

Seminar Regional- und Arbeitsmarktforschung

Economics of (Sustainable) Cities

Chapter 0: Introduction

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0.1 Personal Introduction

Since 05/2021: Head of the Research Department of Regional Labour Markets at IAB and

Professor of Regional Labour Economics at University of Bamberg

10/2014 – 04/2021: Assistant Professor of Empirical International and Regional Economics at

University of Würzburg

03/2008 – 09/2014: Researcher at IAB

10/2008 – 09/2011: GradAB scholarship holder at IAB

Research interests:

- What explains the (persistent) difference between local labor markets?
- How do local labor markets work?
- Effects of technological change on the labor market
- Adjustment of individual workers to globalization and decarbonization

0.2 The Institute for Employment Research (IAB)

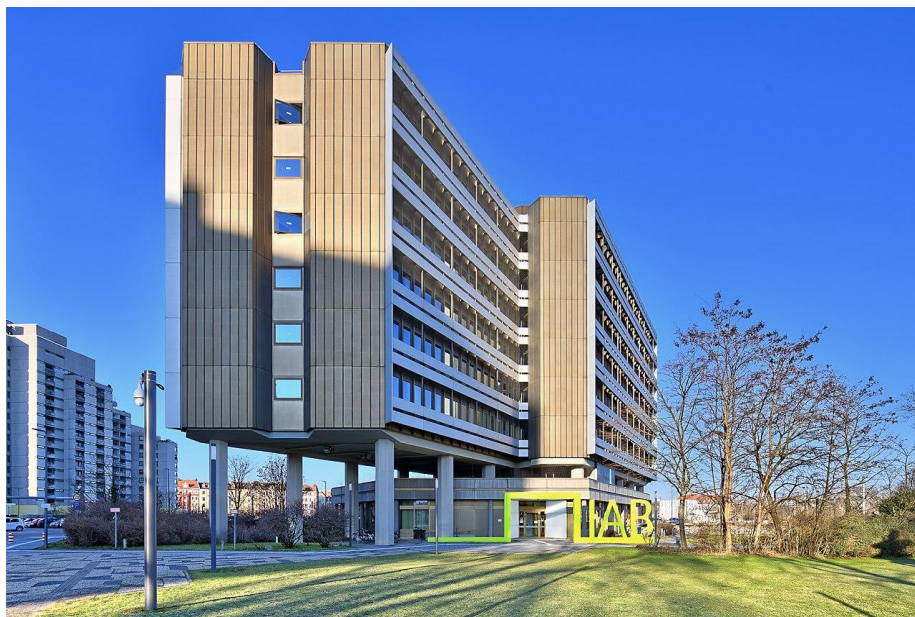


Photo by Stefan Brending, CC BY SA 3.0



- The Institute for Employment Research (IAB) is the research institute of the Federal Employment Agency (Bundesagentur für Arbeit / BA).
- The remit of the IAB is to conduct research on the labor market, mandated by §§ 280 and 282 subsection 1 of Social Code Book III (SGB III) and § 55 of Social Code Book II (SGB II).
- IAB research is scientifically independent. Its researchers enjoy freedom of research in accordance with Art. 5 subsection 3 of the Basic Law for the Federal Republic of Germany.

0.3 Motivation: Why should you be in this course?

- Cities are our greatest invention: They make us “richer, smarter, greener, healthier and happier”
(**Edward Glaeser (2011)**: *Triumph of the city*, Penguin, New York).
→ Interesting field of study per sé!
- Implications from urban economics matter in our everyday (working) life
- Let me prove this by four observations:
 1. People like to live close to each other
 2. Ever more people want to live in cities
 3. The earth is flat (transport costs have diminished)
 4. Cities make us richer

1. People like to live close to each other

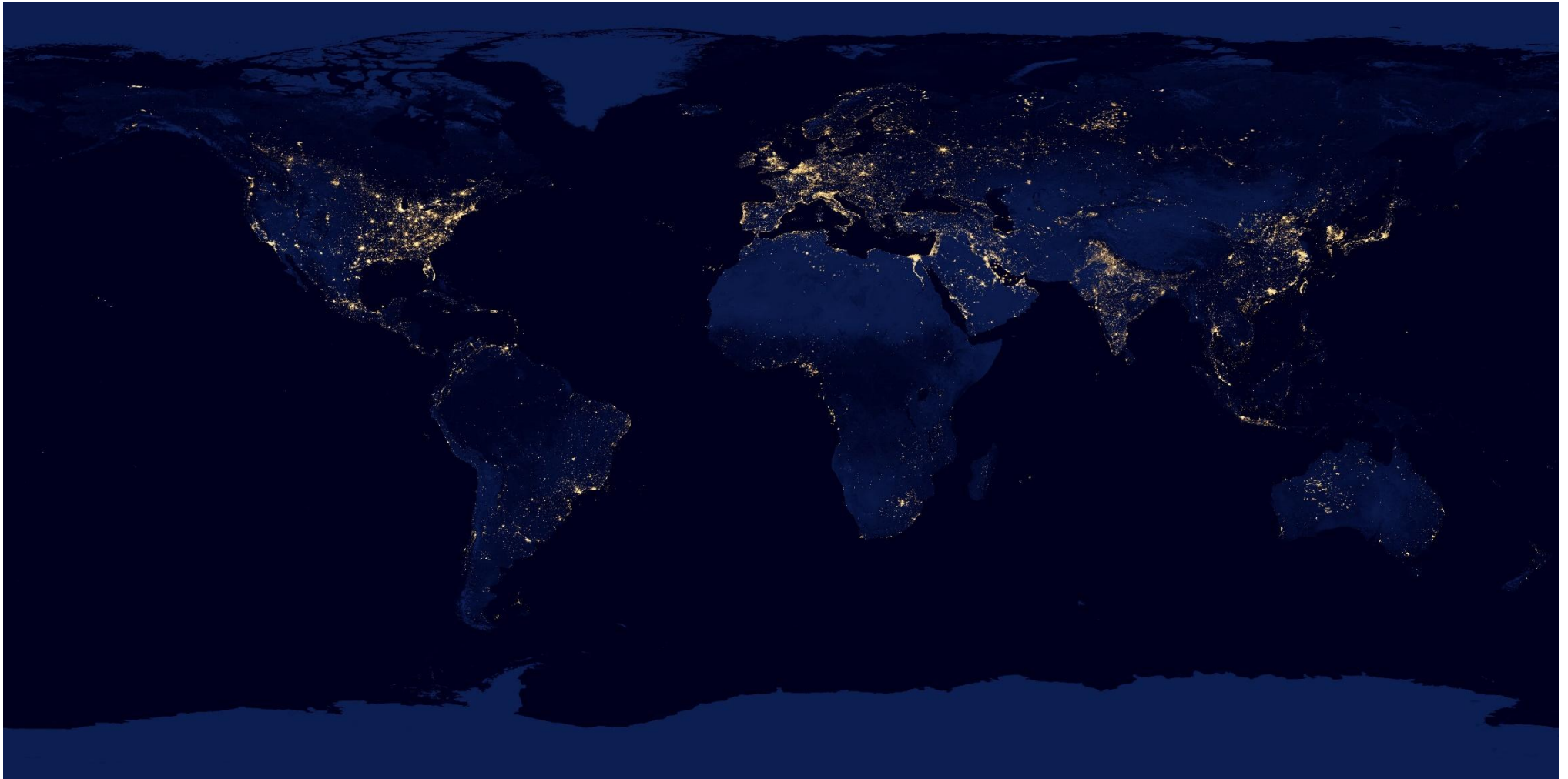
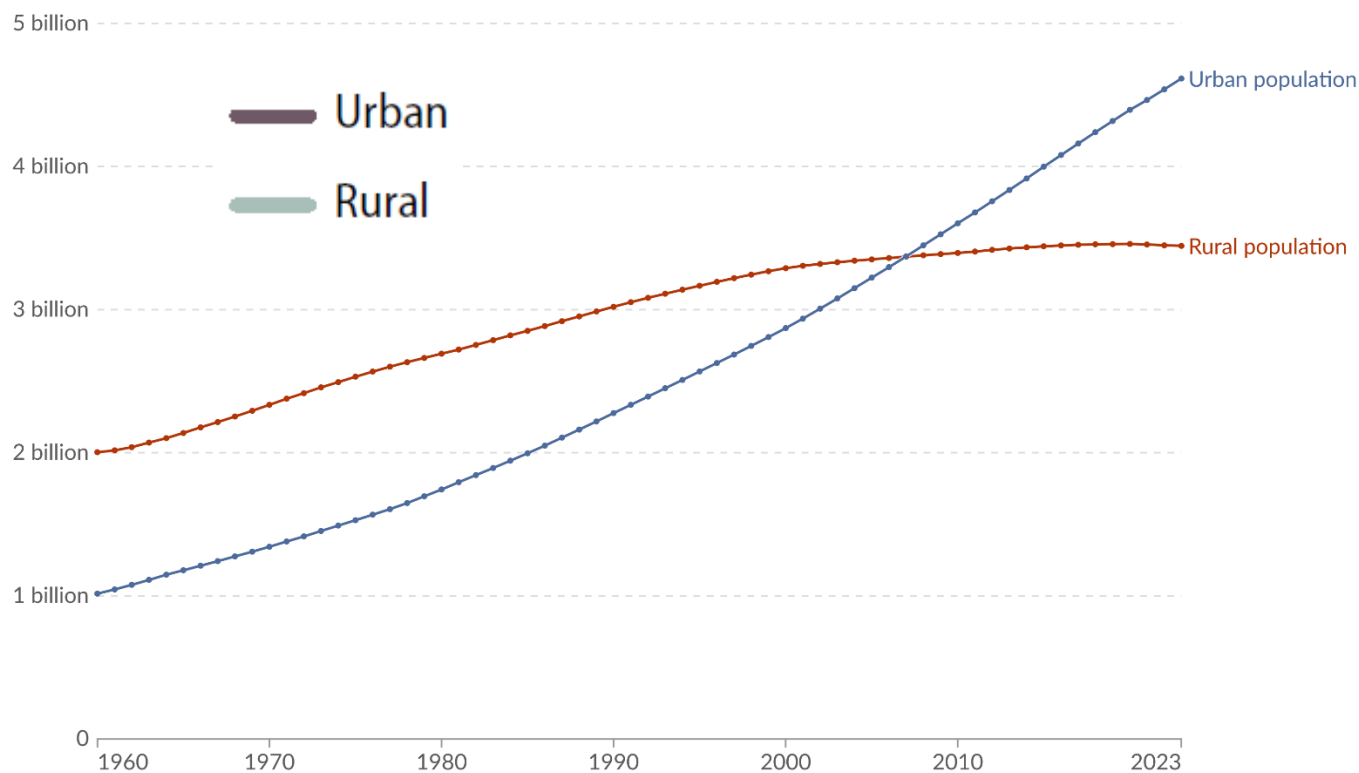


Photo: NASA Earth Observatory/NOAA NGDC, public domain

2. Ever more people want to live in cities

Number of people living in urban and rural areas, World

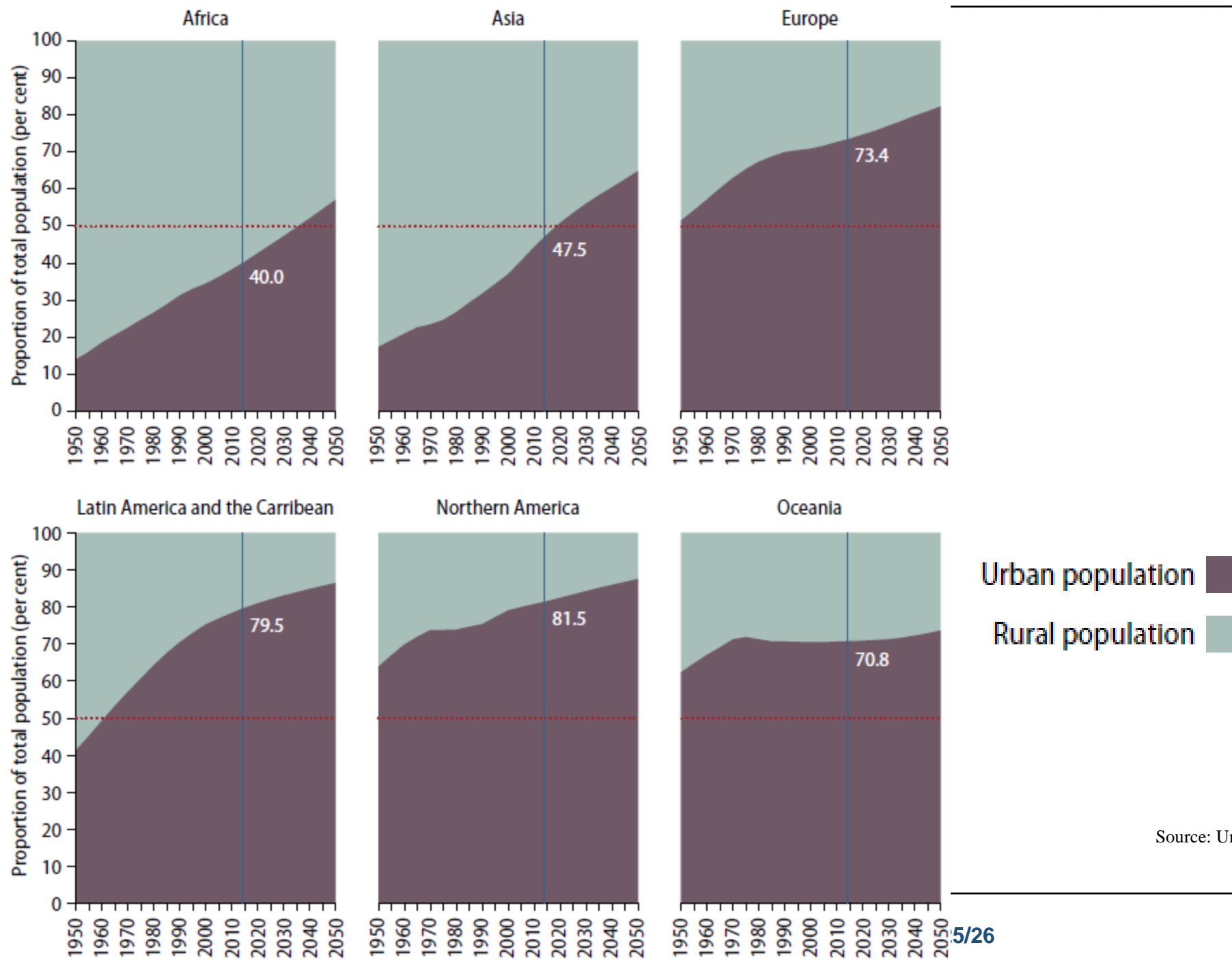
Our World
in Data

Data source: World Bank based on data from the UN Population Division (2025)

OurWorldinData.org/urbanization | CC BY

Note: Because the estimates of city and metropolitan areas are based on national definitions of what constitutes a city or metropolitan area, cross-country comparisons should be made with caution.

Source: United Nations (2014)



Source: United Nations (2014)

3. The earth is flat (transport costs have diminished)



Photo by V. Hüter public domain

1900: 7 km/h



Photo by Axel Péju CC BY 2.0

2000: 1000 km/h



Photo by Deror Avi, CC BY-SA 4.0

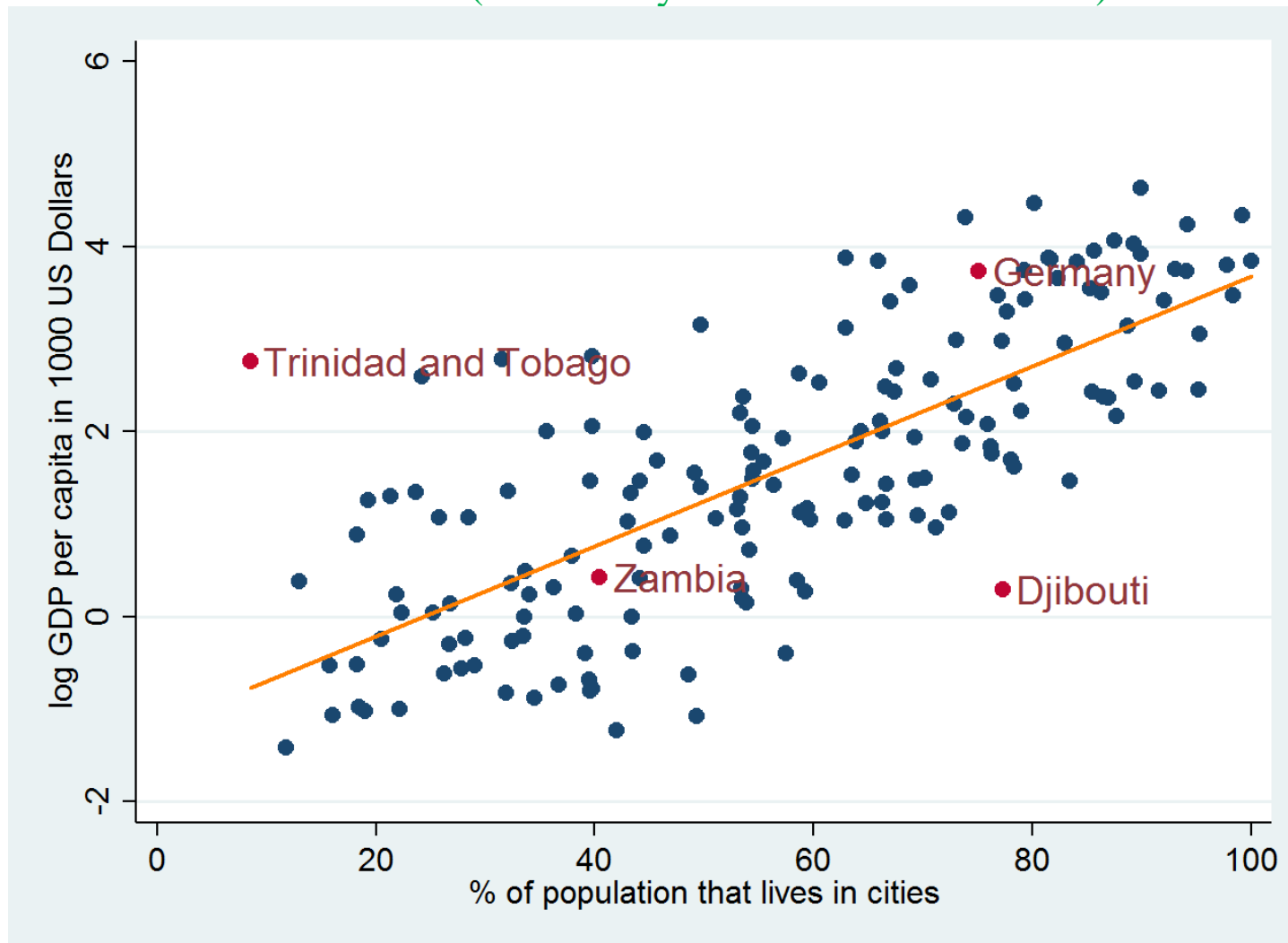
2021: ∞ km/h

Today, transport costs are extremely low

- No need to live together so closely
- Goods we consume come from all over the world

Paradox: How does this fit to the first two observations?

4. Cities make us richer (Case Study: GDP and Urbanization)

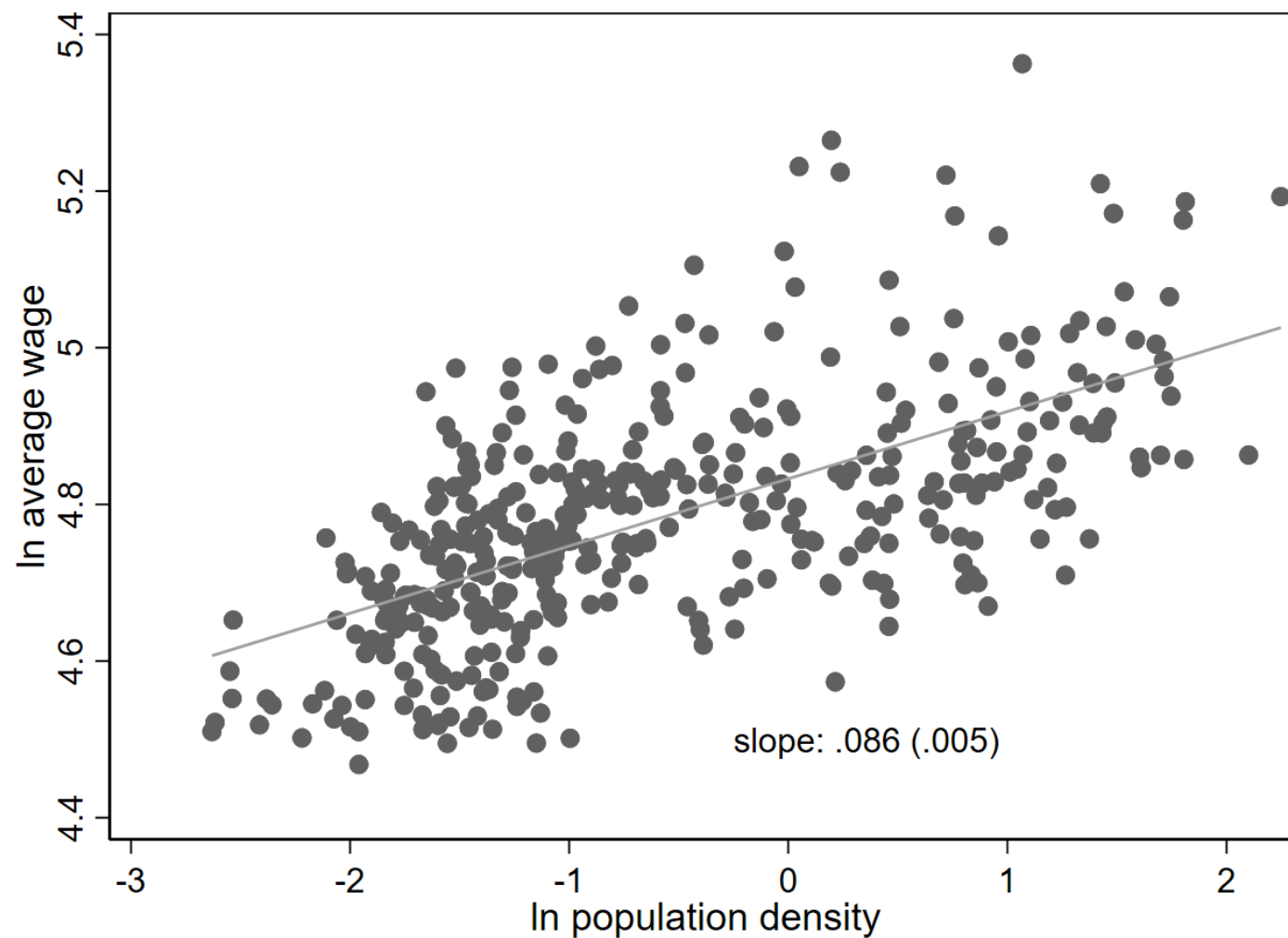


Slope of regression line:

0.049 (s.e.=0.003)

 $R^2=0.561$

Source: IMF (2015), United Nations (2014); own calculations



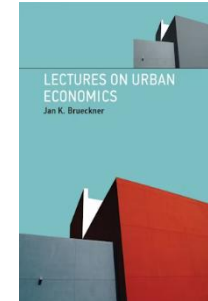
Source: IAB Establishment History Panel (BHP 7519 v2)

0.4 Structure of the Course, Materials, and Assessment

Date	10:00 – 12:00	12:00 – 14:00
14.10.2025	1. Introduction	
28.10.2025	2. Standard Urban Model I	2. Standard Urban Model II
11.11.2025	2. Standard Urban Model III	3. Modifications to the Urban Model
25.11.2025	4. Commuting	4. Urban Quality of Life
26.11.2026 – 14.01.2026	Processing time for homework assignments	
09.12.2025	(Non-mandatory) meeting to discuss progress of homework assignments	
20.01.2026	Presentations of homework assignments	
03.02.2026		
10.02.2026		

Materials:

The “lecture” part of the course follows the textbook **Brueckner, J.K. (2011): Lectures in Urban Economics**, MIT Press, London, Cambridge.



The “seminar” part of the course requires the book **Kahn, M.E. (2022): Going remote: How the flexible work economy can improve our lives and our cities**, University of California Press, Oakland.



Both books are available as E-book via the Uni-Library

Course Material

The lecture slides will be provided via VC:

<https://vc.uni-bamberg.de/course/view.php?id=78056>

Assessment

- Final grade:
 - Seminar thesis (35%)
 - Presentation and discussion (65%)
- Each participant will be assigned a chapter of the book “Going Remote” by Matthew Kahn
- Prepare a 10 page seminar thesis (7 weeks)
- Present and discuss your thesis in the seminar (last 3 meetings)
- The thesis and presentation should consider the following issues:
 - Why is the topic relevant?
 - Summary of the base text – what are the main insights?
 - Explanation of the relevant economic mechanisms (relating to contents of the “lecture” part of the course)
 - Critical discussion
 - Outlook on future development
 - Broader implications for society or policymakers
 - This should be written/presented in a way that a fellow EES student can understand it, even if she/he does not participate in this course!

0.5 Hints for the seminar thesis

- Merely summarizing the base literature will not get you anything better than a 3.0!
- General advice
 - Write the introduction last! It should provide an overview over your thesis.
 - Your thesis should provide a value added by synthesizing the literature on the respective topic and by providing further explanations and discussion.
 - An uninformed reader should not need to read the original literature in order to understand your thesis.
 - Your thesis should have a “red string” or leitmotif, i.e. a clear and logical structure

Writing style

Frankly: Many theses I have read over my career were written horribly. It was an agony reading them and I have pity for the poor souls that now have to read those people's writings.

You can do better!!!

- Each paragraph should focus on one issue.
- Ask yourself: “What point do I want the reader to take away from this paragraph?” Make sure that this point is comprehensible and explicit.
- Only include statements from the literature that you are sure you have understood yourself.
- Build each of your arguments the way you learned in high school:
 - Statement
 - Reasoning
 - Example or evidence (citation!)
 - Implication / synthesis
- Paragraphs must be logically connected. Before moving to a different topic, write a transition.

Principles of good scientific writing

- Put yourself in the shoes of your reader
 - Focus on your reader! Do not assume any knowledge from your reader
 - Write explicitly, avoid complex terminology
 - Follow a clear logic. Avoid redundancies
- Make your message clear to the reader
 - Do not get lost in detail
 - If you have little to say about something, then say little!
- Structure your paper for the reader
 - Good structure is crucial for a well-written paper!
 - Make clear headings/ sections/ topic sentences
 - Linearity: a to b, b to c, ...

Always keep in mind:

Writing a good thesis is work for the author, reading a bad thesis is work for the reader.

It should always be the author who has to do the work!

Working with literature

- The literature cited in the base text helps you to find further literature
- <https://scholar.google.com/> is your best friend!
- Mind the hierarchy of academic publications (in economics)
 1. Articles in refereed journals
 2. Books, book chapters
 3. Working papers
 4. Mimeographs / Grey literature
- Avoid non-academic sources:
 - Cite articles from newspapers (e.g., FAZ, SZ, NY Times, The Economist) only in your motivation
 - Avoid citing articles that target a non-scientific audience, e.g. IAB Kurzbericht, DIW Wochenbericht, ...
 - NEVER cite from Wikipedia and similar online sources!
- Accessing literature:
 - Published articles are often behind a paywall. Many journals are licensed by the library → use *VPN*
 - If you still can't access the published version of a paper, download the free working paper version
- Gauge whether it is worth to read an entire paper just by looking at intro, figures and tables

Try to avoid the most common mistakes:

- Merely summarizing the base text without providing any further explanation, interpretation, discussion, comparison to other results, synopsis etc.
- Not understanding the cited literature
- Not proving statements by arguments or citations
- Explaining relevant issues too cursorily
- Including paragraphs/sections that are completely irrelevant
- Bad style of writing (no transitions between sections, no logical connection between sections, long sections without any internal structure, incomprehensible structure and headlines, no connection between different statements, etc.)
- **Not reading the previous pages several times before and while writing your thesis**

Suggestion:

Ask your friend/sibling/spouse to have a look at your thesis and share her/his honest opinion.

Working with AI

Regard AI as a student assistant (They can be very helpful but make a lot of mistakes, are easily overwhelmed, and overestimate their abilities)

- You are responsible for the outcome!
- Good for quick overviews, spell checking, language improvement, translations...
- Helpful to produce or debug code
- Partition the work for AI in small sub-tasks

Consequences for the exam:

- For the term paper, it is ok to let AI assist you. It is not ok to let AI do your work
- When grading, I will pay particular attention to issues that require human expertise: such as interpretations, further explanations, critical discussions, the ability to distinguish relevant from non-relevant issues intuitive explanations of mechanisms, convincing reasoning
- Typical AI-mistakes such as including false or out-of-field references, irrelevant information, poor structure, plagiarism etc. will result in severe deductions or even letting you fail!

0.6 Presentation and Discussion

Presentation (15-20 min)

- In the seminar, you will present the content of your thesis to the other seminar participants
- The presentation should have the same structure as your thesis
- The audience should be informed about the main contents of your thesis without having to read it.
- If you think that there is an issue worthy of discussion, emphasize it in your presentation!
- Prepare presentation slides (10-15 pages are sufficient). No need to provide handouts!

General discussion

- For the remainder of the session, we all have the opportunity to discuss the issue in a broader sense
- For the first 10 minutes, I will ask most of the questions to ensure that the main message of the base text is delivered to the audience

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