

How much did Railroads Affect Market Integration? Evidence from 19th Century France

1 Introduction

2 Data

3 Estimation strategy

Denoting $p_t = (p_{1t}, \dots, p_{Nt})'$ as the vector of logged grain prices at N communes at time t . Considering a VAR with L lags:

$$p_t = v + \sum_{l=1}^L A_l y_{t-l} + \epsilon_t$$

This model can be rewritten in the form of a vector error-correction model:

$$\Delta p_t = v + \Pi p_{t-1} + \sum_{l=1}^{L-1} \Gamma_l \Delta y_{t-l} + \epsilon_t$$

4 Results

5 Conclusion