

**Seminar on Regional and Urban Economics**  
**Summer semester 2016**  
**Master seminar**

**Lecturer**

Dr. Astrid Krenz

**Course Design**

The seminar can be credited as Module M.WIWI-VWL.0110. Students of the following degree programs can apply: VWL MA, BWL MSc, WiPäd MEd and WiInf MSc. The maximal number of participants is 14.

**Objectives**

The seminar is designed for Master students and deals with topics in Economic Geography, Regional Economics and Urban Economics. By attending the seminar students will receive an overview upon developments in the field. They will learn how to identify, analyze and discuss the relevant literature. Moreover, students will practise their scientific writing and oral presentation skills.

**Contents**

The seminar covers several topics that bear a spatial focus. We will investigate the relation between agglomeration and housing policies, immigration, and productivity. Urban developments in developing countries and in transformation countries will be addressed. A further section deals with developments in regional labor markets and spatial income inequality. Moreover, spatial econometric methods in urban and regional economics and advances at the edge of economic geography and the “new new trade theory” will be covered.

**Time and Location**

The seminar will be held on the 14th and 15th of July 2016. An introductory meeting will be held on the 23rd of May 2016 at 10:00. I will inform you about the room for the respective meetings in case of acceptance via email, please make sure that you check your emails accordingly.

**Application and Registration in FlexNow**

The application for the seminar has to be done between the 1st and 13th of May 2016. In order to apply you have to send me an email at [astrid.krenz@wiwi.uni-goettingen.de](mailto:astrid.krenz@wiwi.uni-goettingen.de) mentioning the following:

1. Your name, enrollment number, field of study, semester and email-address
2. The first, second and third choice of a seminar topic
3. If you participated in a course of international trade and the respective grade

4. If you participated in the course “Geographische Ökonomik (Geographical Economics)” and the respective grade

5. Other Master seminars you took part in and the respective grade (also mention if you applied for a seminar but did not receive a spot or if you failed a seminar)

Please note that I can only consider your application if all of this information is given in your email. Applications lacking this information will not be considered.

If there are more applicants than available spots, the participants will be selected according to the study regulation of 2013/03/27, §10.

You will be informed by me per Email whether you have been successful and been chosen for a spot in the seminar until May 17th.

The last date for registration or withdrawing from the course in FlexNow will be the 27th of May 2016. There is no prolongation possible. Note that the online application system for this course in FlexNow is only open from the 15th of May until the 27th of May 2016.

### **Seminar thesis**

The written seminar thesis has to be submitted (in electronic form, either pdf or doc, and as two printed versions) by the 8th of July 2016 at 12:00. I will give you further information on how to write a seminar paper (and also for the oral presentations) during the introductory meeting which will be held on the 23rd of May 2016. After the introductory meeting I will also arrange individual appointments with the students, where we will discuss the planned structure and focus of your written work.

### **Prerequisites**

Although there are no prerequisites for this seminar, a good knowledge of international trade theory is advised. Prior participation in the course “Geographical Economics” is recommended. Furthermore, you will benefit from good knowledge in Microeconomics, Macroeconomics and Econometrics.

### **Requirements**

The credits are given for the presentation and for the written paper on the same subject. In the presentation, the students demonstrate their ability to present complex theoretical models and empirical studies. In the paper, students demonstrate their ability to develop a sound research question based on the literature, to synthesize important findings from both theoretical models and empirical studies and to write a scientific paper that motivates the topic, presents and discusses the main arguments from the relevant theoretical and empirical literature in a concise and structured way, and conclude with a critical assessment of the state of the literature. The written paper should have max. 15 pages +/- 10%. The students have to prepare for a presentation of approximately 20 minutes.

Please note that all meetings are mandatory!

Your written seminar paper will be checked for plagiarism with a special software. Please make sure that you properly control for correct citation, as a detection of plagiarism will lead to expulsion from the course.

### **Grading**

The grade is made up by the seminar paper for 50% and by the oral presentation and seminar discussion for another 50%. Students have to pass both the written seminar paper and the presentation and seminar discussion in order to gain the credit points.

### **Credits**

Upon successful completion of the seminar 6 credit points can be gained.

### **Seminar Topics**

When sending your application by email, please make sure that you tell me your first, second and third choice of a seminar topic. I will allocate the topic to you as best as I can, but of course I cannot guarantee that everyone will receive his or her first choice topic. If two people are choosing the same topic, I will randomly assign the topic to either one of you. Then the second choice topics will be assigned randomly, and so on. Your assigned topic will be communicated during the introductory meeting. If some of you have a desire to change the topic, you might do so with another student in mutual agreement.

Note that the mentioned literature in the following is just serving as a starting point for your own literature research.

#### 1. Spatial econometric methodology in studies in regional and urban economics

- Gibbons, S.; Overman, H.; Patacchini, E. (2015), Spatial Methods, Handbook of Regional and Urban Economics, Vol. 5, 115-168.

- Baltagi, B.; Egger, P.; Pfaffermayr, M. (2007), Estimating Models of complex FDI: Are there third-country effects?, *Journal of Econometrics*, 140, 260-281.

#### 2. Spatial economics and income inequality

- Rosenthal, S.; Ross, S. (2015), Change and Persistence in the Economic Status of Neighbourhoods and Cities, Handbook in Regional and Urban Economics, Vol. 5, 1047-1120.

- Eeckhout, J.; Pinheiro, R.; Schmidheiny, K. (2014), Spatial sorting, *Journal of Political Economy*, Vol. 122, 554-620.

#### 3. Transportation costs and the spatial organization of economic activity

- Redding, S.; Turner, M. (2015), Transportation Costs and the Spatial Organization of Economic Activity, Handbook of Regional and Urban Economics, Vol. 5, 1339-1398.

-Bleakley, H.; Lin, J. (2012), Portage and Path Dependence, *Quarterly Journal of Economics*, 127, 587-644.

#### 4. Housing, finance and the macroeconomy

-Davis, M.; van Nieuwerburgh, S. (2015), Housing, Finance and the Macroeconomy, *Handbook of Regional and Urban Economics*, Vol. 5, 753-811.

-Iacoviello, M; Neri, S. (2010), Housing market spillovers: evidence from an estimated DSGE model, *American Economic Journal Macroeconomics*, 2, 125-164.

#### 5. Agglomeration, taxes and the government

- Bruelhart, M.; Jarnetti, M.; Schmidheiny, K. (2012), Do agglomeration economies reduce the sensitivity of firm location to tax differentials?, *The Economic Journal*, 122, 1069-1093.

- Baldwin, R.; Forslid, R.; Martin, P.; Ottaviano, G.; Robert-Nicoud, F. (2003), *Economic Geography and Public Policy*, Princeton University Press.

#### 6. Urban and rural development in developing countries

-Montgomery M.; Hewett, P. (2005), Urban Poverty and Health in Developing Countries: Household and Neighborhood Effects, *Demography*, Vol. 42, 397-425.

- Pernia, E.; Quibria, M. (1999), Poverty in developing countries, in Henderson and Thisse (eds), *Handbook of Regional and Urban Economics*, Vol. 3, Amsterdam, 1865-1934.

#### 7. Urbanization and structural transformation

- Michaels, G.; Rauch, F.; Redding, S. (2012), Urbanization and structural transformation, *Quarterly Journal of Economics*, Vol. 127, 535–586.

- Becker, C.; Morrison, A. (1999), Urbanization in transforming economies, in Henderson and Thisse (eds), *Handbook of Regional and Urban Economics*, Vol. 3, Amsterdam, 1673-1790.

#### 8. Regional performance in China

- Zhang, K. (2014), Globalization and regional industrial performance: Evidence from China, *Papers in Regional Science*, Vol. 93, 269–280.

- Gao, T. (2004), Regional industrial growth: Evidence from Chinese industries. *Regional Science and Urban Economics*, Vol. 34, 101–124.

- Golley, J. (2002), Regional patterns of industrial development during China's economic transition, *Economics of Transition*, Vol. 10, 761–801.

#### 9. Geography and economic development in a macroeconomic perspective

- Acemoglu, D.; Johnson, S.; Robinson, J. (2002), Reversal of Fortune : Geography and Institutions in the Making of the Modern World Income Distribution, *Quarterly Journal of Economics*, 1231-1294.

- Gallup, J.; Sachs, J.; Mellinger, A. (1998), Geography and Economic Development, NBER Working Paper 6849.

- Acemoglu, D.; Johnson, S.; Robinson, J. (2005), Institutions as a fundamental cause of long-run growth, Handbook of Economic Growth, Volume 1A, Elsevier.

#### 10. Urban and regional labor markets

- Crampton, G. (1999), Urban labour markets, in Henderson and Thisse (eds), Handbook of Regional and Urban Economics, Vol. 3, Amsterdam, 1499-1557.

- Dao, M. ; Furceri, D. ; Loungani, P. (2014), Regional Labor Market Adjustments in the United States and Europe, IMF working paper No. 14/26.

#### 11. Knowledge spillovers and the geography of innovation

- Carlino, G.; Kerr, W. (2015), Agglomeration and Innovation, Handbook of Regional and Urban Economics, Vol. 5, 349- 404.

- Audretsch, D.; Feldman, M. (2004), Knowledge spillovers and the geography of innovation, in Henderson and Thisse (eds), Handbook of Regional and Urban Economics, Vol. 4, Amsterdam, 2713-2739.

#### 12. Agglomeration of productivity

- Ciccone, A. (2002), Agglomeration effects in Europe, *European Economic Review*, 46, 213-227.

- Ciccone, A.; Hall, R. (1996), Productivity and the Density of Economic Activity, *American Economic Review*, 86, 54-70.

#### 13. Advances in economic geography and the “new new trade theory”

- Baldwin, R.; Okubo, T. (2014), International Trade, Offshoring, and Heterogeneous Firms, *Review of International Economics*, 22, 59-72.

- Baldwin, R.; Okubo, T. (2006), Heterogeneous firms, agglomeration and economic geography: spatial selection and sorting, *Journal of Economic Geography*, Vol. 6, 323-346.

- Eaton J.; Kortum S. (2002), Technology, Geography and Trade, *Econometrica*, Vol. 70.

- Okubo, T.; Picard, P.; Thisse, J. (2010), The Spatial Selection of Heterogeneous Firms, *Journal of International Economics*, Vol. 82, 230-237.

#### 14. Immigration and the economy of cities and regions

-Lewis, E.; Peri, G. (2015), Immigration and the Economy of Cities and Regions, Handbook of Regional and Urban Economics, Vol. 5, 625-685.

-Ottaviano, G.; Peri, G. (2006), The economic value of cultural diversity: evidence from US cities, *Journal of Economic Geography*, 6, 9-44.