

# **The Expanding Empire and Spatial Distribution of Economic Activities: The Case of the Colonization of Korea by Japan in the Prewar Period**

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## **Abstract**

After the First Sino-Japanese War and the Russo-Japanese War, Japan annexed Korea in 1910. We exploit this event as a natural experiment to investigate the effect of improved market accessibility on population growth. It is found that the drastic tariff reduction caused by the annexation raised the population growth rates and that the impact of the tariff reduction was significantly larger in areas close to the eliminated border between Japan and Korea. As predicted by spatial economics theory, market accessibility was indeed a determinant of the spatial distribution of economic activities. In the context of economic history, our findings suggest that it is important to reconsider the economic consequences of imperialism from the angle of spatial economics.

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