

Syllabus

EC 137: Urban and Regional Economics

Prof. Walker Hanlon

Fall 2015

DETAILS:

Class: Monday, Wednesday 2:00-3:15

My email: whanlon@econ.ucla.edu

Email for assignments: hanlonfall2015@econ.ucla.edu

My office: 9357 Bunche Hall

Office hours: Monday 4-5pm, Tuesday 4-5pm

OVERVIEW:

Why do cities exist? What do cities look like? What forces shape the structure and size of cities? The goal of this course is to attempt to answer some of these questions by analyzing cities as economic systems. This course will be taught at a high level. It will make use of algebra as well as some calculus. Econometrics is not a prerequisite, but will be helpful. To be successful, you will not only have to understand the concepts we discuss, you will also have to apply them to understand real-world issues.

GRADING:

1. Homeworks (30% of grade - 10% each)
2. Midterm (30% of grade)
3. Final (40% of grade)
4. Class Participation (bonus up to 5%)

HOMEWORKS

There will be four homework assignments during the course. You only need to turn in three of them and only three will count towards your grade. If you turn in four, the fourth will not be graded. This means that you can use one in case some emergency arises, etc. Use this freebie carefully – if you decide not to turn a homework in and then an emergency arises, I will not make an exception for the second missing homework.

Homeworks must be turned in electronically via email to hanlonfall2015@econ.ucla.edu. Your homework **must be a single PDF file** attached to the email. The file name on the PDF should be “yourname_EC137_HWx” where “x” is the number of the homework. If you want to write-out your homework by hand, then you need to scan it to turn it in. Homework

must be received by midnight. LATE HOMEWORK WILL NOT BE ACCEPTED. That includes cases in which you “accidentally forgot to attach the homework to the email,” etc. This is non-negotiable. Due to the large class size, we will not be able to return homeworks, but I will post solutions, let you know your scores, and I will try to address common mistakes in class.

READINGS

Each week we will have a short reading that will come with some questions. The readings are required. We will discuss the weekly reading at the beginning of class and students can earn bonus points by participating in the discussion. Students can earn up to 5% of their grade in bonus points by participating in discussions. I will try to give as many students a chance to participate as possible. The class will also build on a number of recent academic papers. These are not required reading, but they will be available on the class webpage for interested students.

COURSE MATERIALS

This course will not use a textbook. If you do want a reference, the text that comes closest to covering the material in the course is Jan Brueckner’s *Lectures on Urban Economics*. An electronic version is available on the library website at:

<http://site.ebrary.com/lib/ucla/docDetail.action?docID=10509210>

It is limited to five users at a time. Two other small and inexpensive books will also be repeatedly cited in the course and I highly recommend them to people interested in the topic: (1) *The Economy of Cities* by Jane Jacobs and (2) *Regional Advantage* by Annalee Saxenian. Also, two other great books on urban economics not discussed directly in this course are *The Death and Life of Great American Cities* by Jane Jacobs and *Triumph of the City* by Edward Glaeser.

CONTACTING ME

The best way to contact me with questions is to come to office hours. If you have a question but you can’t make it to office hours, you can send me an email. I will try to respond to all student emails in 1-2 days, but this is a large class, so if I get many emails it may take more time. Also, in the past I’ve had some issues with student emails getting sent to the spam folder, though I will try to check periodically to make sure this isn’t happening. Finally, if you send me an email full of questions a day or two before the exam, there is a good chance I won’t be able to get back to you in time. DON’T WAIT UNTIL THE LAST MINUTE!

SCHEDULE

Sept. 28: Introduction: Why do cities exist?

Sept. 30: Agglomeration - Natural amenities

References: Rappaport & Sachs (2003), Davis & Weinstein (2002), Bleakley & Lin (2012)

Oct. 5: Agglomeration: Increasing returns, external economies, input-output linkages

References: Brueckner, Chapter 1, Krugman & Venables (1995), Fujita *et al.* (1999)

Oct. 7: Agglomeration: Labor markets and human capital spillovers

References: Moretti (2010), Moretti (2004)

Oct. 12: Technological spillovers and testing agglomeration theories

References: Rosenthal & Strange (2004), Hidalgo *et al.* (2007)

Oct. 14: City density

References: Brueckner, Chapter 4, Burchfield *et al.* (2006)

Oct. 19: Competition, corporate culture, and city growth

References: Saxenian Chapter 1-3, Porter (1990) (Ch 3-4), Glaeser *et al.* (1992), Chinitz (1961)

Oct. 21 Introduction to the monocentric city model

References: Brueckner, Chapter 2

Oct. 26: Using the monocentric city model

References: Brueckner, Chapter 3

Oct. 28: Transportation in the monocentric city

References: Brooks & Lutz (2013), Duranton & Turner (forthcoming)

Nov. 2: Midterm

Nov. 4: System of cities model

Nov. 9: Public policy and urban structure

References: Arzaghi & Henderson (2008), Kerr & Kominers (2010), Glaeser & Kahn (2008), Schiff (2012), Diamond (2012), Brueckner, Chapter 7.

Nov. 11: No Class - Veteran's Day

Nov. 16: Rosen-Roback model

Nov. 18 Taxes

Nov. 23: Local public goods and municipal competition

References: Brueckner, Sections 8.1-8.3, Tiebout (1956), Hoxby (2000), Greenstone & Moretti (2004)

Nov. 25: Housing markets

Nov. 30: Health in Cities

References: Kesztenbaum & Rosenthal (2012), Cain & Hong (2009), Kesztenbaum & Rosenthal (2011), Ferrie & Troesken (2008)

Dec. 2: Class cancelled

Dec. 4: Optional final review session – NOTE THAT THIS IS A FRIDAY – Time and Location TBA

References

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