“New York is an ugly city, a dirty city. Its climate is a scandal, its politics are used to frighten children, its traffic is madness, its competition is murderous. But there is one thing about it – once you have lived in New York and it has become your home, no place else is good enough. All of everything is concentrated here, population, theatre, art, writing, publishing, importing, business, murder, mugging, luxury, poverty. It is all of everything. It goes all right. It is tireless and its air is charged with energy. I can work longer and harder without weariness in New York than anyplace else . . . .”

John Steinbeck,

Economics W 4911: The Economics of New York
Senior Seminar: Microeconomics
Donald R. Davis, drdavis@columbia.edu
Mondays 6-8 PM, 1102 International Affairs Building
Office Hours, Wednesday 1-2 PM, 1038 International Affairs Building

This course takes New York as our laboratory. We live here. We study here. We play here. What better laboratory could we have to understand economics? Economics is about individual choice subject to constraints and the ways that choices sum up to something often much more than the parts. Why not study it in our backyard? (As if we have a backyard!).

The fundamental feature of any city is the combination of those forces that bring people together and those that push them apart. Thus both physical and social space will be central to our discussions. The underlying theoretical and empirical analysis will touch on spatial aspects of urban economics, regional, and even international economics. We will match these theoretical and empirical analyses with readings that reflect close observation of specific subjects. The close observation is meant to inspire you to probe deeply into a topic in order that the tools and approaches of economics may illuminate these issues in a fresh way.
Required Books

**Theory and Empirics**


**Policy**


**Observation**


Remaining readings can be downloaded via [Google Scholar](https://scholar.google.com).

Student Evaluation

*Paper (50 Percent)*

The study should be grounded in relevant prior literature, theoretical, empirical and, where relevant, historical.

The paper must:

- Ask and answer a question.
- Address a question of substantive economic interest with an *explicit spatial element* applied to part or all of New York City.
- Be grounded in relevant prior literature, including theory, empirics and, as appropriate, history.
- Use some data. Data analysis may just be discussion of tables and charts relevant to the project. It may include estimation of parameters or formal statistical analysis of hypotheses. It may be “off the shelf” or collected by the researcher (we will talk about potential ways to generate data).
- Students should come to the Week Two meeting with the instructor with at least some very preliminary ideas about potential paper topics.
It’s okay if the ideas are still very preliminary. I will try to help you! Try to narrow it down by September 27.

- Students should turn in a two-page discussion of their paper topic on **October 4**. This should identify the question to be asked and answered, at least preliminary ideas about methods, and should have a bibliography of works to be consulted.
- Final paper due on December 17 (late papers graded down).
- If all else fails, be interesting!

Examples of acceptable topics will be discussed in class.

*Participation, including attendance* (30 Percent)

- Students will be divided into groups to *lead* discussions of the books of observation about New York.
- All students are expected to have read the relevant articles or books and to arrive at the seminar ready to discuss! The point is not necessarily to read cover to cover in the books. Rather the point is to have found something in the book that is so fascinating that you arrive at the seminar bursting from desire to talk about it. (But please don’t actually burst!)

*Discussion/Presentations* (20 Percent)

- All students will make both short and long presentations related to their paper project. Meetings 3 and 4 will have very brief updates. The last three meetings of the term will feature longer presentations by the students based on their papers.

*Extra Credit: Neighborhood Exploration Project* (Student must announce date by 10/4).

- Students or groups of students can get extra credit by preparing a neighborhood exploration project. This allows you to use New York as a lab and as an exhibit. Take us somewhere to show us economic forces at work in a particular location. Ideally this would be tied in to the larger paper project that you are working on. Usually we should aim to schedule these on a Friday, Saturday, or Sunday, doing our best to accommodate schedules. This is not just a walkabout. This should also have some prepared discussion attached to it and last about an hour (not including travel).
Detailed Course Outline

Instructor presentations will typically be brief, drawing especially on relevant sections of the book *A Companion to Urban Economics*. Most class time is devoted to discussion.

Week 1: September 13 Intro, Overview

I. Instructor Presentation
II. Readings and discussion of:

Week 2:

In place of regular course meeting, Instructor will meet with groups of students to launch paper projects. Signups at Week 1 meeting.

Week 3: September 27 When do Neighborhoods Work?

I. Instructor Presentation
II. Student-led discussion of Jane Jacobs, *The Death and Life of Great American Cities*.
III. Brief Updates on student papers

Week 4: October 4 Immigration & Neighborhoods

I. Instructor Presentation
II. Student-led discussion of Jacob Riis, *How the Other Half Lives*.
III. Brief Updates on student papers

Week 5: October 11 Conflict over Space

I. Instructor Presentation
II. Student-led presentation of:
III. Updates on student papers

Week 6: October 18 Gentrification

I. Instructor Presentation
II. Student-led discussion of articles on “Gentrification”


Vigdor, Jacob L., with comments by Douglas S. Massey and Alice M. Rivlin, “Does Gentrification Harm the Poor?” *Brookings-Wharton Papers on Urban Affairs*, 2002

III. Updates on student papers

**Week 7: October 25 Housing**

I. Instructor presentation

II. Student-led discussion of

- Ellickson, The False Promise of Mixed Income Housing Proj, *UCLA Law R 2010*

III. Updates on student papers

(Academic Holiday November 1)

**Week 8: November 8 Networking**

I. Instructor presentation

II. Student-led discussion of


III. Updates on student papers

**Week 9: November 15 Neighborhoods, Segregation, Jobs**

I. Instructor presentation

II. Student-led discussion of


III. Updates on student papers

**Week 10: November 22 Transport**

I. Instructor Presentation

II. Student-led discussion of articles:
Ian Parry and Kenneth A. Small, “Should Urban Transit Subsidies Be Reduced,”

III. Updates on student papers

**Week 11:** November 29

I. Final Student Paper Presentations

**Week 12:** December 6

I. Final Student Paper Presentations

**Week 13:** December 13

I. Final Student Paper Presentations
Supplementary (Not Required) Readings


The most relevant chapters:


Baldwin, Richard; Forslid, Rikard; Martin, Philippe; Ottaviano, Gianmarco; Robert-Nicoud, Frederic, Economic Geography and Public Policy, Princeton U. Pr. 2003

Brakman, Steven; Garretsen, Harry; and van Marrewijk, Charles; The New Introduction to Geographical Economics, Cambridge U. Pr., 2008

Burns, Ric; Sanders, James; Ades, Lisa, New York: An Illustrated History, Random House, 2003

Combes, Pierre-Philippe; Mayer, Thierry; Thisse, Jacques-Francois, Economic Geography: The Integration of Regions and Nations, Princeton U. Pr. 2008


Krugman, Paul R., Geography and Trade, MIT Pr., 1991