

Seminar (M.Sc.)

Urban Economics

Fachbereich Wirtschaftswissenschaften

Economic Policy, Innovation and Entrepreneurship Group (Professor Dr. Guido Bünstorf)

Summer Term 2022

Time and Location

Friday, 8:30-12:00 (Room 0210; Nora-Platiel-Strasse 6)

First session on April 22, 2022; tentative subsequent schedule: June 03, June 10, June 24, July 01, July 15.

Overview

Urban economics uses concepts and tools from economics to study the structure and evolution of cities. Around the world, economic activity is concentrated in cities, and urbanization is a pervasive feature of economic development. In this seminar, we will discuss selected concepts and empirical results from urban economics and economic geography. Topics include urban structure and city growth, housing markets, implications of central versus peripheral location, as well as the links between urbanization, innovation and regional development.

Most of the material we will cover is empirical in nature. To fully benefit from the course, it is highly recommended that students have a solid background in statistics and econometrics. The course has seminar format, which requires active participation of all enrolled students. In addition to a presentation on one of the seminar topics, participants are expected to contribute to the classroom discussion throughout the course. Participation in the discussion will be graded.

Requirements (6 ECTS Credits):

- Seminar paper (55% of final grade; about 15 pages; due September 30, 2022) and presentation (30%).
- Completion of mandatory reading assignment before the respective seminar session.
- Attendance throughout the course and active participation in the seminar discussion (15% of final grade).
- All individual requirements have to be satisfied to obtain credits.
- In the M.Sc. program Economic Behaviour and Governance, 6 ECTS can be earned for Modules 3B and 6.

Registration and choice of seminar topics (listed below as Topics 1-15; max. 2 students per topic) by e-mail to buenstorf@uni-kassel.de (open immediately; please name three preferred topics). Max. number of participants: 30

Seminar topics

Session 1 (April 22, 2022): Introduction and overview

Session 2 (June 03, 2022): City structure: determinants and implications

Topic 1: The basic model of city structure

Introductory reading: Alonso, W. (1960). A theory of the urban land market. *Papers and Proceedings of the Regional Science Association*, 6(1), 149-157. (Note: the Alonso model is discussed in many textbooks, e.g., Capello, R. (2015). *Regional Economics*. Routledge)

Topic 2: Neighborhood effects during childhood and economic outcomes

Introductory reading: Chetty, R., Hendren, N., & Katz, L. F. (2016). The effects of exposure to better neighborhoods on children: New evidence from the Moving to Opportunity experiment. *American Economic Review*, 106(4), 855-902.

Topic 3: Pollution and the structure of cities

Introductory reading: Heblich, S., Trew, A., & Zylberberg, Y. (2021). East-side story: Historical pollution and persistent neighborhood sorting. *Journal of Political Economy*, 129(5), 1508-1552.

Session 3 (June 10, 2022): The evolution of city structure

Topic 4: Housing renovation and gentrification

Introductory reading: Helms, A. C. (2003). Understanding gentrification: an empirical analysis of the determinants of urban housing renovation. *Journal of Urban Economics*, 54(3), 474-498.

Topic 5: Regulation and the costs of housing

Introductory reading: Glaeser, E. L., & Ward, B. A. (2009). The causes and consequences of land use regulation: Evidence from Greater Boston. *Journal of Urban Economics*, 65(3), 265-278.

Topic 6: Spatially restricted access to credit and urban development

Introductory reading: Aaronson, D., Hartley, D., & Mazumder, B. (2021). The effects of the 1930s HOLC "redlining" maps. *American Economic Journal: Economic Policy*, 13(4), 355-92.

Session 4 (June 24, 2022): Center and periphery

Topic 7: Centrality and remoteness

Introductory reading: Redding, S. J., & Sturm, D. M. (2008). The costs of remoteness: Evidence from German division and reunification. *American Economic Review*, 98(5), 1766-97.

Topic 8: Transportation infrastructure and agglomeration

Introductory reading: Ahlfeldt, G. M., & Feddersen, A. (2018). From periphery to core: measuring agglomeration effects using high-speed rail. *Journal of Economic Geography*, 18(2), 355-390.

Topic 9: How cost-sensitive is economic interaction across space?

Introductory reading: Catalini, C., Fons-Rosen, C., & Gaulé, P. (2020). How do travel costs shape collaboration? *Management Science*, 66(8), 3340-3360.

Session 5 (July 01, 2022): Agglomeration and proximity

Reading assignment for all students: Kerr, W. R., & Robert-Nicoud, F. (2020). Tech Clusters. *Journal of Economic Perspectives*, 34(3), 50-76.

Topic 10: Agglomeration and productivity

Introductory reading: Greenstone, M., Hornbeck, R., & Moretti, E. (2010). Identifying agglomeration spillovers: Evidence from winners and losers of large plant openings. *Journal of Political Economy*, 118(3), 536-598.

Topic 11: Organizational heritage and agglomeration

Introductory reading: Cheyre, C., Kowalski, J., & Veloso, F. M. (2015). Spinoffs and the ascension of Silicon Valley. *Industrial and Corporate Change*, 24(4), 837-858.

Topic 12: Small-scale effects of proximity

Introductory reading: Catalini, C. (2018). Microgeography and the direction of inventive activity. *Management Science*, 64(9), 4348-4364.

Session 6 (July 15, 2022): Evolution of cities

Topic 13: Entrepreneurship and urban growth

Introductory reading: Glaeser, E. L., Kerr, S. P., & Kerr, W. R. (2015). Entrepreneurship and urban growth: An empirical assessment with historical mines. *Review of Economics and Statistics*, 97(2), 498-520.

Topic 14: Diversification of regions

Introductory reading: Neffke, F., Hartog, M., Boschma, R., & Henning, M. (2018). Agents of structural change: The role of firms and entrepreneurs in regional diversification. *Economic Geography*, 94(1), 23-48.

Topic 15: Labor mobility and regional branching

Introductory reading: Hausmann, R., & Neffke, F. M. (2019). The workforce of pioneer plants: The role of worker mobility in the diffusion of industries. *Research Policy*, 48(3), 628-648.