Topics in Urban Economics, Local Public Finance, and Political Economy: Spring 2023

COURSE DESCRIPTION:
The course provides an introduction to current research in urban economics, local public finance, and the political economy of state and local governments. The objective of the course is to prepare and encourage 2nd year and 3rd year Ph.D. students to start working on their own research. Taking this course is a necessary requirement for all Ph.D. students at Penn who expect me to serve as a member of their dissertation committee or as a reader of their third-year paper.

TEXTBOOK:

TOPICS:
Most of the topics that we will cover in this course below are listed below. The reading list below is not meant to be a survey of the literature. It primarily covers my own research and the research of previous Ph.D. students at Penn or Carnegie Mellon. Finally, it contains a minimum number of selected papers by other researchers that you need to know if you want me to advise you on your own research. This course thus establishes some common ground and helps you to get up to speed. The textbook will provide you with an overview of the most relevant topics in urban economics and local public finance. It also includes a detailed reading list that you can consult for further readings.

1. Introduction and Methodological Review:
   Sieg (2020), Chapter 1 and Appendix.

2. Agglomeration and City Structure:


3. Spatial Models Markets:

Diamond, R. (2016). The Determinants and Welfare Implications of US Work-


4. Firm Locational Choices and the Economics of Density:


5. Transportation and Infrastructure:


6. Urban Housing Markets:

Sieg (2020), Chapters 23 and 25.

the Production Function for Housing," *American Economic Review*, 100 (3), 905-924.


7. Fiscal Federalism and Local Public Goods:

Sieg (2020), Chapters 3-9, 12.


8. Political Economy of State and Local Governments

Sieg (2020), Chapters 6 - 11


9. Urban Schools:

Sieg (2020), Chapter 18

Ferreyra, M. (2007). Estimating the Effects of Private School Vouchers in Multi-


10. Higher Education:

Sieg (2020), Chapter 18


Power and Price Discrimination in the U.S. Market for Higher Education,”

GRADES:
Grades will be based on in-class participation, the presentation of papers, and a research proposal.

PRESENTATIONS:
Each student must present two papers in class. LATEX and PDF files of the slides must be submitted, at least, one day before the presentation.

RESEARCH PROPOSAL:
The research proposal should include the following: a) a motivation of the topic that is to be studied; b) a short literature review summarizing the main papers in area and outlining the potential contributions of the proposed research; c) a data section describing the main sources and variables that are needed to conduct the empirical analysis. If possible, the proposal should provide some descriptive statistics of the main data set that is to be used in the research ; d) an outline of a model; e) discussion of potential identification problems; f) an outline of a feasible estimation strategy, g) and a brief discussion of some policy questions that can be addressed with this model. The research proposal should be 15 pages and is due on May 1.