An Introduction to Geographical and Urban Economics A Spiky World

A comprehensive introduction to both urban and geographical economics: the two dominant approaches used to explain the distribution of economic activity across space. This fully revised and up-to-date third edition gives a full account of the ever-expanding body of knowledge and insights on urban and geographical economics, with an increased emphasis on analytical concepts and empirical methods, reflecting developments in the literature since the last edition. The authors provide both state-of-the-art theories and empirics, introducing new data, methods and models for this edition, including a whole chapter dedicated to measurement issues and empirical methods. Written in a style that is accessible to students who are new to the field, this textbook also includes more advanced concepts that will interest experienced researchers. Unrivalled in its scope and depth, this title is perfect for readers seeking to understand the uneven spatial distribution of economic activity between and within countries.

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An Introduction to Geographical and Urban Economics

A Spiky World

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Preface

The purpose of our book is to offer an introduction to urban and geographical economics, the two dominant approaches in mainstream economics to explain the distribution of economic activity across space. The fact that we offer an 'introduction' does not mean that we avoid models or shy away from more advanced or difficult concepts; it indicates that we have attempted to write a book that is both accessible to readers and students who are new to the field but also of interest to fellow researchers. This book builds upon the first and second editions of 2001 and 2009, respectively. At the same time, this book is rather different from its two predecessors. Apart from an ever expanding body of knowledge and insights on urban and geographical economics that needs to be covered, the present version of the book is also different because it puts much greater emphasis on analytical concepts and empirical methods, which reflects the developments in the literature since the time of writing the 2009 edition. In addition, the new book pays far more attention to urban economics to the extent that we have decided to incorporate 'urban economics' in the title of our book.

To help the reader in learning and understanding the basics of modern urban and geographical economics, each chapter offers a set of questions as well as technical notes and special interest boxes to guide the reader through the material. In addition, there is a website that goes along with the book where answers to the questions are given, additional material is discussed, and where a simulation of the core model of geographical economics can help the reader to enhance her understanding of the main mechanisms involved. The website also gives access to 'ready-made' versions of the long list of tables and figures that appear in the book.

The book is in four parts. Part I (Chapters 1–3) introduces the spiky world in which we live and deals with the basic empirical facts and methods that guide the subsequent analysis of the spiky or uneven allocation of human and economic activity across the globe, both between and within countries. Parts II and III are the core of the book. Part II (Chapters 4–6) deals with the main theories and empirics of urban economics and Part III (Chapters 7–9) does the same for geographical economics. Part IV of the book (Chapters 10 and 11) uses some of the main insights on urban and geographical economics in applying them to the topics of economic development and policy making. Of course we feel that the book is best read and studied as a whole from the front to the back cover by studying Chapters 1–11 sequentially. But for an actual course in which one would like to focus on the essentials of urban and geographical economics only, the reading menu could

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simply start with Chapter 1 and continue the course with Parts II and III. Similarly, a focus on either urban or geographical economics would base the essential reading on either Part II or Part III, in particular if the course material consists partly of a number of key book chapters and partly of state-of-the-art research papers (many of which are already briefly introduced in the book). On the other hand, a course that zooms in on the empirics and applications of urban and geographical economics could consist of Part I, Chapters 6 and 9 and Part IV.

The (changes in) composition and content of the book are in no small part the result of the fact that we ourselves have used the book in various (advanced) undergraduate and graduate courses in the last decade or so. The 2009 edition has been used for courses at the universities of Utrecht, Rotterdam (Erasmus), Groningen, Suzhou, and Cambridge. Our own teaching experiences and also the feedback we got from scores of students helped to shape the new book. We also benefited from the feedback we received from various fellow lecturers and researchers across the globe. We owe them our thanks. We are also grateful to our research colleagues with whom we worked on various papers and projects on urban and geographical economics, the results of which proved a real source of inspiration for the new book.

We also want to thank Cambridge University Press (CUP) and especially 'our' CUP editors, Phil Good and Charles Howell, for not only giving us the opportunity to produce a third and rather different version of the book, but also for encouragement and patience. Likewise, we are grateful to Malcolm Todd who went through the whole manuscript and spotted and corrected many mistakes and also improved the use of English. Any remaining errors are, of course, our own. Michiel Gerritse was a real help in commenting on the manuscript and Thomas van den Berg provided excellent research assistance and input for the accompanying website. It is now 20 years since we started to work on the first edition of the book. Much has changed but not the continued support of our families and friends. Writing a book like this eats up a lot of time, and is also a spiky experience in itself, sudden and uneven bursts of activity and dead-lines that have to be met during and also outside the regular academic calendar and working hours. In the end we very much enjoyed the experience of making the new book and we really hope the same goes for our readers.

Finally, we want to dedicate the book to the memory of Dirk Stelder (1953–2017), fellow traveller in urban and geographical economics. His work does not only show up clearly and in a very visible manner in Chapter 9, but as a lecturer Dirk was strongly involved over a large number of years in setting-up and teaching the first and second editions of our book to many cohorts of students of international economics and economic geography at the University of Groningen.

Steven Brakman, Harry Garretsen, Charles van Marrewijk Groningen and Utrecht