

## BERLIN Seminar in Public Economics

Dr. Daniel Sturm (LSE)

### ***„THE ECONOMICS OF DENSITY: EVIDENCE FROM THE BERLIN WALL“***

ABSTRACT: This paper develops a quantitative model of city structure to separate agglomeration forces, dispersion forces and fundamentals as determinants of location choices. The model remains tractable and amenable to empirical analysis because of stochastic shocks to worker productivity, which yield a gravity equation for commuting flows. To empirically disentangle alternative determinants of location choices, we use Berlin's division and reunification as a source of exogenous variation in the surrounding concentration of economic activity. Using disaggregated data on land prices, workplace employment and residence employment for thousands of city blocks for 1936, 1986 and 2006, we find that the model can account both qualitatively and quantitatively for the observed changes in city structure.

Montag, 19.11.2012  
17:15 Uhr - 18:45 Uhr

Veranstaltungsort:  
DIW Berlin, Mohrenstr. 58, 10117 Berlin, Schumpeter-Saal im 1. OG

*Im Anschluss an den Vortrag laden wir zu einem kleinen Umtrunk ein.*

Die Veranstaltung wird gesponsert von  
der Vereinigung der Freunde des DIW  
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