

The Geographic Concentration of Enterprise in Developing Countries  
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A nation's economic geography can have an enormous impact on its development. In Thailand, we show that a high concentration of enterprise in an area predicts high subsequent growth in and around that area. We also find spatially contiguous convergence of enterprise with stagnant areas left behind. Exogenous physiographic conditions are correlated with enterprise location and growth. We fit a structural, micro-founded model of occupation transitions with fine-tuned geographic capabilities to village data and replicate these salient facts. Key elements of the model include costs, credit constraints on occupation choice, and spatially varying expansion of financial service providers.