

Reviewer #1

Comments on "An Inquiry into Development of the Science and Technology Parks in China" by Zhang and Sonobe

This paper examines the economies of agglomeration and the diseconomies of congestion for high-tech firms in China's science and technology parks. The findings are that the costs of congestion may be greater than the benefits of agglomeration for these parks and that FDI and local higher education institutions contribute to higher productivity of high-tech firms located in their vicinity.

This is an interesting and carefully executed piece of empirical work that has advanced our understanding of the role science and technology parks play in China's economic development. There are a few issues the authors might want to clarify in their future work on this subject.

A key identification assumption of the paper is that the high-tech firms located outside the technology parks but within the same city can be used as control for the high-tech firms located within the technology parks. The authors may want to provide more information to validate or lend support to this assumption. For example, what are the industry compositions of high-tech firms in the park and those off the park?

More intuitive discussion of the problem of congestion would also be useful. How important is land as an input to the production taking place in these high-tech firms? Many of these technology parks have also grown in size in terms of land area over time. Other types of congestion such as traffic jam, surging housing prices, may be just applicable to those firms not located in the park but in the same city.

The authors may also want to give more discussion on using fixed effects estimates for on-park firms and random effects estimates for off-park firms, particularly when random effects estimates that are different from fixed effects estimates are used for the latter group. The fixed effects estimates are consistent under both H0 and H1.