

Urban Economics
UIPE ECON130255.01
Syllabus

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Classes: 1:30 pm – 3:10 pm every Monday and Friday (Beijing Time) at H6305

Course description:

Economic activity is highly unevenly distributed across space, as reflected by the existence of cities. In 2018, about 831 million Chinese people crowd together in the 2.5 percent of the country that is urban. Cities have been engines of growth. Cities are also filled with things to see and buy and taste and learn. However, density also means congestion, makes living and commuting more costly, and concentrates exposure to pollution and disease. The goal of this course is to give students an understanding of how to apply the latest thinking and research in urban economics to analyze a series of topics related to urbanization in China and other urban-related issues worldwide. You will learn how economists think about cities. We will explore why cities exist as they do, the natures, determinants, and impacts of geographic organization of economic activities, and a variety of urban policy issues such as the household registration system (*hukou*), the reforms in land and housing markets, urban land-use regulations, transportation infrastructure investments, environmental regulations, spatial arrangements of educational resources, and place-based industrial policies. You will learn about urban economic theory and analysis of empirical data sets in the context addressing important urban-related questions. Empirical examples will be taken primarily from China and the United States. After taking the course, students will have an understanding of standard urban theory and of empirical evidence on various important applied urban topics. This course will prepare students with many of the necessary tools to undertake their own research in urban economics and related fields.

Course requirements: Each student will be required to present one paper on the reading list or of his/her choice with approval to the class. Each presentation is expected to include the paper's questions of interest, motivation, related literature, research method, data, main results and discussion. A final research proposal will be due at the end of the semester. Each student will discuss the topic of his/her research proposal in the end of the semester, including the question of interest, motivation, related literature, contributions and research design. For the presentation of the final research proposal, only PPT slides are required.

Grading: 1 class presentation (40% of final grade); 1 final research proposal (50% of final grade); class participation (10% of final grade)

Reading: Your primary source will be the provided notes, slides, and papers on the reading list.

Course Outline:

1. Introduction

- Evolutions of cities in the world
- Topics

2. Background on Urbanization in China

- Natural background: geography and climate
- Policy background: Maoist era, 1949 to 1978; market transition, post 1978

3. Moving from Rural to Urban

- What is the true urban population of China? What is *hukou*?
- Internal migration in China: disparities in destinations
- City-size distribution in China: migration policies; political hierarchy of Chinese cities

4. Spatial distributions of Economic Activities

- The geography of China's industrial production
- Rise of service industry (consumption amenities)
- Place-based policies: "helping the west," and the constructions of national expressway system and High-Speed Railway system, educational resources

5. Why Cities Exist?

- Natural advantages
- Production-side agglomeration amenities
- Consumption-side agglomeration amenities
- Urban costs
- The value of cities

6. Land and Housing Markets and Urban Land Development

- Urban spatial structure and urban land use
- Land market reform in urban China
- What are land-use regulations? What are the impacts of the land-use regulations on the land and housing markets? What are the determinants of land-use regulations?
- How to develop urban land in China? What are the typical land-use regulations in Chinese cities? How restrictive are these regulations?
- How much have housing prices in China appreciated during the last decade? How did the price appreciation vary across different Chinese cities?
- Public good provisions, locational fundamentals, within-city spatial arrangements of people and jobs and inner city commuting

7. Environmental Issues

- What is the current status of China's environment?
- What are the environmental policies that have been implemented in China? How effective are those policies? What are the impacts of the policies on industrial development and local economy?

8. 2020-2021 Urban Economics Association Lectures and Discussions