

# URBAN ECONOMICS

ARTHUR M. SULLIVAN

# **Urban Economics**

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# Preface

This book uses economic analysis to explain why cities exist, where they develop, how they grow, and how different activities are arranged within cities. It also explores the economics of urban problems such as poverty, inadequate housing, congestion, pollution, and crime.

The text is designed for use in undergraduate courses in urban economics and urban affairs. It could also be used in graduate courses in urban planning, public policy, and public administration. Most of the concepts used in the book are covered in the typical introductory microeconomics course. Students who have completed such a course will be able to understand the book, although it may be useful to have a principles text handy for an occasional review of key concepts. Students who have completed an intermediate-level course in microeconomics will be able to move through the text at a faster rate.

This book uses one concept that is omitted in some introductory courses in economics. Indifference-curve analysis is used in five chapters of this book: the chapter on poverty (Chapter 12), the two chapters on housing (Chapters 13 and 14), the chapter on local revenue sources (Chapter 16), and the chapter on education (Chapter 19). The instructor's manual that accompanies this text has a brief overview of indifference-curve analysis. It is written for students without any experience with indifference-curve analysis, but it could also serve as a refresher for students with some experience with the framework. The overview is produced in a format suitable for reproduction and distribution to students.

The book covers more topics than the typical urban economics text, giving instructors several options for a one-semester course in urban economics. A course that emphasizes inter-urban location analysis would cover all six chapters in Part 1 (Market Forces in the Development of Cities), while other courses might omit some of these chapters. The prime candidates for omission are Chapter 3 (Where Do Cities Develop?), Chapter 4 (The History of Western Urbanization), and Chapter 5 (How Many Cities?). A course emphasizing intra-urban location analysis would cover all five chapters in Part 2 (Land Rent and Urban Land Use Patterns), while other courses might omit Chapter 9 (General Equilibrium Land Use) or Chapter 11 (Land Use Controls and Zoning). A course emphasizing urban problems would cover all three chapters in Part 3 (Urban Problems and the Federal Response) and several of the chapters in Part 4 (Urban Problems and Local Government). The two chapters on local government (Chapters 14 and 15) could be omitted in a course emphasizing the traditional urban problems, but would be an integral

part of a course emphasizing urban public finance. The last two chapters deal with education and crime, two urban problems that receive less attention in other urban texts.

# Acknowledgments

I am greatly indebted to my two mentors in urban economics. As an undergraduate at the University of Oregon, I was taught by Ed Whitelaw, whose enthusiasm for urban economics is apparently contagious. He used a number of innovative teaching techniques that made economics understandable, relevant, and even fun. As a graduate student at Princeton University, I was taught by Edwin Mills, one of the founding fathers of urban economics. He refined my mathematical and analytical skills and also provided a steady stream of perceptive insights into urban phenomena. I hope that some of what I learned from these two outstanding teachers is reflected in this book.

I am also indebted to many people who read the book and suggested ways to improve the coverage and the exposition.

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