

Solitary city^{*}

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Abstract

Urban economics has widely recognized the importance of urban nonmarket interactions to understand urban phenomena. Since urban interaction is time consuming, households face a trade-off between enjoying interaction at city centers and cultivating their ability by solitary practice and contemplation. We develop a monocentric city model with time allocation decision to investigate the influence of externality-generating activities on shaping the spatial structure of cities and to assess urban policies aiming at facilitating urban interaction. Two interdependent magnification forces are generated through urban interactions and human capital spillovers. Households are in too much isolation whenever we observe a positive correlation between agglomeration and productivity.

JEL classification: R0; R12; R2

Keywords: urban nonmarket interactions; monocentric city; time allocation; human capital

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