

National University of Singapore
Department of Economics

EC3381 Urban Economics
Spring 2012

Lecture:

Tuesday 18:00-20:00 at LT 10

Instructor: WEN-TAI HSU

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Office Hours: By appointment

Tutorial groups:

All on Wednesday and at AS1 0207

W1: 12:00-13:00

W2: 13:00-14:00

W3: 16:00-17:00

W4: 17:00-18:00

Course Overview

This course presents a general introduction to urban economics. The emphasis is on the economic concepts and analysis to comprehend the nature of cities and various urban issues.

Textbook and Readings

There are various required reading, but more than half of the course follows the textbook: **Lectures on Urban Economics** by Jan K. Brueckner, published by MIT Press. Other readings will be listed below by topics.

Grading

Midterm (25%); Participation (25%); Final Exam (50%). There will be five problem sets that we solve and discuss in tutorial groups. Final exam is comprehensive.

Examinations

Midterm Exam: 28 Feb 2012 (Tuesday), 6pm – 8pm; Venue: MPSH1 Section B.

Final Exam: 2 May 2012 (Wednesday), 5pm.

Course Outline (tentative)

The following is a list of topics we will cover in the course. An asterisk * means background reading.

1. Why are there cities? (3 weeks)

- Chapter 1, textbook.
- Home-made slides.

- *Krugman, P. (1991), "Increasing returns and economic geography," *Journal of Political Economy*, 99(3): 483-99.
 - *Duranton, G. and D. Puga (2004), "Micro-foundations of urban agglomeration economies," January 2004, *Handbook of Urban and Regional Economics Vol. 4*.
2. The Internal Structure of Cities (2 weeks)
- Chapter 2-3, textbook
 - Holmes' slides on monocentric city model
3. Housing (2 weeks)
- Chapter 6-7, textbook.
4. Local Public Goods (1 week)
- Chapter 8, textbook
5. Traffic Congestion (1 weeks)
- Holmes' slides and home-made slides
 - Duranton, G. and M. Turner (2011), "The Fundamental Law of Road Congestion: Evidence from US cities," *American Economic Review*, 101(6): 2616-2652.
 - *Chapter 5, textbook
 - *Arnott, R. and K. Small (1994), "The economics of traffic congestion," *American Scientist*, 82: 446-455.
 - *Small, K. A. (1997), "Economics and urban transportation policy in the United States," *Regional Science and Urban Economics*, 27(6): 671-691.
6. Locations of Economic Activities; Central Place Theory; City Size Distribution (2 weeks)
- Thomas J. Holmes and John J. Stevens, "Spatial Distribution of Economic Activities in North America," January 2004, *Handbook of Urban and Regional Economics*
 - Holmes' slides and home-made slides
 - *Thomas J. Holmes (1998), "The Effects of State Policies on the Location of Industry: Evidence from State Borders," *Journal of Political Economy*, 106(4): 667-705.
 - *Gabaix, X. (1999) "Zipf's law for cities: an explanation," *Quarterly Journal of Economics*, Vol. 114, No. 3: 739-767.
 - *Hsu, W.-T. (2011), "Central place theory and city size distribution," forthcoming, *Economic Journal*.
 - *Mori, T., K. Nishikimi and T. E. Smith (2008), "The Number-Average Size Rule: a new empirical relationship between industrial location and city size," *Journal of Regional Science*, 48: 165-211.