

## Macro Roundup Article

**Headline:** [The World's Rust Belts: The Heterogeneous Effects of Deindustrialization on 1,993 Cities in Six Countries](#)

**Article Link:** <https://eml.berkeley.edu/%7Emoretti/rust.pdf>

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| Publication      | University of California                               |
| Publication Date | October 31, 2023                                       |

**Tweet:** Enrico Moretti, Michel Serafinelli and @GagliarL show that, among cities worldwide that were hit by shocks that caused a decline in manufacturing, those that had a high share of college-educated workers recovered faster.

**Summary:** We study the employment consequences of deindustrialization for 1,993 cities in six countries: France, Germany, Italy, Japan, the United Kingdom, and the United States. We focus on former manufacturing hubs—defined as Local Labor Markets that in the year of their country's manufacturing peak have a manufacturing employment share in the top tercile of their country's distribution. While on average former manufacturing hubs lost employment after their country's manufacturing peak, a surprisingly large share in each country was able to fully recover. We find that in the two decades before the relevant country's manufacturing peak, cities with a high share of college-educated workers experienced a similar rate of employment growth as those with a low share of college-educated workers. By contrast, in the decades after the manufacturing peak, the employment trends diverge: cities with a high initial share of college-educated workers experience significantly faster employment growth. Related: Are Manufacturing Jobs Still Good Jobs? An Exploration of the Manufacturing Wage Premium and Bottlenecks: Sectoral Imbalances and the US Productivity Slowdown and The Economics of Inequality in High-Wage Economies

**Primary Topic:** Institutional Capabilities

**Topics:** Academic paper, Database, Important!, Institutional Capabilities, Productivity, Urban vs Rural, Weekly, Workforce Reorganization

**Permalink:** <https://www.edwardconard.com/macro-roundup/enrico-moretti-michel-seraferinelli-and-gagliarL-show-that-among-cities-worldwide-that-were-hit-by-shocks-that-caused-a-decline-in-manufacturing-those-that-had-a-high-share-of-college-educated-workers?view=detail>

**Featured Image Link:** <https://www.edwardconard.com/wp-content/uploads/2023/10/Initial-Share-of-Employment-In-Manufacturing-Figure-4a.png>