Recent Advances in Urban Economics

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Attendees: PhD students in urban and regional economics but also in related domains as the course’s purpose is both to provide a general picture of current research in urban and regional economics and more generally to enter a number of issues, and their solutions, that arise when using data with spatial variations. Prerequisites are mild and standard for PhD students in economics, covering both standard microeconomics and applied econometrics.


Material: Full version of the slides (250+) circulated before the lectures in original and printable format. Reference list of background papers provided.

Evaluation: 8-page (max) essay summarising, criticising, and proposing extensions to one recent research paper among a list provided.

Outline: The general objective of the course is to present recent empirical research about the evaluation of the gains and costs of spatial agglomeration. The course starts by recalling a number of facts about spatial disparities and their evolution, the questions tackled in the field, and some specific features of spatial data. Then, the course is divided in two parts.

Part I is about the evaluation of the gains from agglomeration. Most of it deals with the estimation of productivity gains, from the theoretical foundations of estimated specifications to the solutions of a number of econometric concerns (dealing with spatial sorting and endogenous location choices in particular). Magnitudes generally obtained are presented. Other approaches to quantify agglomeration gains are then more rapidly summarised.

Part II is about the overall assessment of spatial disparities. A Roback’s framework that serves as background for all contributions discussed in this part is presented. A theory-grounded strategy to evaluate the magnitude of housing costs is detailed first. Then one turns to the evaluation of the balance between gains and costs to agglomeration, and finally, to the value of urban amenities and of the love of diversity in consumption.

Introduction: Trends in spatial disparities and course overview.
1. The emergence of spatial disparities.
2. What covers Urban and Regional Economics.
3. Spatial data and the measurement of spatial concentration.

Part I: The empirics of agglomeration economies.
1. Mechanisms and corresponding specifications.
2. Estimation issues.
3. Magnitudes.
4. Outcomes other than productivity.

Part II: The empirics of overall urban disparities.
1. From theory to estimation.
2. Housing costs and land prices.
3. Real wage disparities and amenities value.
4. The love of goods diversity.
References

Part I is based on the following Handbook chapter:

Supplementary references are:

Part II is based on the following papers: