# Urban Economics

**Fudan University**

**Department:** School of Economics

<table>
<thead>
<tr>
<th>Course Code</th>
<th>Course Title</th>
<th>Credit</th>
<th>Credit Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECON 130255</td>
<td>Urban Economics</td>
<td>4</td>
<td>72</td>
</tr>
</tbody>
</table>

**Course Nature**
- □ Specific General Education Courses
- ✔ Core Courses
- □ General Education Elective Courses
- □ Basic Courses in General Discipline
- □ Professional Compulsory Courses
- ☑ Professional advanced Courses
- □ Others

**Course Objectives**

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 or related fields.

**Course Description**

The goal of this course is to give students an understanding of how economists think about cities. We will explore why cities exist as they do, the geographic organization of economic activities and a variety of urban policy issues such as housing, land use regulation, environment, public good provision, and place-based 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 the US and China.

**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. 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 late December.

**Teaching Methods:**

Lecture, presentation, group discussion
Instructor's Academic Background:
MS. Zhi Wang received her PhD in Economics from Brown University in 2013 and joined the School of Economics at Fudan University shortly afterwards as an assistant professor. Her research focuses on the applications of microeconomics in the field of Urban Economics. Her research projects investigate: the relationship between the location of labor-force entry and wage growth; the spatial pattern of urban land development and the determinants; the effects and implementation of land use regulations; the effects of environmental regulations; the effects of school boundaries in urban China; the determinants of the spatial distribution of college admissions in China; the empirical evidence on peer effects; and the determinants and effects of industrial land policies.

Members of Teaching Team

<table>
<thead>
<tr>
<th>Name</th>
<th>Gender</th>
<th>Professional Title</th>
<th>Department</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Zhi Wang</td>
<td>Female</td>
<td>Lecturer</td>
<td>985 Group</td>
<td></td>
</tr>
</tbody>
</table>

Course Schedule

Introduction
1.1 Evolutions of cities in the world
1.2 Topics

Module 1: Background on urbanization in China
1.3 China leading up to 1949: geography, resources, historical background
1.4 Maoist era, 1949 to 1978
1.5 Market transition, post 1978

Materials:
1.1-1 Naughton, Chapter 1, Geography
1.1-2 Naughton, Chapter 2, The Chinese Economy Before 1949

1.2-1 Naughton, Chapter 3, The Socialist Era, 1949-1978: Big Push Industrialization and Policy Instability

1.3-1 Naughton, Chapter 4, Market Transition: Strategy and Process
1.3-2 Putterman, L., 1997. “On the past and future of China’s township and
village-owned enterprises.” World Development, 25 (10), 1639-1655

Module 2: Spatial distribution of economic activities
2.1 What is the true urban population of China? What is hukou?
2.2 Internal migration in China
2.3 Are Chinese cities too small or too big? What are the optimal and equilibrium city sizes?
2.4 The geography of China’s industrial production

Materials:
2-1 Naughton text, Chapter 5, Section 5.1: The Urban-Rural Divide
2-4 Chan, 2010. “China, Internal Migration.”
Module 3: Why cities exist?
3.1 The first-nature amenities and the second-nature amenities
3.2 Production-side agglomeration economy
3.3 Consumption-side agglomeration economy
3.4 The value of cities

Materials:
3-40 Compton, J. and Pollak, R. 2007. “Why are power couples increasingly
3-42 Couture, Victor, 2016. “Valuing the consumption benefits of urban density.”
Module 4: Urban spatial structure and urban land use

4.1 Urban land use in a mono-centric city framework
4.2 Inner city structure of Chinese cities: spatial patterns of population, production, and land development

Materials:


4-22 Zhang, Sumei and Kenneth Pearlman. 2009. “Legislative Support for Urban Land-Use Control in China.” Environmental and Planning C. Governmental and

Module 5: Land-use regulations in Chinese cities
5.1 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?
5.2 How to develop urban land in China? What are the typical land-use regulations in Chinese cities? How restrictive are these regulations?

Materials:
5-6 (https://zhiwang2013brownecne.weebly.com/research.html)

Module 6: Housing market in Urban China
6.1 How much have housing prices in China appreciated during the last decade? How did the price appreciation vary across different Chinese cities?
6.2 Public good provisions and local real estate prices

Materials:

Module 7: Environmental issues
7.1 What is the current status of China’s environment?
7.2 What kind of environmental policies have been implemented in China? How effective is the policy? What is the impact of the policy on industrial development?

Materials:
7-11 Kahn, M., Li, P., Zhao, D., 2015. Pollution control effort at China’s river
7-13 (http://zhiwang2013browncon.weebly.com/research.html)
Module 8: Place-based policies

8.1 What are place-based policies?
8.2 The effects of the place-based policies in China (industrial parks, transportation infrastructure).

Materials:

8-3 Chen, Z., Poncet, S., Xiong, R., 2016. “Inter-industry relatedness and industry-policy efficiency: Evidence from China’s export processing zones.”

The design of class discussion or exercise, practice, experience and so on:

If you need a TA, please indicate the assignment of assistant:

Yes, a TA is needed and will help the lecturer with the attendance, organization of group discussion.

Grading & Evaluation (Provide a final grade that reflects the formative evaluation process):
4 assignments (20% of final grade); 1 midterm exam (20% of final grade); 1 final exam (40% of final grade); class participation (20% of final grade)
Teaching Materials & References (Including Author, Title, Publisher and Publishing time):

Your primary source will be the provided notes, slides, and papers on the reading list. Barry Naughton's *The Chinese Economy*, MIT Press, 2007 will serve as the reference.

**Background papers:**

- **Migration: Labor market & Occupational segregation**
  
  1-1 Naughton text
  
  Chapter 8: Labor markets
  Chapter 9: Inequality
  
  
  


- **Migration: Living conditions**
  
  
  


  2-9 J. Kwong. “Educating Migrant Children: Negotiations between the State and Civil


- **Land markets: brownfield development**

- **Land markets: greenfield development**

- **Housing**

- **Inner City Structure**

