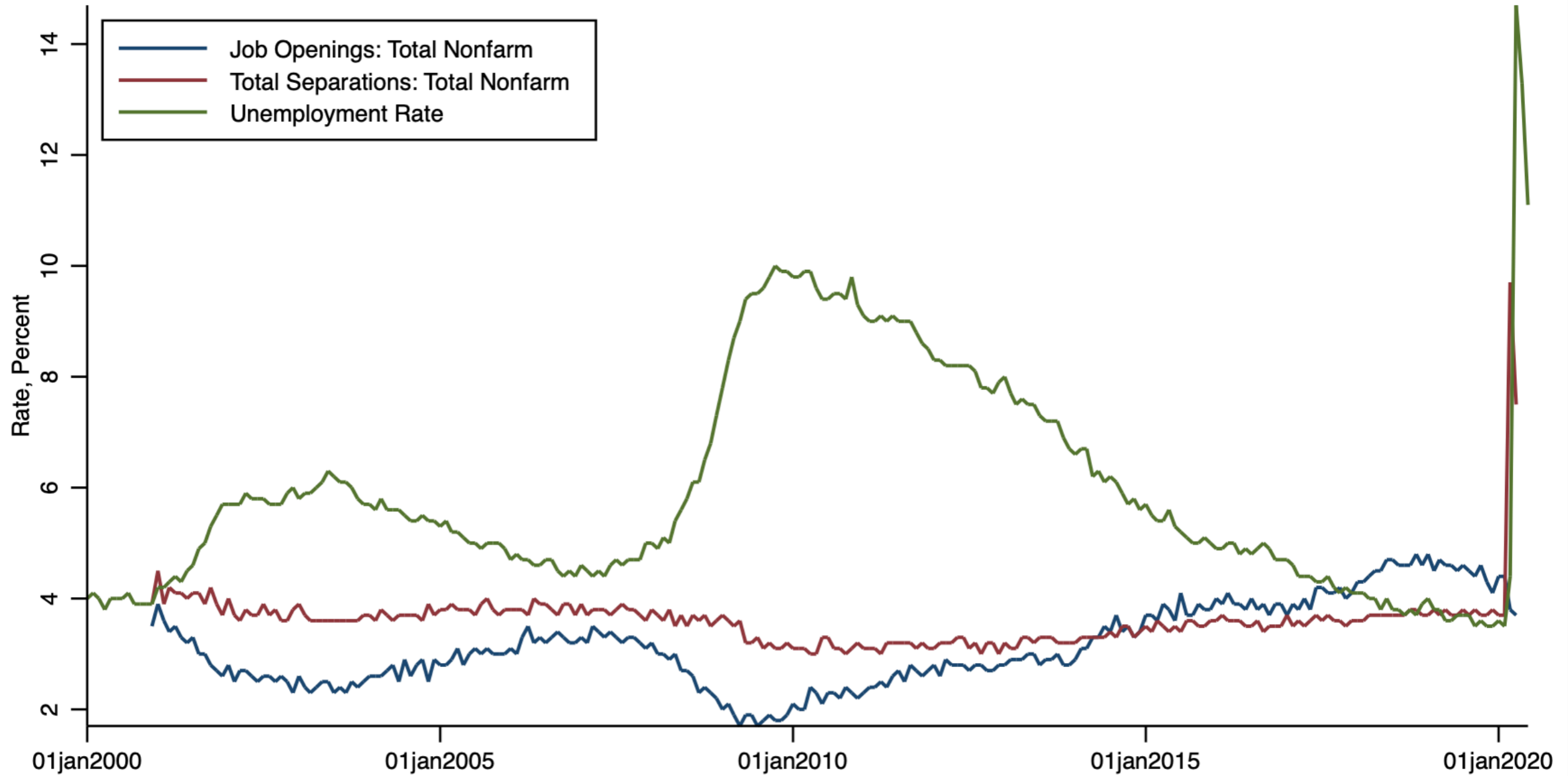


# Textbook Macro Fact



Source: U.S. Bureau of Labor Statistics

# ... Pandemic Looks Like Spatial



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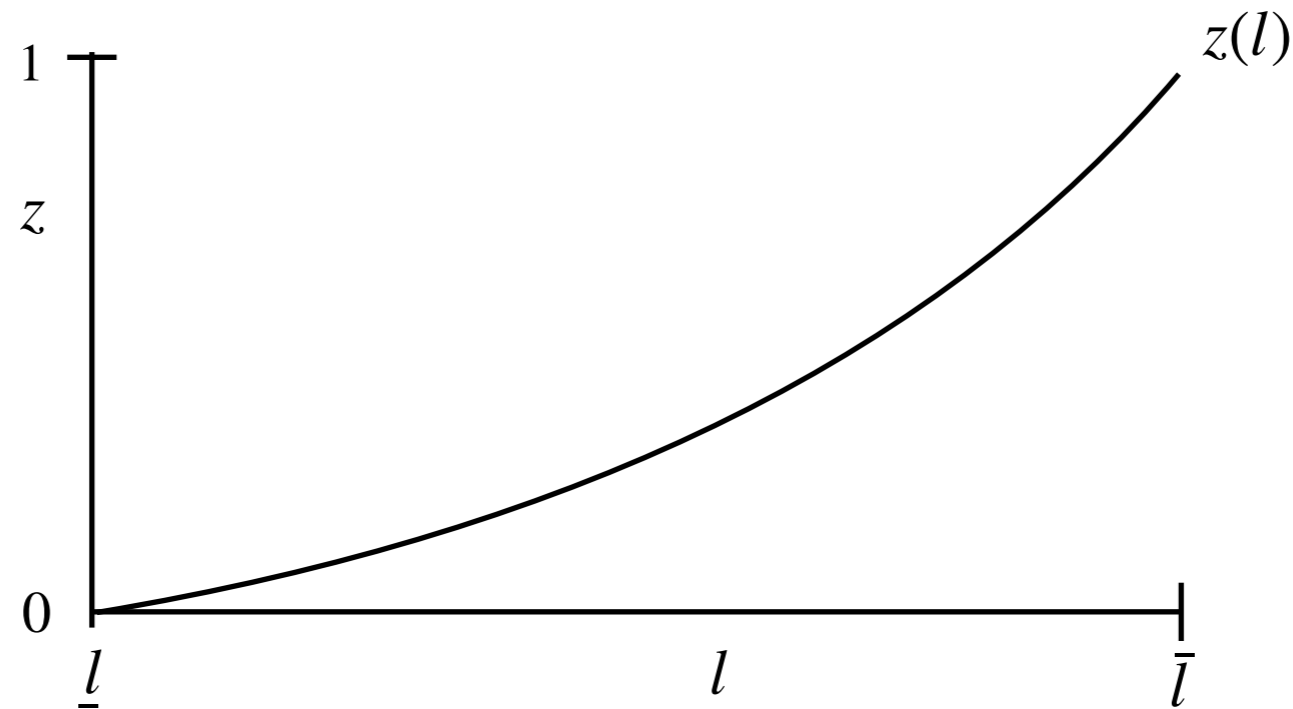
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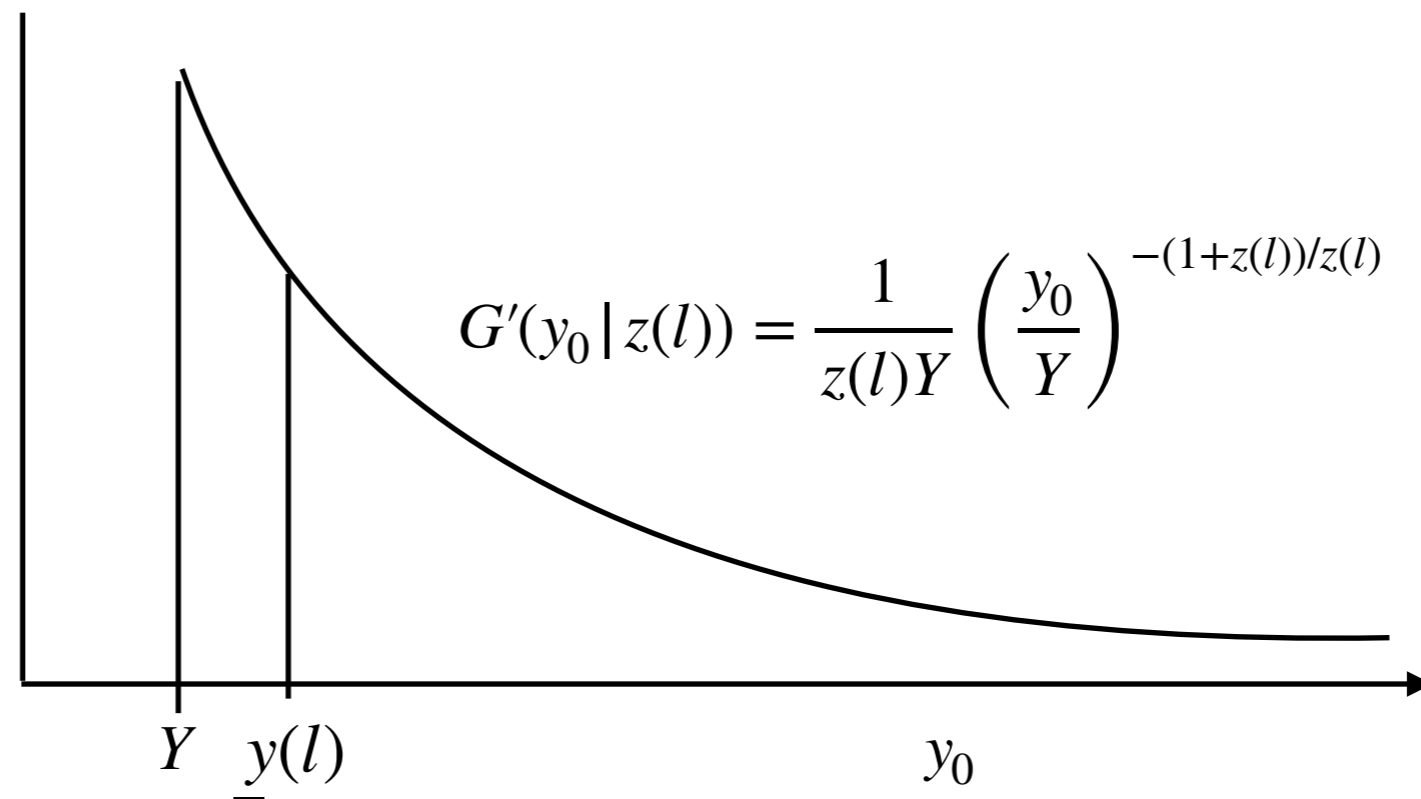
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- **Low unemployment rate**

# Simplified Model: Deterministic Jobs



$$s(l) = \frac{\delta}{z(l)}$$

$$u(l) = \frac{s(l)}{s(l) + f_R(l)}$$



# Conclusions

Adrien takes a step to unify economics across space and time

Uncovers a striking fact and builds an elegant model from it

Policy message: to offset congestion externality subsidize high-quality job creation in locations with high unemployment

- I'm skeptical, but willing to be convinced

“... it is cheaper to sell cameras in midtown Manhattan than anywhere else in the country because the density of camera buyers is so high.”

Hall (1991)