

Graduate Course Public Economics: Urban Economics and Urban Public Finance (Updated)

Winter Term 2018/19

Sessions:

Monday February 4, 1:15 pm – 2:45 pm and 3:15 pm – 4:45 pm.
Tuesday February 5, 11:15 am – 12:45 pm and 2:15 pm – 3:45 pm
Wednesday February 6, 11:15 am – 12:45 pm and 2:15 pm – 3:45 pm
Thursday February 7, 11:15 am – 12:45 pm and 2:00 pm – 3:00 pm

Student presentations will be scheduled on Thursday, February 7. The rooms will be communicated as soon as possible.

Contents: The course will focus on some basics of urban economics, in particular theoretical and empirical aspects of urban land use as well as issues of local taxation. The focus is on positive as well as normative issues in these fields. The course will address theoretical foundations and will discuss a number of recent empirical papers with a spatial or local public finance focus that use econometric techniques suitable to identify causal relationships.

To receive credits for this course, students must present and discuss a paper from a list of suggested papers. The list of papers will be made available on Wednesday, January 30. In case you want to participate in the course, and have a preference for a particular paper, please send me an email (kessing@vwl.wiwi.uni-siegen.de). Of course, you may also participate in the course without presentation and without receiving credits.

Topics

- 1. Urban land use**
- 2. Agglomeration**
- 3. Place based-policies**
- 4. Property taxes**
- 5. Other local taxes and (local) regulations (Time allowing)**

Literature

- Ahlfeldt, G. M., Redding, S. J., Sturm, D. M., & Wolf, N. (2015). The economics of density: Evidence from the Berlin Wall. *Econometrica*, 83(6), 2127-2189.
- Baum-Snow, N., and Ferreira, F. (2015). Causal inference in urban and regional economics. In *Handbook of Regional and Urban Economics* (Vol. 5, pp. 3-68). Elsevier. [BACKGROUND READING FOR EMPIRICAL METHODS APPLIED TO URBAN ECONOMICS QUESTIONS]
- Best, M. C., and Kleven, H. J. (2017). Housing market responses to transaction taxes: Evidence from notches and stimulus in the UK. *The Review of Economic Studies*, 85(1), 157-193.
- Blesse, S., Doerrenberg, P., and Rauch, A. (2018). Higher taxes on less elastic goods? Evidence from German municipalities. Evidence from German Municipalities (September 2018). ZEW-Centre for European Economic Research Discussion Paper, (39).

- Davis, D. R., and Weinstein, D. E. (2002). Bones, bombs, and break points: the geography of economic activity. *American Economic Review*, 92(5), 1269-1289.
- Duranton, G., and Puga, D. (2015). Urban land use. In *Handbook of regional and urban economics* (Vol. 5, pp. 467-560). Elsevier. [MAIN TEXT FOR URBAN LAND USE]
- Duranton, G., and Puga, D. (2004). Micro-foundations of urban agglomeration economies. In *Handbook of regional and urban economics* (Vol. 4, pp. 2063-2117). Elsevier.
- Ehrlich, M. V., and Seidel, T. (2018). The persistent effects of place-based policy: Evidence from the West-German Zonenrandgebiet. *American Economic Journal: Economic Policy*, 10(4), 344-74.
- Fuest, C., Peichl, A., & Siegloch, S. (2018). Do higher corporate taxes reduce wages? Micro evidence from Germany. *American Economic Review*, 108(2), 393-418.
- Greenstone, M., Hornbeck, R., and Moretti, E. (2010). Identifying agglomeration spillovers: Evidence from winners and losers of large plant openings. *Journal of Political Economy*, 118(3), 536-598.
- Kline, P. (2010). Place based policies, heterogeneity, and agglomeration. *American Economic Review* PP, 100(2), 383-87.
- Kline, P., and Moretti, E. (2014). People, places, and public policy: Some simple welfare economics of local economic development programs. *Annu. Rev. Econ.*, 6(1), 629-662.
- Kopczuk, W., and Munroe, D. (2015). Mansion tax: the effect of transfer taxes on the residential real estate market. *American economic Journal: economic policy*, 7(2), 214-57.
- Linden, L., and Rockoff, J. E. (2008). Estimates of the impact of crime risk on property values from Megan's laws. *American Economic Review*, 98(3), 1103-27.
- Lu, Y., Wang, J., and Zhu, L. (2015). Do place-based policies work? Micro-Level evidence from China's economic zone program.
- Lutz, B. (2015). Quasi-experimental evidence on the connection between property taxes and residential capital investment. *American Economic Journal: Economic Policy*, 7(1), 300-330.
- Palmon, O., and Smith, B. A. (1998). New evidence on property tax capitalization. *Journal of Political Economy*, 106(5), 1099-1111.
- Redding, S. J., and Rossi-Hansberg, E. (2017). Quantitative spatial economics. *Annual Review of Economics*, 9, 21-58.[Recent theory overview of Economic Geography models]
- Redding, S. J., and Sturm, D. M. (2008). The costs of remoteness: Evidence from German division and reunification. *American Economic Review*, 98(5), 1766-97.
- Redding, S. J., Sturm, D. M., and Wolf, N. (2011). History and industry location: evidence from German airports. *Review of Economics and Statistics*, 93(3), 814-831.
- Wildasin, D. (2013). *Urban public finance*. Routledge.

This list may be updated as the course approaches. Moreover, further literature may be indicated in class.