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# Core-Periphery Model in Urban Economic Growth:

An Analysis Based on  
Chinese City-Level Panel Data  
1990-2006

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**Abstract:** This paper uses Chinese city-level panel data from 1990 to 2006 to estimate the impact of inter-city spatial agglomeration on urban economic growth. Our results show a  $\infty$ -shaped correlation between the distance to the nearest major ports in China and urban economic growth, which verifies the Core-Periphery Model in the new economic geography theory. We also find that a city which locates near the regional central city has a higher economic growth rate. Besides, our results suggest that due to the market segmentation between Chinese provinces, the “border effect” of Chinese provinces is equivalent to adding as much as 260 kilometers, which prevents cities from being absorbed by regional central cities in other provinces.

**Key Words:** Spatial agglomeration, market segmentation, urban economic growth,

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## Core-Periphery Model

