

intro

adam okulicz-kozaryn

`adam.okulicz.kozaryn@gmail.com`

this version: Monday 27th January, 2020 15:59

outline

general overview, my approach and policies

this class specifically

some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

data

- BARRO, R. (1991): "Economic growth in a cross section of countries," The Quarterly Journal of Economics, 106, 407–443.
- BLAKELY, E. AND N. LEIGH (2009): Planning local economic development: Theory and practice, Sage Publications, Inc.
- EZZATI, M., A. FRIEDMAN, S. KULKARNI, AND C. MURRAY (2008): "The reversal of fortunes: trends in county mortality and cross-county mortality disparities in the United States," PLoS Medicine, 5, e66.
- FLORIDA, R. (2008): Who's your city?, Basic Books.
- FREIDMAN, T. (2005): "The world is flat," New York: Farrar, Straus and Giroux.
- INGLEHART, R. (1997): Modernization and postmodernization: Cultural, economic, and political change in 43 societies, Princeton Univ Pr.
- JACOBS, J. ([1961] 1993): The death and life of great American cities, New York NY: Random House.
- KRISTOF, D. N. (2011): "America's 'primal scream'," New York Times, May 15th.
- LANDES, D. S. (1999): The wealth and poverty of nations: Why some are so rich and some so poor, WW Norton & Company.
- MANKIW, G. (2012): "The progressivity of taxes and transfers," Greg Mankiw's Blog.
- O'SULLIVAN, A. (2009): Urban economics, McGraw-Hill.

PUTNAM, R. D. (2001): Bowling Alone: The Collapse and Revival of American Community, New York, NY: Simon & Schuster.

STIGLITZ, J., A. SEN, AND J. FITOUSSI (2009): "Report by the Commission on the measurement of economic performance and social progress," Available at www.stiglitz-sen-fitoussi.fr.

WIRTH, L. (1938): "Urbanism as a Way of Life," American Journal of Sociology, 44, 1–24.

outline

general overview, my approach and policies

this class specifically

some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

data

about myself

- ◇ psy/soc/geo + “eco” [some of it +alt, anti?]
- ◇ happiness (well-being/quality of life)
- ◇ urban v rural; city v nature
- ◇ inequality, diversity, fractionalization
- ◇ preferences for redistribution
- ◇ cultural, religion, trust
- ◇ statistical programming (Stata, Python)

3 questions about yourself

- ◇ what do you research?
- ◇ what data are you using?
- ◇ what do you expect from this class?

publish or perish

- ◇ really the end goal is that you publish
- ◇ so the intermediate goal for this class
 - is that you write a publishable paper
 - extra credit!

approach

- ◇ applied, data-driven
- ◇ you are encouraged to collaborate (prep for class, ps, paper)
- ◇ free to choose data/topics as long as it is relevant to the class

recommended/extra/bonus

- ◇ only slides are required and tested/graded
 - but it will be easier to follow if you do additional readings
 - (and they are fun, too)
 - it's virtually impossible to get A without doing readings
- ◇ many materials listed on the syllabus are extra/bonus
- ◇ the idea is that we cover basics in the slides (test with ps, midterm)
- ◇ and you add recommended materials that are of interest to you
- ◇ of course, you are encouraged to get materials not listed on the syllabus

recommended/extra/bonus

- ◇ you will use those additional materials to expand on the basics covered in the class and enhance your paper
- ◇ I expect, especially PhD students, to read some of the recommended materials
- ◇ note that paper and its presentation is third of the grade and that's where the additional readings matter

grading/extra credit

- ◇ i will be rather strict about grade scale: you get the grade that your interval indicate (see grading table in the syllabus)
- ◇ but there is opportunity for extra credit...eg :
 - especially have an early presentation of a book
 - find typos/false statements in class materials
 - tell me about useful course materials: books, datasets, websites, etc...
- ◇ civic engagement: do sth for the community, eg NGO, library

outline

general overview, my approach and policies

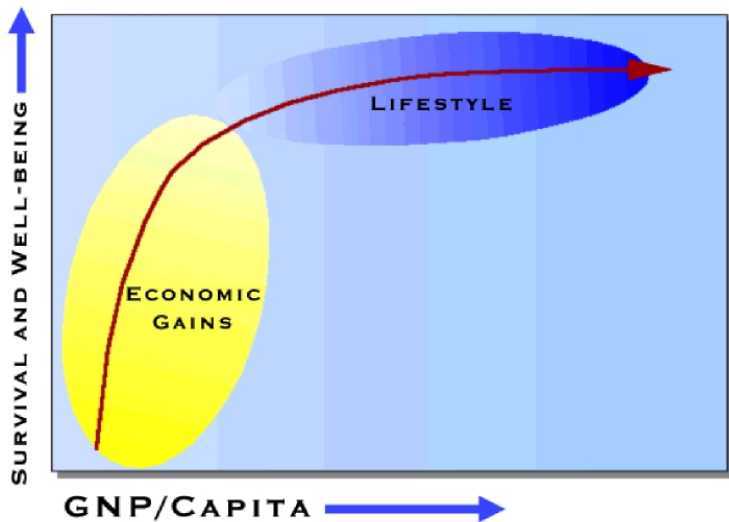
this class specifically

some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

data

Wellbeing and income

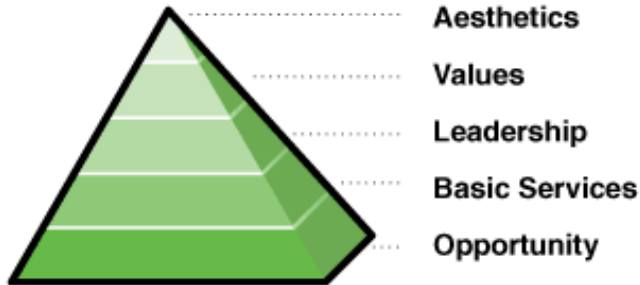
◇ Inglehart (1997)



◇

Place pyramid

◇ Florida (2008, p 294)



◇

Maslow's pyramid

◇ was meant for personal development but can adapt it for regional development

ABRAHAM MASLOW HIERARCHY OF NEEDS

Maslow, A. Motivation and
Personality (2nd ed.)
Harper & Row, 1970.



Maslow's pyramid

- ◇ economy first: you need \$\$\$ to get food, shelter, security
- ◇ then you will care about other stuff (eg pollution, inequality)
- ◇ don't start from the top
- ◇ yet, don't get stuck at the bottom...

before and after the midterm

- ◇ before: basics, data, theory, general, economic
- ◇ after: more specific topics and softer, other soc sci than economics
- ◇ more research oriented topics for the paper

levels

- ◇ we will look at some general theories
- ◇ those are often meant for countries , eg (Barro, 1991)
- ◇ but countries are comprised of localities
(still, keep in mind that not always the whole is a simple sum of parts)
the so called atomistic and ecological fallacies
idea is simple:
- ◇ Rutgers is a good university, hence you guys are good students
- ◇ you are good students, hence Rutgers is a good university...

ecological fallacy

- ◇ it happens when you make conclusions about individual units based on group data
- ◇ eg You are on vacation in Hawaii and you meet a person from Camden, NJ
 - and you think: “she must be a criminal”
 - that Camden has the highest crime rate in the U.S. does not mean that everybody in Camden is a criminal
- ◇ now say, you meet a person that graduated from Harvard
 - and you think “she must be a genius”
 - again, just because Harvard is ranked as a best university (U.S. News) does not mean that every Harvard graduate is a genius

atomistic fallacy

- ◇ an opposite of ecological fallacy
- ◇ making inferences about groups based on individual data
- ◇ eg you found that rising individual income reduces risk of coronary heart disease (eg people stress out that they are relatively poor, they are missing out...)
- ◇ but it does not mean that increasing incomes of states would decrease coronary disease rate for a state ...

general vs specific

- ◇ i will be rather focused on general themes rather than specific
 - less talk about legislation and programs, more about concepts, data, mechanisms, theories
 - in short, more research and hands-on application, less bureaucracy (eg laws that change all the time)
- eg “creative destruction” is such a general theme
- eg “pension plans in NJ” is a specific theme

development is interdisciplinary

- ◇ economics (traditionally), but not only !
(even economists start to recognize it) (Stiglitz et al., 2009)
- ◇ business (jobs are key ! for everything, including QOL)
- ◇ city and regional planning
- ◇ demography (eg aging population, migration, immigration)
- ◇ public policy
- ◇ political science (eg political parties, voting)
- ◇ sociology (eg race, discrimination, crime)

geography

- ◇ regional/local development is, as the adjectives indicate, geographical
(geographical=spatial)
- ◇ so there will be lots of talk about space, and spatial movement:
 - sub(urbanization)
 - clustering/spatial auto-correlation

research vs practice

- ◇ i am a researcher, not a practitioner
- ◇ researchers: academics, PhD students...
- ◇ practitioners: are government officers, MPA students
- ◇ there is a big difference between researchers and practitioners
 - yet, practice should be based on research
 - and research should result in improvements of the practice
- ◇ practitioners should read some research
- ◇ researchers should be familiar with the practice...

outline

general overview, my approach and policies

this class specifically

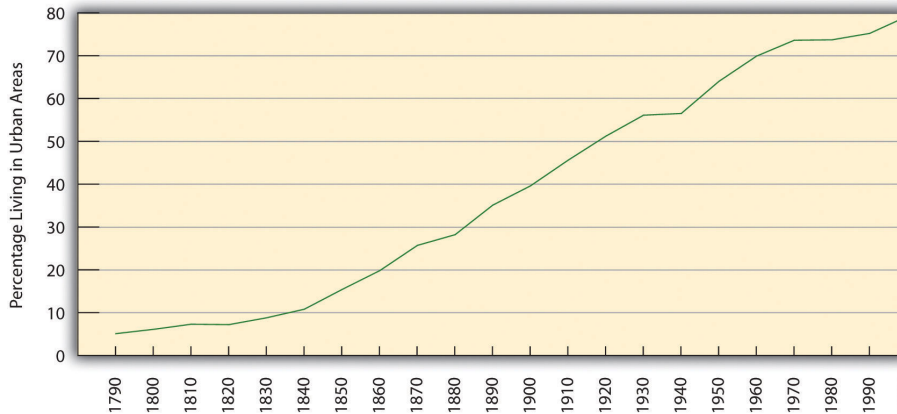
some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

data

place matters to everyone

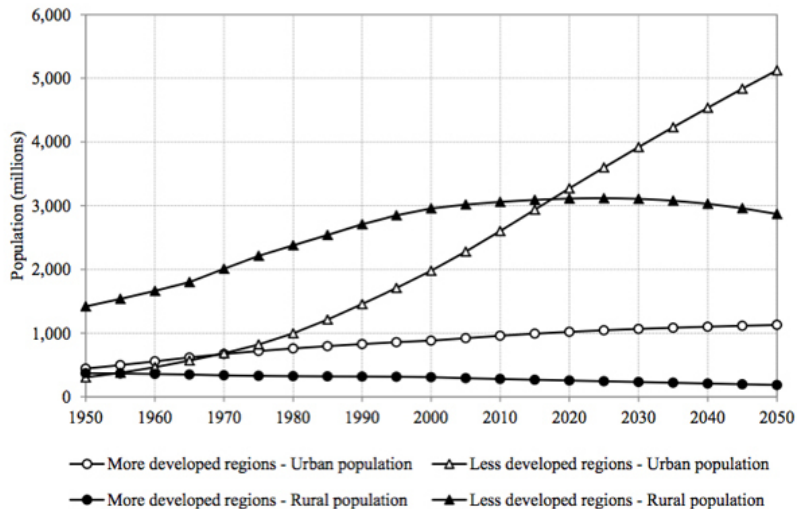
- ◇ we all live in some communities/neighborhoods that are nested in some regions
 - and where we live matters – it affects us
 - eg i have moved from Texas: I am walking, talking and driving faster now...
- ◇ and there are many interesting recent developments that change the way we live (eg facebook (e-social capital))

urbanization in the US



future of urbanization in the World

Figure I. Urban and rural populations by development group, 1950-2050



<http://www.theatlanticcities.com/neighborhoods/2012/04/>

some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

connectedness, segregation

- ◇ high population turnover in cities
- ◇ in v out-group, segregation
- ◇ people segregate themselves into neighborhoods of like minded individuals
- ◇ they listen to the media of their preference (eg Fox News vs CNBC)
 - and then they cannot communicate with people of another political preference
- ◇ the middle class is disappearing but also political middle is disappearing

alienation, lack of trust and social capital

- ◇ social capital is on decline (Putnam, 2001)
- ◇ are cities or suburbs or smaller areas (towns, rural) good for social interaction ?
 - cities in itself may produce alienation (Wirth, 1938) (pop turnover, fast pace, crime, impersonality)
 - yet suburbs may be even worse creating bonding and destroying bridging soc cap (Jacobs, [1961] 1993) (no places to hang out, people do not use streets, just shuttle between work and home and malls in their suv's)

the world is flat

- ◇ Freidman (2005) argues that it is
 - everybody can “plug in” from anywhere
 - eg Amazon Mechanical Turk
- ◇ even large scale manufacturing is not tied to a place anymore
 - the dependence on natural resources is often reduced
 - and it is substituted with mobile knowledge

the world is spiky

- ◇ Florida (2008) says it is not flat
 - place matters
 - eg IT innovators are better off in Silicon Valley than in rural Texas
- ◇ 3 T: Technology, Talent, Tolerance
- ◇ open, diverse, cool

creative class (Florida, 2008)

- ◇ economic growth is driven by creative class
 - artists
 - architects
 - engineers

growing income inequality

- ◇ The 400 wealthiest Americans have a greater combined net worth than the bottom 150 million Americans (Kristof, 2011).
- ◇ On the other hand, the middle quintile of Americans does not pay any effective tax – they receive about as much from the government as they pay in taxes, and the bottom quintile receives from the government even as much as 3\$ for every 1\$ they make (Mankiw, 2012).
- ◇ http://en.wikipedia.org/wiki/File:United_States_Income_Distribution_1947-2007.svg
- ◇ http://en.wikipedia.org/wiki/File:US_real_median_household_income_1967_-_2010.jpg

health inequality

- ◇ there is also lots of health inequality
- ◇ in the healthiest US counties you may expect to live 80 years
- ◇ in least healthy you may expect to live 60 years !
- ◇ 20 years of difference !
- ◇ and many of those unhealthy counties are not improving and even deteriorating (Ezzati et al., 2008)

creative destruction

- ◇ Capitalism/market economy can only survive through a process that destroys the old ways and creates a new ones (Blakely and Leigh, 2009, p6)
- ◇ and so the old places are destroyed and new ones are created
 - eg 50 years ago Detroit was a place to be with its buzzing economic activity...
 - now it is Silicon Valley...
 - in 20 years it may be Camden, NJ
- ◇ but destruction it is—see David Harvey!

ecology (Blakely and Leigh, 2009, p24)

- ◇ US has 4% of the world's population but produces over 23% of the CO_2
- ◇ <http://www.ipcc.ch/>
- ◇ eg see Krugman NYT, point of no return http://www.nytimes.com/2014/05/16/opinion/krugman-points-of-no-return.html?_r=0

public funds are low

- ◇ localities across country struggle with budget
 - unlike the federal government they cannot print money (quantitative easing)
- ◇ still, some spending is better now than later
 - for instance, it is cheaper to fix the roads now instead of later

notes...

- ◇ again, note that i cite and use url's a lot...
- you are not supposed to look at all of them
- but explore those that interest you

outline

general overview, my approach and policies

this class specifically

some of the things that we will talk about (Blakely and Leigh, 2009, ch1) (O'Sullivan, 2009, ch1)

data

data revolution!

- ◇ we have now data revolution
- ◇ we had industrial revolution...
people moved from farms to factories
- ◇ now people move towards data
- ◇ data data everywhere ! (The Economist report)
- ◇ yes, in 2012 you can measure everything !

<http://www.icpsr.umich.edu/icpsrweb/ICPSR/ssvd/index.jsp>

try something weird, eg "tomato soup"

few examples

- ◇ `http://www.stateoftheusa.org/blog.php`
- ◇ `http://www.stateoftheusa.org/content/health-measures-for-the-develo.php`
- ◇ `http://www.stateoftheusa.org/content/fbi-report-violent-crime-down.php`
- ◇ `http://www.stateoftheusa.org/content/economy-seen-as-prompting-cohabitation.php`
- ◇ `http://stateoftheusa.org/content/measuring-economic-well-being.php`
- ◇ `http:`
`//www.stateoftheusa.org/content/report-hispanics-outlive-other-american.php`

next week

- ◇ we will always end the class by having a quick look at the next class