

Introductory lectures on Urban & labour economics – SESS PhD

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Objectives

The objective of the course is to introduce some of the main elements of the economic analysis of the “cities” in order to clarify the main assumptions, results and economic intuitions. Such analysis provides the theoretical framework required to read data and build empirical research on topics like local labour markets, agglomeration effects, human capital externalities, wage inequalities within and between cities, labour mobility, productivity and innovation, urban economic policies.

Contents

1. A general equilibrium model with more cities and labour mobility between cities (Roback 1982).
2. The inclusion of human capital and its externalities in the model (Moretti 2004).
3. A general, flexible framework to consider agglomeration effects, congestion costs, between-cities labour mobility and some policy issues (Duranton 2008).
4. Main results of the general equilibrium model à la Roback with different wage setting mechanisms (locally flexible vs centralised) (Boeri et al 2021).

References

Roback J., Wages, rents and the quality of life, *Journal of political economy*, 90(6), 1982.

Moretti E., Estimating the social return to higher education: evidence from longitudinal and repeated cross-sectional data, *Journal of Econometrics*, 121, 2004.

Duranton G., Viewpoint: from cities to productivity and growth in developing countries, *Canadian journal of economics*, 41(3), 2008.

Boeri T., Ichino A., Moretti E., Posch J., Wage equalization and regional misallocation: evidence from Italian and German provinces, *Journal of the European Economic Association*, vol 19(6), 2021.