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Geoffrey J. D. Hewings
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Editors

Trade, Networks and Hierarchies

Modeling
Regional and Interregional
Economies

With 100 Figures
and 111 Tables



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Prof. Geoffrey J. D. Hewings
University of Illinois
Regional Economics Applications Laboratory
607 S. Mathews,
Urbana, IL 61801-3671, USA

Prof. Michael Sonis
Bar Ilan University
Department of Geography, Faculty of Social Sciences
52900 Ramat-Gan, Israel

Prof. David Boyce
University of Illinois at Chicago
Department of Civil and Materials Engineering,
Transport Laboratory (TransLab)
842 W. Taylor Street (M/C 246)
Chicago, IL 60607-7023, USA

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For Philip Israilevich, 1948-1997
A REAL mensch

Preface

In 1989, after several years of discussion and negotiation, the Regional Economics Applications Laboratory (REAL) was formed. This unique relationship between the Federal Reserve Bank of Chicago and the University of Illinois at Urbana-Champaign has been a significant source of intellectual inspiration for many students, visiting colleagues and members of the participating institutions for the past decade.

The idea for REAL was hatched by Philip Israilevich and Geoffrey Hewings in typical Chicago style – in the back room of a local bar. In early December 1997, their collaboration came to an untimely end when Philip died after a three-year battle with cancer.

The challenge of moving across a spectrum from theory to model development to implementation and interpretation provided the underlying motivation for REAL's formation together with an equally important component, namely the translation of many of these efforts into a form that could be understood and implemented by policy-makers. For Philip, REAL and the Regional Science Association International provided the forums for his intellectual endeavors, although he also contributed many papers in banking. In recognition of his contributions and to provide a sense of the current research in the fields in which he published, many of the authors of these chapters assembled in Chicago in November, 1998 to participate in a small seminar in his honor. Several others who were not able to come nevertheless contributed chapters to this volume. Subsequently, all of the papers have been revised and updated.

The authors would like to thank the Federal Reserve Bank of Chicago for hosting the seminar and particularly for the support provided by Dr. Curt Hunter, Senior Vice President and Director of Research and his assistant, Shirley Harris as well as the encouragement generated by Dr. Douglas Evanoff. Gerry Gallagher of REAL also helped with the logistics as well as facilitating many of the interactions between the authors. The economics' editorial staff of Springer has been incredibly helpful and patient and they are to be thanked for their continuing support of this field.

Finally, we hope that Philip's wife Sue and his children, Rebecca and Isaac, will take pride in the fact that so many colleagues took the time to honor an individual who had touched their lives in so many ways. While this book is dedicated to Philip, you helped create an environment that enabled him to succeed academically, and for that we thank you.

Geoffrey J.D. Hewings
Michael Sonis
David Boyce

Chicago, January, 2002

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