

Location Models: An Application of Double Hurdle Models with Dependencies

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Abstract:

Firm location decisions are typically influenced by economic, demographic, environmental, and social factors. This paper extends the current literature by not only investigating thought to influence the total number of manufacturing firms in a region but also the impact of dependencies between manufacturing sectors. Given the large number of regions without any manufacturing firms, a double hurdle model can be employed to account for excess zeroes. This study extends previous double hurdle studies to investigate the impacts of dependencies of manufacturing firms in specific manufacturing firm location.