

University of Colorado -- Boulder

¹ University policies regarding multiple final examinations on the same day are available at www.colorado.edu/policies/final_exam.html.

Tentative course schedule

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|-------------------------------------|---|
| 29, 31 August,
5, 7 September | I. Congestible public goods. <ul style="list-style-type: none">A. Introduction to club goodsB. Club good extensions with homogeneous populationsC. Pricing congestible facilitiesD. Mixed clubs and institutional formsE. Empirical treatments |
| 12, 14, 19, 21,
26, 28 September | II. Intra-jurisdictional externalities <ul style="list-style-type: none">A. Local spatial spillovers and externalitiesB. Agglomeration economiesC. Urban growthD. SprawlE. Investments in infrastructure |
| 3, 5, 10, 12, 17 October | III. Intergovernmental competition <ul style="list-style-type: none">A. The Tiebout mechanism<ul style="list-style-type: none">1. Tiebout incentives and equilibria2. Public and private provision3. Empirical Tiebout modelsB. CapitalizationC. Expenditures and services with citizen mobilityD. Taxation<ul style="list-style-type: none">1. Financing urban public services2. Property taxation3. Business incentives and enterprise zones |
| 19 October | Midterm examination |

Reading list

Section I: Congestible public goods.

O. Public goods

Mas-Colell, Andreu, Michael D. Whinston and Jerry R. Green (1995) Microeconomic Theory, Oxford University Press, pages 359-364.

Cornes, Richard and Todd Sandler (1996) The Theory of Externalities, Public Goods and Club Goods, Cambridge University Press, 143-197.

I. Congestible public goods.

A. Introduction to club goods

Cornes, Richard and Todd Sandler (1996) The Theory of Externalities, Public Goods and Club Goods, Cambridge University Press, 347-369.

Arnott, Richard and Marvin Kraus (1993) "The Ramsey Problem for congestible facilities" Journal of Public Economics, Vol. 50, 371-396.

B. Club good extensions with homogeneous populations

formation”, Journal of Public Economics, Vol. 87, 931-955.

E. Empirical treatments

Reiter, Michael (1999) “Public goods, club goods, and the measurement of crowding”, Journal of Urban Economics, Vol. 46, 69-79.

Craig, Steven G. and Eric J. Heikkila (1989) “Urban safety in Vancouver: Allocation and production of a congestible public good”, The Canadian Journal of Economics, Vol. 22, No. 4, November, 867-884.

Section II. Intra-jurisdictional externalities

A. Local spatial spillovers

McMillen, Daniel P. And John F. McDonald (2002) “Land values in a newly zoned city”, The Review of Economics and Statistics, February, Vol. 84, No. 1, 62-72.

Safirova, Elena (2002) “Telecommuting, traffic congestion, and agglomeration: A general equilibrium model”, Journal of Urban Economics, Vol. 53, July, 26-52.

B. Agglomeration economies

Pfluger, Michael (2004) “A simple, analytically solvable, Chamberlinian agglomeration model”, Regional Science and Urban Economics, Vol. 34, September, 565-573.

Rosenthal, Stuart S. and William C. Strange (2003) “Geography, industrial

Irwin, Elena G. and Nancy E. Bockstael (2004) "Land use externalities, open space preservation, and urban sprawl", Regional Science and Urban Economics, Vol. 34, November, 705-725.

E. Investments in Infrastructure

Kemmerling, Achim and Andreas Stephan (2002) "The contribution of local public infrastructure to private productivity and its political economy: Evidence from a panel of large German cities", Public Choice, Vol. 113, No. 3-4, December, 403-424.

Robinson, James A. and Ragnar Torvik (2005) "White elephants", Journal of Urban

Urquiola, Miguel (2005) “Does school choice lead to sorting? Evidence from Tiebout variation”, American Economic Review, Vol. 95, No. 4, September, 1310-1326.

B. Capitalization

Haughwout, Andrew, Robert Inman, Steven Craig and Thomas Luce (2004) “Local revenue hills: Evidence from four U.S. cities”, The Review of Economics and Statistics, Vol. 86, No. 2, May, 570-585.

Reback, Randall (2005) “House prices and the provision of local public services: capitalization under school choice programs”, Journal of Urban Economics, Vol. 57, March, 275-301.

C. Expenditures and services with citizen mobility

Alesina, Alberto, Reza Baqir and William Easterly (1999) “Public goods and ethnic divisions”, The Quarterly Journal of Economics, November, 1243-1284.

Grossman, Philip J., Panayiotis Mavros and Robert. W. Wassmer (1999) “Public sector technical inefficiency in large U.S. cities”, Journal of Urban Economics, Vol. 46, September, 278-299.

Heinesen, Eskil (2004) “Determinants of local public school expenditure: A dynamic panel data model” Regional Science and Urban Economics, Vol. 34, July, 429-453.

D. Taxation

1. Financing urban public services

Haughwout, Andrew F. And Robert P. Inman (2001) “Fiscal policies in open cities with firms and households”, Regional Science and Urban Economics, Vol. 31, April, 147-180.

Gill, Leroy H., Donald R. Haurin (2001) “The choice of tax base by local authorities: voter preferences, special interest groups, and tax base diversification”, Regional Science and Urban Economics, Vol. 31, November, 733-749.

2. Property taxation

Zodrow, George (2001) “The property tax as a capital tax: A room with three views”, National Tax Journal, Vol. 54, No. 1, March, 139-156.

3. Business incentives and enterprise zones

Greenstone, Michael and Enrico Moretti (2003) “Bidding for industrial plants: Does winning a ‘Million Dollar Plant’ increase welfare?”, NBER Working Paper 9844, Cambridge, MA.

Haupt, Alexander and Wolfgang Peters (2005) “Restricting preferential tax regimes to avoid harmful tax competition”, Regional Science and Urban Economics, Vol. 35, September, 493-507.

Section IV. Intergovernmental competition

A. Fiscal competition and tax exporting

Besley, Timothy and Anne Case (1995) “Incumbent behavior: Vote-seeking, tax setting, and yardstick competition”, The American Economic Review, Vol. 85, No. 1, March, 24-45.

Brueckner, Jan (2000) “A Tiebout/tax-competition model”, Journal of Public Economics, Vol. 77, August, 285-306.

Hoxby, Caroline M. (2000) “Does competition among public schools benefit students and taxpayers?”, The American Economic Review, Vol. 90, No. 5, December, 1209-1238.

Perroni, Carlo and Kimberley A. Scharf (2001) “Tiebout with politics: Capital tax competition and constitutional choices”, Review of Economic Studies, Vol. 68, January, 133-154,

B. Spillovers

Cohen, Jeffrey P. and Catherine J. Morrison Paul (2004) “Public infrastructure investment, interstate spatial spillovers, and manufacturing costs”, The Review of Economics and Statistics, Vol. 86, No. 2, May, 551-560.

Levinson, Arik (1999) “State taxes and interstate hazardous waste shipments”, The American Economic Review, Vol. 89, No. 3, June, 666-677.

C. Systems of local government, inequality and growth

Davis, Donald R. and David E. Weinstein (2002) “Bones, bombs, and break points: The geography of economic activity”, The American Economic Review, Vol. 92, No. 5, December, 1269-1289.

Duranton, Gilles and Diego Puga (2001) "Nursery cities: Urban diversity, process

outcomes”, The American Economic Review, Vol. 94, No. 1, March, 25-45.

Baqir, Reza (2002) “Districting and government overspending”, Journal of Political Economy, Vol. 110, No. 6, December, 1318-1354.

C. Institutional constraints

Poterba, James M. (1994) “State responses to fiscal crises: The effects of budgetary institutions and politics”, Journal of Political Economy, Vol. 102, No. 4, August, 799-821.

D. Participation

Matsusaka, John G. (1995) “Fiscal effects of the voter initiative: Evidence from the last 30 years”, Journal of Political Economy, Vol. 103, No. 3, June, 587-623.

Policies

Campus policy regarding disabilities requires that faculty adhere to the recommendations of Disability Services. In addition, campus policy regarding religious observances requires that faculty make every effort to reasonably and fairly accommodate all students who, because of

² University policies regarding disabilities are available at www.colorado.edu/disabilityservices. Disability Services can be contacted by telephone at 303-492-8671, or in person at Willard 322. Polices regarding religious practice are available at www.colorado.edu/policies/fac_relig.html.

³ University policies regarding classroom behavior are available at www.colorado.edu/policies/classbehavior.html and at www.colorado.edu/studentaffairs/judicialaffairs/code.html#student_code

to this institution's policy regarding academic integrity. Cheating, plagiarism, assistance to acts of academic dishonesty, fabrication, lying, bribery, and threatening behavior are examples of behaviors that violate this policy. All incidents of academic misconduct shall be reported to the Honor Code Council. Students who are found to be in violation of the academic integrity policy will be subject to both academic sanctions from the faculty member and non-academic sanctions, including but not limited to university probation, suspension, or expulsion.⁴

⁴ The Honor Code Council can be contacted by email at honor@colorado.edu or by telephone at 303-725-2273. Additional information regarding the University Honor Code is available at www.colorado.edu/policies/honor.html and at www.colorado.edu/academics/honorcode/