

**TITLE:** Why Did Spanish Regions Not Converge Before The Civil War? Agglomeration Economies And (Regional) Growth Revisited

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**ABSTRACT:** In this paper we explore the relationship between the presence of agglomeration economies and regional economic growth in Spain during the period 1870–1930. The study allows us to revisit the existence of a trade-off between economic growth and territorial cohesion, and also to examine whether the existence of agglomeration economies could explain the upswing in regional income inequality during the early stages of development. In doing so, we present alternative indicators for agglomeration economies and estimate conditional growth regressions at province (NUTS3) level. In line with new economic geography models, agglomeration economies in a context of market integration widened regional inequality in the second half of the 19th century and hindered its reduction during the early decades of the 20th.

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