Topics in Economics: Urban Economics

WWS 582a, Spring 2016
Wednesday, 4:15pm to 7:15pm, Robertson Hall 5
Princeton University

Syllabus

Overview: This is a course in urban and regional economics. We will study the main economic forces that lead to the existence of cities and regional agglomeration. In particular we will study the theory and evidence on the emergence of cities and their effect on worker productivity, urban amenities, and congestion. We will discuss the problems in measuring these urban characteristics, the methodologies to do it, as well as the design of optimal urban policy. We will also study the economic theory and evidence on the internal structure of cities together with the urban and housing policies that can enhance urban living. Finally, the course will analyze the role cities play in aggregate economic development.

Grading: Your grade will be based on class participation, a class presentation, and a course project. Class participation consists of reading the papers assigned for the class and being ready to discuss them. The class presentation will consist of an urban policy project. A written draft of your project is due on Monday May 11. The project should consist of a policy proposal on an urban issue. It can range from a specific policy for a specific city, to a wide ranging policy for a system of cities in a country. The policy proposal should be clearly structured, have a policy recommendation, as well as a clear discussion of the argument in favor and against its implementation. Your argument should be based on relevant data and theory. Class participation will count for 30% of your grade, the class presentation for another 20% of your grade and the final project for 50%.

Outline and Readings:
This syllabus, with the links to my notes and all papers, can be downloaded from the course website at:

http://www.princeton.edu/~erossi/WWS582a.pdf
• Introduction and Organization

• A City Model
  * Notes for Lecture 1

• Agglomeration Forces
  * Notes for Lecture 2

• Externalities
  * Notes for Lecture 3
  * Saxenian, “Inside-Out: Regional Networks and Industrial Adaptation in Silicon Valley and Route 128,”

• Amenities
  * Notes for Lecture 4


- Labor Markets and Sorting
  * Notes for Lecture 5
  * Teulings & Gautier, “Search and the City,” Regional Science and Urban Economics (2009)

- Transport Costs and Congestion Forces
  * Notes for Lecture 6

- Measuring Agglomeration
  * Notes for Lecture 7

- Decomposing Agglomeration Through Theory
  * Notes for Lecture 7
* Behrens, Mion, Murata, & Südekum, “Spatial Frictions,” working paper (2013)

**Systems of Cities**

- **Notes for Lecture 8**
- **Evidence**
- **Theory**

**Housing and Real Estate**

- **Notes for Lecture 9**