
Urban Economics¹

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This book is dealing with the issue of Urbanization process and its economic aspects. Divided into several big thematic chapters, it is dealing with general issues of Urban Economic Life like characteristics of Urban Transportation, Urban (Neighborhood) Crime, growth control, involvement of Public Administration in Urban Planning, etc. The case-studies are various, from Ancient Phoenician and Greek city-states till the contemporary metropolises of the USA.

Keywords: Urbanization, Economics, Urban History, Urban Transportation, Economic Growth.

This present book of the professor of Economics at Lewis and Clark College in Portland, Oregon can be considered to be a real scientific bestseller, experiencing, since 1990, seven editions, each one of them being constantly improved to the previous one. Its subject is on Urban Economics, a discipline that lies at the intersection of urban geography and economics. Based on an exhaustive research, in which personal practical experience of the Author in the USA, but also in Asia (in the Far East) it represents the synthesis of a life-long work, with the ambition of covering as much aspects as possible, using a comprehensive methodology from different fields of Natural and Social Sciences, related to its various thematic. The book is a kind of Encyclopedic work, with the intention to present an abstract, but still practical Synthesis of contemporary Urban Economic realities, it is designed to be an Academic reading and some kind of working Manual in the same time, at the end of each chapter being, beside of Summary and Bibliographic Reference, a collection of logical and mathematical problems, whose solutions are in the methods described in the chapter in cause.

¹ Arthur O'Sullivan, *Urban Economics*, Seventh Edition. McGrawHill Publishers, 2009. p 446

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The book is structured into six great parts, which, on their turn, re composed by several chapters and subchapters. Chapter one, designed to be an introduction for the more specific issues treated later in the pages of this book, bears the title *Introduction and Axioms of Urban Economics*, contains practically the definitions of key concepts like Urban Economics, City, etc. , but also the five Axioms of the Author, each one of them being shortly commented by the Author, and which are interested enough to be reproduced word by word in this review too. These five Axioms of Arthur O'Sullivan's are the following statements:

1. Prices Adjust to Achieve Local Equilibrium
2. Self-Reinforcing Effects Generate Extreme Outcomes
3. Externalities Cause Inefficiency
4. Production is Subject to Economies of Scale
5. Competition Generates Zero Economic Profit

Only after this chapter can we meet the first great thematic Part, entitled *Market Forces in the Development of Cities*, which consists of chapters which are approaching to Economic Production of Cities first of all from an Economic-Managerial point of view, not lacking the methodology of other Social Sciences neither. For example, the subchapter *Trading Cities in Urban History* is offering a Historical look-over on role of trade in emerging of several cities, from ancient Phoenicia and Greece till contemporary metropolises of the USA. A comprehensive Economic Analysis is made to role of Firms of different types and sizes in a City economy ; another good analysis is that made to characteristics of Urbanization Economics through Urban growth in its classical, quantitative sense. Part II, *Land Rent and Land-Use Patterns*, is dealing with urban land-management, from the issue of Great Buildings, till the more Sociologic issue of Neighborhood Choice. Part III is centered around the issue of *Urban Transportation*: in a very curious manner, it dedicates more than half of its quantitative size to the issue of the Congestion Tax, Air Pollution and Vehicle Accidents receiving visibly less space. Part IV is dealing with *Urban Crime*, in a hybrid approach of Legal and Sociologic methodological approach, giving priority to the second one, illustrated also by lots of Statistics and their visual represen-

tation. Part V is probably the most interesting one if we consider to be more important to be made an Analysis on Micro-level, since it is about the issue of *Housing* and consists of chapters having as subject issues like Low-Income Housing Tax Credits, Effects of Growth Controls, the Development/Urban Renewal equation, the problem of Homelessness, Subsidies for Mortgage Interests, etc. The last part, *Local Government*, is dealing with the issue of implications and interferences of Politics and Public Administration with urban development, especially through two very specific revenues, the property tax and intergovernmental grants. The book is completed with Appendix, in which can be found the description of several methodological approaches used in this monumental work, under the collective title of *Tools of Microeconomics*, and Index of names, concepts and locations present through the work.
