Urban Economics Syllabus, 2013

Lecturer: FU Shihe
Classroom: Nanqiang-2 R103
Meet twice a week 10:10AM-11:50 AM, Monday and Wednesday
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Prerequisites:
Advanced Microeconomics; Dynamic optimization; Applied econometrics

Grading: Your final grade consists of five parts: problem sets, presentation, a referee report, a term paper, and a final take-home exam. Each accounts for 20%.

There is no unified, standard graduate textbook for this course. Therefore, we will draw materials from chapters of different books and papers from many journals. I have provided a tentative reading list below. The list will be updated from time to time. You must read at least one required reading material (marked with a * in the beginning of each item) for each topic.

IMPORTANT!!!
All the students should go to http://lists.repec.org/mailman/listinfo/nep-ure and subscribe the Urban and Real Estate working paper series. You will receive new working papers worldwide regularly via emails. This service is free of charge. Each student is required to pick one working paper and write a referee report.

IMPORTANT!!
For those who will choose urban economics as your primary research field, you should visit http://www.lincolinst.edu/education/fellowships.asp or http://plc.pku.edu.cn/fellowship_research.aspx, and get to know the Lincoln Institute’s China Program. You are strongly encouraged to apply for the Lincoln graduate research fellowship.

IMPORTANT!
You are required to attend the Thursday-afternoon seminars organized by WISE if the topics are related to applied microeconomics. You should also attend seminars on micro and urban economics organized by School of Economics.

Due to copyright issues, I will not post course materials online, but I will make most of the course materials accessible to the class.

Tentative Topics

1: Introduction: space (location) in economics
2. First cities and urban history


3. The internal structure of cities: Monocentric city model


4 Comparative static analysis of monocentric city model

5. The internal structure of cities: Non-monocentric city model  

6. Optimal city size and city size distribution  

7. Why do cities exist? Increasing returns to scale and agglomeration economies  
*Vickrey, W., 1977, The city as a firm, in Feldstein, M., Inman, R. (Eds), The Economics of Public Services, 334-43. 
8. Urbanization, suburbanization, gentrification, and urban renewal


9 Urban growth and urban dynamics


10: Urban labor markets


11 Urban housing / real estate markets


施瓦茨,《美国住房政策》, 中译本，中信出版社，2008.


12 Urban transportation economics


13 Local public finance


Note: If you are interested in local public economics, the syllabus designed by Jeffrey Zax provides you an excellent reading list. (downloadable at [http://www.colorado.edu/Economics/Zax/Econ8231/spring08/syll8231.pdf](http://www.colorado.edu/Economics/Zax/Econ8231/spring08/syll8231.pdf)).

14 New economic geography


15 Neighborhood effects and social interactions


16 Regulating cities

*Mills, E., 2005, Why do we have urban density controls? Real Estate Economics 33, 571-585.

17 Sociology of cities


18 Studies on Chinese cities

Fujita, et al, 2004, Spatial distribution of economic activities in Japan and China, in Henderson, V.,


**19 Other topics and final readings on spatial equilibrium**

Regional economics; Urban minority issues; Inequality and urban poverty; introduction to GIS, introduction to spatial econometrics, etc.


**Appendix:**

**Undergraduate textbooks**


**Graduate textbooks and references**


**Online resources (publications and working papers) on regional and urban economics:**

information; material about its publication, Real Estate Economics; and wider news.

- The web books of regional science at: [http://rri.wvu.edu/web_book](http://rri.wvu.edu/web_book)
- Urban Institute: [http://www.urban.org/about/index.cfm](http://www.urban.org/about/index.cfm)
- [repec.org](http://www.repec.org)
- [http://www.ces.census.gov](http://www.ces.census.gov)
- [XMU library: www.jstor.org; Econlit; ScienceDirect](http://www.jstor.org).
- [http://edirc.repec.org/regional.html](http://edirc.repec.org/regional.html), Economics Departments, Institutes and Research Centers in the World (EDIRC): Regional and Urban Economics, Real Estate - Global institutional index segment for urban and regional economics areas of work, from the University of Connecticut's Department of Economics.
- [http://groups.haas.berkeley.edu/realestate/Fisher/fisherinfo.asp](http://groups.haas.berkeley.edu/realestate/Fisher/fisherinfo.asp), Fisher Center for Real Estate and Urban Economics (FCREUE) - Program information from a leading center for research and continuing professional education in this field. The Center operates from the Haas School of Business, at the University of California, Berkeley.
- [http://www.economicsnetwork.ac.uk/books/RegionalandUrban.htm](http://www.economicsnetwork.ac.uk/books/RegionalandUrban.htm), books on regional and urban economics.
- [http://www.gla.ac.uk/departments/urbanstudies/](http://www.gla.ac.uk/departments/urbanstudies/), University of Glasgow: Department of Urban Studies - This site includes information on program, research and events from a leading British research center, as well as material accessible only to the Department's staff.
- [http://www.bus.wisc.edu/wcre/](http://www.bus.wisc.edu/wcre/), University of Wisconsin-Madison Center for Real Estate - Faculty and program information from this research institute, whose work is grounded in urban land economics.
- [http://faculty.maxwell.syr.edu/jyinger/computerprograms/Kwon/urban_economics.htm](http://faculty.maxwell.syr.edu/jyinger/computerprograms/Kwon/urban_economics.htm) This site provides a simulation study program for a monocentric city where students can alter parameter values and observe how characteristics of cities change in response. For example, students can see how rental rates for land change by altering commuting cost, income, and so on.

**Online public data sources:**

U.S. and international census data: [www.ipums.org](http://www.ipums.org)


Panel Study of Income Dynamics: [http://psidonline.isr.umich.edu/](http://psidonline.isr.umich.edu/)

China Health and Nutrition Survey: [http://www.cpc.unc.edu/china](http://www.cpc.unc.edu/china)

China General Social Survey Data: [http://www.icpsr.umich.edu/coocoon/ICPSR-STUDY/23861.xml](http://www.icpsr.umich.edu/coocoon/ICPSR-STUDY/23861.xml) or [http://www.ust.hk/~websosc/survey/GSS_e.html](http://www.ust.hk/~websosc/survey/GSS_e.html)

**Confidential microdata:**

Restricted China Manufacturing firm panel data, 2004 China manufacturing census data, custom
product level data are available at www.allmyinfo.com and at WISE. These data are also accessible at WISE: land parcel transaction data since 2000 and patent data since the 1980s.

**Major field journals**
- Journal of Urban Economics
- Regional Science and Urban Economics
- Journal of Economic Geography
- Journal of Labor Economics
- Urban Studies
- Journal of Regional Science
- Real Estate Economics
- Journal of Public Economics
- Brookings-Wharton Papers on Urban Affairs
- Journal of Housing Economics

**Software**
There is a growing tendency to incorporate GIS into urban empirical studies. Some urban models require simulations. The following software should be added to your tool box: GIS, STATA, SAS, MATLAB(or Maple, Mathematica).

**Fun stuff to read:**
- Might, M, 2010, 10 easy ways to fail a Ph.D., http://matt.might.net/articles/ways-to-fail-a-phd/