Cities and Economic Geography
Diego Puga

This course presents an overview of recent developments in economic geography and urban economics. The course begins with a review of the relationship between trade, agglomeration, and regional inequalities. This is motivated with an overview of the evolution of regional inequalities in Europe, which are then analyzed in light of the so-called ‘new economic geography’. The second topic covers the process by which cities are formed and the role in this process of local governments and of the housing supply. We then study, both theoretically and empirically, the reasons that make firms and people cluster in space, and the extent and consequences of this clustering. The final two topics look at the drivers and implications of urban diversity and specialization, and at the distribution of city sizes.

Topics and Reading list

1. Economic integration and the location of economic activity

*Main readings*


2. The formation of cities: developers and self-organization

*Main readings*


3. The motives for agglomeration: what generates aggregate increasing returns?

*Main reading*


4. Specialization and diversification in cities

Main readings


5. The distribution of city sizes

Main readings


