



Seminar on Regional Economics (34013)

The aim of this seminar is to discuss the literature on regional and urban economics, especially related to the question why economic activity is clustered in some regions, when in others there is hardly any.

While urban areas often face skyrocketing rents and congestion, people in many rural areas feel forgotten and complain about a decline in state structures and public perception. Both problems are at least partly driven by an uneven distribution of wealth and people. Regional and urban economics aim to explain this scientifically, e.g. why there are peaks and troughs in the spatial distribution of economic activity. One of their main findings is about agglomeration, i.e. the fact that populous regions see more specialisation and division of labour and therefore more productivity.

In this seminar, we will try to get a glimpse at possible determinants of and explanations for this stylised fact, which are prevalent in this specific literature. The seminar is structured around theoretical and empirical studies. We will discuss the theoretical foundations for regional and urban economics, channels of agglomeration (local externalities and matching) and the dispersion of economic activities. Other topics are the historic persistence of economic activity in distinct areas and the welfare implications of place based policies.

Lecturer

Philipp Meier

Requirements, target group and credit points

- The seminar is suited for Bachelor students.
- Active participation in the seminar and the introductory lecture is required.
- You have to present your topic in the seminar session (approximately 30 minutes including questions)
- You have to hand in a seminar paper of 10 to 15 pages until September 14th. An earlier submission is of course possible.

- Economics students: Seminar SPEZ (5 CP)
- IWE students: Seminar zur Entwicklung (5CP) or
Seminar zur Internationalen Wirtschaft (5 CP)
- P&E students: E6 (5 CP)
- Development studies students: E1 (5CP)

Organisation

There will be an introductory lecture in the second week of the semester: 30th of April 2020 (10:00 to 12:00 o'clock, room S59). In this session, I will give an introduction into the topic. The main part of presentation and discussion will take place on 25th and 26th of June 2019 (9:00 to 17:00 o'clock, room S59). All course-related questions should be sent to philipp.meier@uni-bayreuth.de. The language of the seminar is English.

Application, deadlines and grading

- The seminar is limited to 17 students (first come, first serve). If there is no more capacity left, you have the possibility to enroll for the waiting list.
- Applicants interested in taking part in this seminar have to **apply by stating their preferred topic and a possible alternative via email until 29th of April 2020, 11:59 o'clock.**
- In case of students at the end of their programme there can be an exception from the first come, first serve rule.
- Applicants have to attend the introductory session.
- In the interest of fairness, please withdraw your application before the deadline in case you do not want to participate. Otherwise students who would like to participate possibly cannot take part.
- After the introductory session each student has to enrol for the seminar in CAMPUS-Online until Thursday, 30th of April 2020, 23:59 o'clock. If, after being enrolled, you do not participate during the rest of the seminar, you will be graded with 5.0.

- Deadline for handing in your written work: 14th of September 2020, 11:59 o'clock, Building RW I, Room 1.0 02 109. In case you use slides for your presentation, you have to send them in until 24th June 2020, 23:59 o'clock, as well.
- In order to pass the seminar, it is mandatory to present your results and answer questions in a short discussion after your presentation and write a seminar paper (please follow the formal requirements **here**). Your final grade will be determined by your written work, presentation and discussion.

Literature

Each student will be assigned to one specific paper addressing specific issues of the seminar topic. In case you want to look up details about e.g. empirical methods, theoretical models and interpretation of results, you can use:

- **Wooldridge, Jeffrey M.** 2016. "Introductory Econometrics: A Modern Approach". 6th ed. Boston: Cengage Learning.
- **Wooldridge, Jeffrey M.** 2010. "Econometric Analysis Of Cross Section and Panel Data". 2nd ed. Cambridge (MA): MIT Press.
- **Farhauer, Oliver and Alexandra Kröll.** 2013. "Standorttheorien". 1st ed. Wiesbaden: Springer-Gabler.
- **Brakman, Steven, Harry Garretsen and Charles van Marrewijk.** 2020. "An Introduction to Geographical and Urban Economics". 3rd ed. Cambridge: Cambridge University Press.
- **Meier, Gerald and James Rauch.** 2000. "Leading Issues In Economic Development". 7th ed. Oxford: Oxford University Press. pp. 561-566.

Topics

General Regional Economics:

- **Krugman, Paul.** 1991. "Increasing returns and economic geography" *Journal of Political Economy*; Vol. 99(3): pp. 483-499
 - Knowledge of IWB I can be rather helpful
 - The focus is on section II and III
- **Puga, Diego.** 2002. "European regional policies in the light of recent location theories" *Journal of Economic Geography*; Vol.2: pp. 373-406

General Urban Economics:

- **Brueckner, Jan.** 2011. "Analyzing Urban Spatial Structure" in *Lectures on Urban Economics*. Cambridge (MA): MIT Press
- **Baum-Snow, Nathaniel.** 2007. "Did Highways Cause Suburbanization?" *The Quarterly Journal of Economics*, Vol.122(2): pp. 775-805

Agglomeration through local Externalities:

- **Fischer, Manfred and Attila Varga.** 2003. "Spatial knowledge spillovers and university research: Evidence from Austria" *The Annals of Regional Science*; Vol.37: pp. 303-322
- **Carlino, Gerald and Albert Saiz.** 2019. "Beautiful city: Leisure amenities and urban growth" *Journal of Regional Science*; Vol.59: pp. 369-408
- **Brunow, Stephan; Luise Pestel and Mark Partidge.** 2019. "Exports of firms and diversity: an empirical assessment for Germany" *Empirica*; Vol.46(1): pp. 151-171
- **De la Roca, Jorge and Diego Puga.** 2017. "Learning by Working in Big Cities" *Review of Economic Studies*; Vol.84: pp. 106-142

Agglomeration through Matching:

- **Overman, Henry and Diego Puga.** 2010. "Labor Pooling as a Source of Agglomeration" in Edward Glaeser (ed.) *Agglomeration Economics*. Chicago: University of Chicago Press
- **Costa, Dora and Matthew Kahn.** 2000. "Power Couples: Changes in the Locational Choice of the College Educated, 1940-1990" *The Quarterly Journal of Economics*; Vol.115(4): pp. 1287-1315

Dispersion and Congestion:

- **Akbar, Prottoy and Gilles Duranton.** 2017. "Measuring the cost of congestion in highly congested city: Bogota" *CAF Working Paper*; NÂ°2017/04
- **Metcalf, Gabriel.** 2018. "Sand Castles Before the Tide? Affordable Housing in Expensive Cities" *Journal of Economic Perspectives*; Vol.32(1): pp. 59-80

Long-Run Factors for Spatial Economics:

- **Davis, Donald and David Weinstein.** 2002. "Bones, Bombs and Breaking Points: The Geography of Economic Activity" *American Economic Review*, Vol.92(5): pp. 1269-1289

Spatial Economics and Policy:

- **Marx, Benjamin; Thomas Stoker and Tavneet Suri.** 2013. "The Economics of Slums in the Developing World" *Journal of Economic Perspectives*; Vol.27(4): pp. 187-210
 - Necessary to present the ideas of "Poverty traps" and the "Big push model"
- **Leape, Jonathan.** 2006. "The London Congestion Charge" *Journal of Economic Perspectives*, Vol.20(4): pp. 157-176
 - Necessary to present the idea of of a Pigouvian Tax (See Varian 2010, Sec. 34, especially 34.7)

- **Falck, Oliver; Stephan Heblich and Stefan Kipar.** 2010. "Industrial Innovation: Direct evidence from a cluster-oriented policy" *Regional Science and Urban Economics*; Vol.40: pp. 574-582
 - Knowledge of EWF I can be rather helpful

- **Colantone, Italo and Piero Stanig.** 2018. "The Trade Origins of Economic Nationalism: Import Competition and Voting Behavior in Western Europe" *American Journal of Political Science*; Vol.62(4): pp. 936-953