



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 higher productivity rates.

In this seminar, we will try to get a glimpse at possible determinants of and explanations for this stylised fact, which are prevalent in the respective 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 regional economic activity, urbanisation in the developing world 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 introductory lecture, the exercise on regional economic theory and the seminar presentations is required.
- You have to present your topic in the seminar session (approximately 30 minutes including questions) and moderate the discussion about the presentation of a fellow student.

- You have to hand in a seminar paper of 10 to 15 pages until August 31st. 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

The introductory lecture will take place at the 27th of April 2023 from 10:15 to 12:00 o'clock at RW II S 46. In the following weeks you will have to watch course videos about regional and urban economics and participate in a session about Krugman's (1991) Core-Periphery model at the 11th of May 2023 from 14:15 to 18:00 o'clock at RW I S 65. The main part of presentation and discussion will take place at the 22nd of June and 23rd of June 2023 (both RW II S 42) from 9:15 to 17:30 o'clock. All course-related questions should be sent to philipp.meier@uni-bayreuth.de. The language of the seminar is English.

Application, deadlines and grading

- Undergraduate students who want to participate in this seminar have to enrol twice. You have to **register for a topic via E-Learning** and to **enrol for the exam on CmLife or CampusOnline**.
- The seminar has 20 topics, which are assigned by first come, first served. If there is no more capacity left, you have the possibility to enrol for the waiting list on E-Learning.
- In the interest of fairness, please withdraw both applications in case you do not want to participate. Otherwise students who would like to participate possibly cannot take part.
- Each student has to enrol for the seminar in CmLife until Thursday, 15th of June 2023, 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.

- In case you use slides for your presentation, you have to send them in until 21st June 2023, 23:59 o'clock, as well.
- Deadline for handing in your written work: 31st of August 2023, 23:59 o'clock, via [Turnitin](#) as a pdf-version. The course nb is 37603083 and the enrolment key is 2023.
- In order to pass the seminar, it is mandatory to participate in the session about the Core-Periphery model, present your own paper, moderate the discussion about another paper and write a seminar paper (please follow the formal requirements [here](#)). Your final grade will be determined by your written work (two thirds), presentation and discussion (one third).

Literature

Each student has to choose 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 and Urban Economics:

- **Puga, Diego.** 2002. "European regional policies in light of recent location theories" *Journal of Economic Geography*; Vol.2: pp. 373-406
- **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:

- **Valero, Anna and John Van Reenen.** 2019. "The economic impact of universities: Evidence from across the globe" *Economics of Education Review*; Vol.68: pp. 53-67
- **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:

- **Chyn, Eric, and Lawrence F. Katz.** 2021. "Neighborhoods Matter: Assessing the Evidence for Place Effects." *Journal of Economic Perspectives*; Vol.35(4): pp. 197-222
- **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 a highly congested city: Bogota" *CAF Working Paper; No.2017/04*
- **Felbermayr, Gabriel; Julian Hinz and Sonali Chowdhry.** 2021 "Après-ski: The spread of coronavirus from Ischgl through Germany" *German Economic Review; Vol.22(4)*: pp. 415-446

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
- **Kline, Patrick and Enrico Moretti.** 2014 "Local Economic Development, Agglomeration Economies and the Big Push: 100 Years of Evidence from the Tennessee Valley Authority" *Quarterly Journal of Economics; Vol.129(1)*: pp. 275-331

- Focus on the empirical estimation in section 2 and 3 pp. 280-305
- Joint presentation with the theoretical part

Kline, Patrick and Enrico Moretti. 2014 "Local Economic Development, Agglomeration Economies and the Big Push: 100 Years of Evidence from the Tennessee Valley Authority" *Quarterly Journal of Economics; Vol.129(1)*: pp. 275-331

- Focus on the theoretical framework in section 4 pp. 305-315
- Joint presentation with the empirical part

Urbanisation in the Developing World:

- **Harris, John and Michael Todaro** 1970. "Migration, Unemployment and Development: A Two-Sector Analysis" *American Economic Review; Vol.60(1)*: pp. 126-142

- **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"

Spatial Economics and Policy:

- **Metcalf, Gabriel.** 2018. "Sand Castles Before the Tide? Affordable Housing in Expensive Cities" *Journal of Economic Perspectives*; Vol.32(1): pp. 59-80
- **Leape, Jonathan.** 2006. "The London Congestion Charge" *Journal of Economic Perspectives*, Vol.20(4): pp. 157-176
 - Necessary to present the idea of a Pigouvian Tax (See Varian 2010, Sec. 34, especially 34.7)
- **Bartik, Timothy.** 2020. "Using Place-Based Jobs Policies to Help Distressed Communities" *Journal of Economic Perspectives*; Vol.34(3): pp. 99-127
- **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