

Economic Geography

Syllabus

This module discusses topics of economic geography. Much of the module focuses on issues at the intersection of Regional and Labour Economics. The rest of the module focuses on issues at the intersection of these primary areas and Environmental Economics. Keywords are agglomeration advantages, local labour markets, local environmental challenges. Special attention will be devoted to methods.

Despite all the talk about the “death of distance”, geography matters more than ever. This course is a journey through the current economic landscape. We will try to understand the economic forces driving trends in labour market and environmental outcomes across cities and regions. These are the forces that will define the geography of future economic activity and will shape the destiny of local communities around the world.

CONTACT INFORMATION, POLICIES AND ASSESSMENT

The best way to contact me is through email (michel.serafinelli@essex.ac.uk)

Assessment: **Final mark: 80% homework (referee report), 20% participation.**

Students may do the report in teams. Those students who are interested in extra credit may volunteer to make a presentation of a paper (for an extra 3%). Students may do this in teams.

There will be an optional formative assessment which will consist of written feedback on your report draft (deadline for submission by email: day of the 8th lecture). You will obtain a mark in the formative assessment. (Note that this mark does not count towards your final mark).

TENTATIVE SCHEDULE

The tentative schedule follows below. Updates to the schedule will be announced as they occur. For each topic I will discuss a subset of the material listed below (announced in advance). We will also spend some time discussing empirical methods that are used in the research articles.

Topic 1 (circa 30% of lecture time): Agglomeration advantages

O'Sullivan. "Urban Economics". McGraw Hill 9th edition (International Student Edition), Ch 3

Greenstone, Michael, Richard Hornbeck, and Enrico Moretti. 2010. "Identifying Agglomeration Spillovers: Evidence from Winners and Losers of Large Plant Openings." *Journal of Political Economy* 118(3): 536-598.

Kline "Place Based Policies, Heterogeneity, and Agglomeration" (AER P&P, 2010)
see also the Corrigendum:
file:///system/mirror/data/pub/users/pkline/papers/corrigendum.pdf

Moretti, E. 2004. Estimating the Social Return to Higher Education: Evidence from Cross-sectional and Longitudinal Data, *Journal of Econometrics*, 120: 175-212

Gathmann, C., Helm, I. and Schönberg, U., 2020. Spillover effects of mass layoffs. *Journal of the European Economic Association*, 18(1), pp.427-468.

Nicholas Bloom, Mark Schankerman, John Van Reenen (2013) "Identifying Technology Spillovers and Product Market Rivalry," *Econometrica*, 81:4.

Helm, Ines. "National Industry Trade Shocks, Local Labour Markets, and Agglomeration Spillovers." *The Review of Economic Studies* 87.3 (2020): 1399-1431.

Jacobs, J. (1969). *The economy of cities*. New York: Random House.

Topic 2 (40%): Local labour markets

O'Sullivan, Ch 8

Gagliardi, L. et al. "The World's Rust Belts" (Mimeo, University of Essex).

Findeisen, S. and J. Suedekum (2008). Industry churning and the evolution of cities: Evidence for Germany. *Journal of Urban Economics* 64 (2), 326-339

Rosenthal, Stuart S., and Stephen L. Ross. "Change and persistence in the economic status of neighborhoods and cities." *Handbook of regional and urban economics*. Vol. 5. Elsevier, 2015. 1047-1120.

Couture, Victor, and Jessie Handbury. *Urban revival in America, 2000 to 2010*. No. w24084. National Bureau of Economic Research, 2017.

Diamond, R. The Determinants and Welfare Implications of US Workers' Diverging Location Choices by Skill: 1980-2000, *American Economic Review*. March 2016, Vol. 106, Issue 3, Pages 479-524

Moretti, E., 2011. Local labor markets. In *Handbook of labor economics* (Vol. 4, pp. 1237-1313). Elsevier.

Moretti 2012. "The New Geography of Jobs" Houghton Mifflin Harcourt.

Topic 3 (30%): Local Environmental Challenges

Brueckner, Jan K. Lectures on urban economics. MIT press, 2011, Ch 9

Sieg, H. (2020). Urban Economics and Fiscal Policy. Princeton University Press, Ch 20

Kahn, Matthew E., and Randall Walsh. "Cities and the Environment." Handbook of regional and urban economics 5 (2015): 405-465

Chay, Kenneth Y., and Michael Greenstone. "Does air quality matter? Evidence from the housing market." Journal of political Economy 113.2 (2005): 376-424.

Methods:

Wooldridge (6th ed) "Introductory Econometrics" (Chapters 1-4, 7, 13, 16, 17)

Angrist, Joshua D., and Jörn-Steffen Pischke. Mastering 'metrics: The path from cause to effect. Princeton University Press, 2014.

J. Angrist and S. Pischke, "Mostly Harmless Econometrics". Princeton Press
Holmes, Thomas J., and Holger Sieg. "Structural estimation in urban economics." Handbook of regional and urban economics. Vol. 5. Elsevier, 2015. 69-114.

Baum-Snow, Nathaniel, and Fernando Ferreira. "Causal inference in urban and regional economics." Handbook of regional and urban economics. Vol. 5. Elsevier, 2015. 3-68.

Card, D. "Model-Based or Design-Based? Methodological Approaches in Empirical Micro". <https://youtu.be/S6xSEiB6E2s>. Slides <https://bit.ly/2nhhYns>