

Spatial Externalities

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Definition: Spatial externalities refer to the (unintended) effects that can spill over from one spatial unit to another (Anselin, 2003a). For example, if one census tract contains a factory or other large polluter, the plant's effluents may affect residents in neighboring tracts, regardless of the extent to which residents of the tract actually containing the factory are affected. In other words, much like externalities in economics, spatial externalities are effects/outcomes of space or spatial use whose cost is not borne by the actor causing the effects. Therefore, the actor does not take into account the effects when doing his cost/benefit calculation. Of course, externalities can be both positive and negative, but the general pattern is the same regardless of the "quality" of the externality.

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