

COURSE TITLE

Teacher name: Pierre-Philippe Combes
2015-2016: Spring semester

COURSE DESCRIPTION

The first part of the course is devoted to the economic theory intuition explaining why cities exist and induce an uneven distribution of land and goods prices; how cities of different size can co-exist within integrated areas as countries where both goods and people are mobile; and, finally, what is the impact of trade integration on spatial concentration.

Then the second part of the course moves to the empirical studies that evaluate the gains and costs of agglomeration. A special emphasis is put on the impact on spatial disparities of individual location choices by workers and firms that are heterogeneous (in terms of productivity for instance). Specifically, the spatial determinants of productivity, R&D, land prices, and real income are presented.

Course program

Lectures required from one session to the other are only previous week's slides.
Extra-suggested lectures from the reading list are expected during the term.

Course outline

1 Introduction: Trends in spatial disparities and course overview. (Sessions 1)

- 1-1 Course organisation
- 1-2 The emergence of spatial disparities
- 1-3 What is Urban and Regional Economics

2 Why do cities exist? A review of agglomeration mechanisms (Sessions 2 to 4)

- 2-1 Internal increasing returns to scale versus trade costs
- 2-2 External Economies: Sharing
- 2-3 External Economies: Matching
- 2-4 External Economies: Learning

3 Why are land prices higher in city centres? The monocentric city model (Sessions 4 to 6)

- 3-1 The monocentric city model
- 3-2 The monocentric city model with housing
- 3-2 Extending the monocentric city model

4 Why do large and smaller cities co-exist? Mobility, trade, and systems of cities (Sessions 6 to 8)

- 4-1 Optimal and equilibrium city size
- 4-2 Spatial equilibrium with many cities
- 4-3 Agglomeration and Trade

5 The empirics of agglomeration economies (Sessions 9 to 10)

- 5.1 Measuring spatial concentration
- 5.2 Determinants of local productivity
- 5.3 Knowledge spillovers

6 The empirics of overall urban disparities. (Sessions 11 to 12)

- 6.1 From theory to estimation.
- 6.2 Housing costs and land prices.
- 6.3 Real wage disparities and amenities value.
- 6.4 The love of goods diversity.