

Labor Market Polarization in a System of Cities: The Case of France*

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Abstract

We study how labor market polarization impacts differentially large and small cities. Building on [Autor and Dorn \(2013\)](#), [Davis and Dingel \(2014\)](#) and [Davis and Dingel \(forthcoming\)](#), we add the relative advantage of large cities for the more skilled. Our theory implies that the large city will have smaller initial exposure to middle skill jobs, but that in the process of polarization these will decline even more sharply in the large than the small city. A sharper rise of high skill jobs in the large city and of low skill jobs in the small city should occur. Data for France from 1994-2015 strongly confirm key theoretical predictions.

Keywords: Labor Market Polarization, System of Cities, Inequality

JEL Classification: J21, R12, R13

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