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Berkeley Planning Journal

Title

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Permalink

<https://escholarship.org/uc/item/2zz0q147>

Journal

Berkeley Planning Journal, 26(1)

Author

Editorial Board, BPJ

Publication Date

2013

DOI

10.5070/BP326118552

Supplemental Material

<https://escholarship.org/uc/item/2zz0q147#supplemental>

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A Round-Table Discussion with Ed Glaeser

Introduction

On April 25, 2013, the *Berkeley Planning Journal* invited Harvard Professor of Economics Ed Glaeser, along with UC Berkeley Professor Emeritus Martin Wachs, to participate in a round-table discussion with Department of City and Regional Planning PhD students. Moderated by Erick Guerra, the result was an hour-long discussion on cities and problems at the intersection of urban planning and urban economics. Professor Glaeser responded to questions on urban policy, affordable housing, development in developing countries, transportation, and what it takes to be a successful scholar.

The following text is a transcript of the discussion, edited to ensure that the recorded responses matched the speakers' intentions.

Major Discussants

Ed Glaeser is the Fred and Eleanor Glimp Professor of Economics at Harvard, where he also serves as Director of the Taubman Center for State and Local Government and the Rappaport Institute for Greater Boston. He studies the economics of cities, and has written scores of articles on urban issues, including the growth of cities, segregation, crime, and housing markets. He has been particularly interested in the role that geographic proximity can play in creating knowledge and innovation. He received his Ph.D. from the University of Chicago in 1992 and has been at Harvard since then.

Marty Wachs was a professor of civil and environmental engineering and professor of city and regional planning at the University of California, Berkeley, where he also served as director of the Institute of Transportation Studies. Prior to this, he spent 25 years at UCLA, where he served three terms as chairman of the Department of Urban Planning. He retired as senior principal researcher and director of the Transportation, Space and Technology Program at the RAND Corporation.

Moderator

Erick Guerra is a recent graduate of the PhD program in the Department of City and Regional Planning at UC Berkeley. His research focuses on the intersection of transportation, land use, and urban development. Prior to joining Berkeley's doctoral program, he worked as an international development researcher and consultant. He holds a Master's Degree in

Urban Planning from Harvard Graduate School of Design and a BA in Fine Arts and French from the University of Pennsylvania.

Participants

Jesus Barajas, Ariel Bierbaum, Andrea Broaddus, Ian Carlton, Yizhen Gu, Aksel Olsen, Manish Shirkogar, Nicola Szibbo, Jake Wegmann

Discussion

Jake Wegmann: *In Triumph of the City and some of your other work, you have discussed how politics influence the economy of the city. In this country, people on the right often seem to distrust people who live in cities and people on the left seem wary of people who build things in cities. This has produced a strange urban policy paralysis, which I don't think other countries share. Do you see any glimmerings of hope that this deadlock could be broken sometime soon?*

Ed Glaeser: Thank you for inviting me here to do this, I am really quite honored and delighted to talk to you about cities. I spend my life talking to graduate students, although they are mostly economics graduate students, so it is a treat for me to learn from you as well. Politics and cities in the US are a funny thing. There was certainly a time in which the political parties were much more divided between cities. They have not been for many years. It is true that New York has spent 40 of the last 80 years with a mayor originally elected as a Republican. Although more typically cities are of the province of one party, which is always an unhealthy place to be. Ideally, you always want to be in the middle and fiercely competed over by people of both sides. We should talk at more length at why we think the political equilibrium worked out in the way it did. I think it is unlikely to change, though, in terms of the Republican Party becoming a substantially more urban party any time soon. It is odd, obviously, for a party that certainly has an affection for America's high earners—a lot of those high earners are in cities—and our cities are economic dynamos at the heart of our country. And yet, in the recent 2012 Republican national platform, President Obama was derided for his pro-high density, pro-urban agenda, which quite honestly I had missed quite entirely in that agenda. But, I have trouble imagining that that element will change.

I think what is interesting about America is that we have some residual fear or dislike of cities that is forged into our Jeffersonian souls—oddly, so much so that people who are enmeshed in dense metropolitan regions, which are by any reasonable definition the heart of the city, see themselves as being yeomen farmers. And you don't need to go far outside of here, outside of the hills outside of Berkeley, completely metropolitan and really properly urban by any proper definition—other than the fact that

they drive a bit and have a little bit of grass—but do not see themselves as having anything to do with the problems of the metropolitan region. I think that is a very hard thing to break. Obviously, it was one of the reasons why I wrote my book, to make a case that cities are at the heart of America, and are incredibly important. The American Dream lies easily behind high rises and a white picket fence. I can't say I am hopeful for that.

The other side is the distrust against people who build things in cities, which is also a good point. I think there is a group who is convinced that anyone who does anything for profit is lost. There is some section of the left who believes that. And that section is lost, in many ways. There is some section of the left that is more reasonable about it. I believe they can understand that we don't solve the housing affordability problem without building, and that we don't solve the building problem without free-market development. A case I often like to make is that people in Massachusetts obsess about affordable housing, and we care about it deeply, deeply. And we do an awful, awful job at delivering it versus people in Texas. I have never heard one worry about affordable housing as any particularly big worry in Texas. But they do a heck of a good job providing affordable housing for ordinary Americans. They do it not because they have large-scale government projects, but because they unleash private developers to do it. And that is really the best solution that we know of for long-run affordable housing—actual large-scale production of relatively low-cost homes. Not completely without regulation obviously, but it is far better than the Boston solution.



Figure 1: Ed Glaeser (fourth from left, red tie) and Marty Wachs (center, leaning) at a roundtable with UC Berkeley PhD students on April 25, 2013 in Wurster Hall.

I'll speak in terms of my own hometown. My hometown recently celebrated the production of an affordable housing unit. One unit. It was celebrated on the front cover of the paper with the State Representative and the State Senator both there taking the full credit for how government had gone out and helped the people. This is not a solution to any affordable housing problem. It needs for those people to care about those issues. It needs a healthy free-market private sector.

Aksel Olsen: *Speaking of affordability, you have written about how housing prices are much higher in areas with high levels of regulation, i.e. a "zoning tax." But it seems to me that many of those areas are also characterized by a high level of amenities that would themselves increase demand. And using mean January temperature as a measure of amenities is quite general and certainly wouldn't explain within-area variations between San Francisco and San José. How do you untangle the effects of zoning regulations and amenities on housing prices?*

Ed Glaeser: The key here is that prices always and everywhere reflect the intersection of supply and demand. By talking about amenities and zoning, we are talking about a demand-side factor and a supply-side factor. Clearly, both of them are simultaneously going on. You cannot have high housing prices in an area without demand. That is obviously a huge part of the San Francisco area; that is why those prices can exist in equilibrium. The zoning tax asks purely from a supply-side perspective and says, "What would these prices be if I let loose the cranes? "What would they be if I let people build to a much larger degree?" I believe that you can, in fact, estimate that at least in some areas because we know something about the technology of building, and we have some idea of what price of land would be a world in which land is relatively freely traded. This is most obvious in the case of Manhattan, where certainly, the high price of a Manhattan apartment reflects the fact that it is desirable to be in Manhattan, unquestionably. But I can also tell you how much more expensive the housing units are than it would be if I allowed people to build up. Because I know what the cost is of building up. I know it costs \$350 to \$400 a square foot to actually add an extra story. If the price of a unit is \$1000 a square foot, that is something like a zoning tax. You can do it by focusing on what is supply and what is demand and get an answer that is relatively sensible.

Andrea Broaddus: *I thought your comparison of housing production in Texas and Boston was interesting and raised a question for me about externalities; that is, what is and is not reflected in the price of housing. For instance, labor regulations are a lot looser in Texas than they are in Boston, and perhaps the low cost of housing is being taken out of the wages of the workers. Similarly, there may be environmental regulations that aren't reflected in the price of that cheap housing. So maybe they are creating other problems in Texas while seeming to solve one—by not capturing the full cost of housing production in the low prices?*

Ed Glaeser: I agree with the latter point on the environment. I don't really agree with the former point of labor costs. As a factual note, we actually know that these costs differ far more than the physical costs of delivering a house. We actually know what the physical costs of delivering a house are. You are absolutely right that Massachusetts is more expensive, but that is a relatively small share of it. That is assuming we are talking about projects of a comparable scale, i.e. mass-produced housing. One of the ways of understanding how housing is so expensive, whether it is in Berkeley or Massachusetts, is that so many of our housing units are produced bespoke rather en masse, which is a very different cost proposition in terms of putting units down.

“You want to make it easiest to build where it is good for the environment, and hardest where it is worse for the environment.”

The other thing, though, the issue with labor costs is much less obvious from an economist's point of view. The first-order thing is that demand for new construction in the area is increasing demand for low-wage workers, so that is typically thought of as being good for the low-wage workers. So Texas is actually is being good to its construction workers, as well as to its consumers. That is the first-order economist's notion. Now, you are right there are some labor market regulations, some of which may be seen as beneficial to Massachusetts workers, but that point is obviously also debatable. Because as a result you have far less labor demand, you end up having far less employment in the industry, and far fewer people are being helped. So that is a debatable point, and I don't think Massachusetts does a great job of taking care of our less-skilled workers either. The growth in the number of them is relatively modest—that again mainly reflects the housing supply.

The environmental question is certainly right. There the question is what you think of the environmental costs of building in Houston. I would much rather that mass-produced housing be built in the San Francisco Bay Area, where the environmental consequences of that building are much less negative than they would be outside of Houston. That is actually right. Houston is worse in terms of carbon emissions than Massachusetts is. What that actually tells you, from my perspective, is that it should be harder to build in Houston and it should be a lot easier to build in Massachusetts. There is a differential that you want to pick up. You want to make it easiest to build where it is good for the environment, and hardest where it is worse for the environment.

Andrea Broaddus: *That is a great answer. However, I was thinking specifically of the injury and fatality rates among workers. They are highest in the construction industry in Texas than anywhere else in the US¹. That may not show up in the labor market statistics.*

Ed Glaeser: Fair enough. I was thinking of some of our other labor regulations, which are harder to defend than that. I am not averse to that. We know that the overall difference in fiscal cost is not that big—the workers' compensation share has to be very small. Thank you for giving me the opportunity to clarify that I am fully in favor of safety regulations for construction projects!

Erick Guerra: *I want to ask one more question related to Triumph of the City. If tomorrow all the zoning were removed in Boston, if it were declared illegal in the metro region, would you expect development to go downtown, or to places like Somerville, or places like Dover looking more like Somerville and lower-density suburban areas becoming higher density suburban areas?*

Ed Glaeser: I think we can look at price a lot to see that. The projections of where you would see new development are presumably where there is demand. Current prices tell you where you would see demand. For sure they would be the expensive inner ring suburbs—the Welleseys, Newtons, Westons, Lincolns—there would be a lot of building. Probably car-oriented stuff, but yet a much higher density level. There would also be a great deal of building in the urban core. There would be a great deal of high-rise building on the waterfront, or the space that surrounds Back Bay, because those areas are also in high demand. I don't think we need to look into a crystal ball and come up with something. We just need to look at the areas where the prices are a lot higher than construction costs, and those would be the good bets in where the developers will go in to get those profits. When I thought you mentioned regulation, I was thinking of those off-duty police who by law must monitor every highway project in Massachusetts. I don't know any other states that do that, or have justification for that.

Manish Shirkogar: *Your work is often used to support arguments for allowing higher building densities in cities, including those in emerging economies such as India. How do you respond to the contention that there is insufficient infrastructure and institutional capacity to support such increased density? What would you say to those on the ground in India and other emerging economies who experience the negative impacts of insufficient physical and social infrastructure every day and are wary of more density?*

Ed Glaeser: I think that many of these problems of taxing infrastructure are exacerbated, rather than lessened, by floor area ratio requirements of

1. Wade Goodwin, "Construction Booming in Texas, But Many Workers Paying Dearly," NPR, April 10, 2013, <http://www.npr.org/2013/04/10/17667299/>.

1.25 in central Mumbai. The fact that Mumbai has made it very difficult to build significant amounts of legal housing at reasonable densities is not something that makes things easier on the roads coming into the city, it is something that makes things harder on the roads coming into the city. Those floor area requirements were put in a very different era when it was imagined that the growth of Mumbai could be stopped. The problems of the city could be solved because it would be kept low in population by restricting it. None of that came to happen. All of these burdens on Indian infrastructure occurred not because we built up, but precisely because we didn't allow any building up. It also has the feeling of accepting the status quo in some way. I couldn't agree more that India needs reform in a big way—it needs institutional reform, it needs better infrastructure. This is one of the great challenges of the 21st century, to make the developing world's megacities livable. I can't think of a better challenge for our lives ahead of us to try and work on this. It cannot be that these cities remain flat and dysfunctional. These places are the pathways out of poverty into prosperity, and they need to provide usable space for people to live in them. Yes, it is true, there are demons that come from density. Yes, it is true that anytime you have cities you need decent regulations, you need decent water service, you need decent roads. All this can be done. Indians are as smart as any other people in the world, they have thousands of years of tremendous history. To keep density low seems like you are accepting an intolerable situation.

Marty Wachs: Why is there an assumption that the cost of infrastructure is directly related to density? If anything it is inversely related to density. That is one of the arguments made for the containment of sprawl and the reconcentration of development at the center of cities. If the nation has a budget for expenditures on infrastructure, it makes sense that a major share of that budget would be spent in higher density situations.

Erick Guerra: I think the contention is that there will be no other investment. Mumbai may be something of a special case in that so much of the tax revenue leaves Mumbai.

Marty Wachs: But that is a somewhat separate issue than density itself, and in fact it is admitting defeat. That is, we should not say simply “we won't densify because we can't.”

Ed Glaeser: Absolutely. There is no reason why, if we think that developments are imposing social costs on the people around, we can't put in a charge for that. After all, it is the life of the Godfather, we are not Communists, it is possible to come up with the right externality tax for this. I think that in the long run, density is a more efficient way of delivering infrastructure. The somewhat misleading thing often in a

developing context is that cities are compared with rural poverty. There is no infrastructure in rural poverty, so there are no infrastructure costs. But that is not an acceptable solution—rural poverty, there is no future in that. If your comparison is American-style suburbs, versus something that is more dense in central India, then both the infrastructure is likely to be lower cost in more dense areas and the environmental consequences are likely to be less severe if India builds up.

Erick Guerra: *You and your coauthors have argued that the availability of public transportation and other public services helps explain why poorer households disproportionately locate in American cities. You have also discussed “consumer” cities: high-amenity cities that attract high-wage workers for reasons of consumption rather than production. As consumer cities attract more high-wage workers, what are the implications for public transportation and the poorer residents who rely on it and other urban public services? With high demand from the wealthy and the poor for limited urban space, could you discuss your views on the role of urban public policy in the American city of the 21st century?*

Ed Glaeser: This is a great question. Actually, your understanding of consumer cities is different than mine. I admit I originally meant this phrase to be about cities that succeed because they are places of consumption of fun, of pleasure, rather than places of productivity. I didn’t think of it as being oriented towards the rich or the poor. I know we think of places like Paris with rich guys at play. Take Santa Monica or Venice Beach in the 1970s, an area outside of LA that wasn’t rich as it is now, and you get an image of these guys hanging out on the beach. These places are also consumer cities—they are not particularly oriented toward just rich or poor. Now that being said, the tension that you talk about it is very much a real one. There is constantly going to be some conflict over urban space. If the demand for the wealthy people to live in an area is high there is some pressure put on poor renters who may tend to pay more as a result. I tend to think again the right solution for this is to allow enough building to satisfy the demand of the rich, which will ease the pressure to gentrify poor areas—that is the most natural solution for that. But those conflicts will happen.

“[Cities] have failed particularly above all in providing decent public education for middle-income Americans.”

I think more generally about cities, particularly the eastern cities I know well—I tend to think they have done a pretty good job for the rich and the very rich, and often done a reasonable job for the poor, because they provide things that suburban areas don’t have. The inequality of cities

reflects the fact that they are delivering stuff to those two constituencies. Where they really have failed is in the middle classes. They have failed particularly above all in providing decent public education for middle-income Americans. That is what I think of the failure of the cities—that is what I worry about most of all in terms of that group. Obviously, we should worry about the most vulnerable members of society whether they live in cities or outside of them.

Ariel Bierbaum: *As a follow-up to that, you talk about more building, but beyond the volume of building, can you talk about the quality and location of building? Specifically, how do you propose addressing the variable quality of housing and issues of segregation by race and class across a city?*

Ed Glaeser: Our segregation of uses is awfully out of date. There was a point in time when the segregation of noxious factories made a lot of sense. So little of that goes on now in most of our cities that having zoning codes that micromanage the activities that can be performed on a space seems like a very bizarre holdover from a different era. In most of the East Coast and California cities that I know about, I am pretty much in favor of anything that relaxes zoning from where we currently are. I don't think the optimum is complete deregulation either. This is a famous comment of the economist Marty Feldstein, in the 1970s, that in many cases we don't actually need to know what the perfect arrangement is. We don't actually need to know what the direction we should go from here. I have also proposed this—the more that we can move from hard barriers to clear fee-based schedules, for again anything that involves externalities, the better off we are.

In terms of architecture or what the city looks like and what the city feels like, I am the son of an architectural historian; I believe in this stuff. But I am dubious in the ability of most government officials to choose architecture well. I think some intervention is all right but I would be wary about this. Finally, in terms of classes and inclusionary zoning, my economist's hat wants there to be fewer restrictions, and inclusionary zoning is a form of restriction. That being said, politically, it is much easier to make the case for a new project if 30% of the houses are affordable rentals than if they are not. The politics of it may favor it, even if your only objective to increase of the size of the stock. The economist's notion is that we just want to count up units and build up more units. Even though I am imposing a cost on the developer by making them build more affordable units on top, it may well be that I can make that project get through a political process where I could never get a pure market-rate project through a political process. I can't answer that. That is a project-by-project question, a city-by-city question. People have made that argument to me who are in power and I can't gainsay them. It seems like a plausible argument.

Aksel Olsen: *The economic concept of housing filtering—build market rate and let older units become available as cheaper units—as a model for providing affordable housing has failed miserably in San Francisco. In this case would you advise more inclusionary housing or should we do more filtering as a fix and less regulation?*

Ed Glaeser: San Francisco should add more buildings. I absolutely believe that. I will not look askance if that gets through with the lens of inclusionary zoning. I will not be upset by that. An ostensible housing market policy, though, is unlikely to produce huge amounts of cheap housing in San Francisco. As you mentioned, the combination of amenities of economic productivity is always going to make that hard. Which means that if you have as a strong public policy objective, you have integration there, then you need to do it with some combination of housing vouchers and/or some other supply side intervention. I am not endorsing that or going against it. That has to be an objective that is apart from economics. I think if your objective is to help large numbers of poor people in America, that is a relatively expensive way to do it—to actually provide affordable housing in San Francisco, which people are willing to pay a fortune for, rather than trying to do something in a lower-cost area at a larger scale. I would urge you to focus on the large numbers game, rather than fighting poverty at a local level. There are some affordable housing units in the Mandarin Oriental in Boston. I would guess that we could do more good for poverty by selling off those units for a couple million dollars a pop and using the money on some pre-K intervention on a larger scale. However, if you believe strongly that you want integration by income in the Mandarin Oriental, there is no other way to it than that.

Aksel Olsen: *We have a planning commissioner in San Francisco that at one point said, “Well why are we building affordable housing in San Francisco? It is way cheaper and we can get much more if we do it across the Bay in Oakland.” He was sort of laughed out of San Francisco because it was an unpopular stance. But he has a point considering constrained financial resources. What do you think?*

“The massing of poor housing in one place where it is cheap has the danger of creating terrible ghetto-like structures that can also be awful. All of these things are things to be feared.”

Ed Glaeser: In general, you do have to worry about massing public housing in particular areas. Usually economists like giving poor people cash, and they can do what they want with it. But if you move to a specific housing thing, then economists like vouchers because they can make choices that

fit their needs. Once you get to trying to micromanage where exactly poor people live, it is easy to screw that one up easily. Either the unit in the Oriental or a unit in the heart of San Francisco, has the extremely high expense relative to what you are achieving. The massing of poor housing in one place where it is cheap has the danger of creating terrible ghetto-like structures that can also be awful. All of these things are things to be feared.

Erick Guerra: So do you know who got the units in the Mandarin?

Ed Glaeser: No I don't, but I know a lot of my graduate students were entering the lottery!

Ian Carlton: *You were saying you would accept spot inclusionary zoning to allow more development. If you think of inclusionary zoning as a tax on development, are we not dampening the supply there and dampening the supply in the entire region?*

Ed Glaeser: I know of no other way to think about inclusionary zoning. All of the above I completely agree with. But the case has been made to me, that if I tried to get through the project without having any inclusionary zoning, I would get nothing out of the political process. Whereas as if I do this as a tax, but I can sell this to voters, to political stakeholders in a way that we can't sell it otherwise. Your economic analysis is dead-on. The status quo is not a free housing market, the status quo is often nothing.

Ian Carlton: *When you are talking about spot inclusionary zoning, are you thinking on a project-by-project basis? Because often in the Bay Area people will apply it to a 10-block area.*

Ed Glaeser: This is a matter of details I don't feel very strongly about it. If you can get the project or deal through, you get the project through. It is all about what makes the politics work.

Ian Carlton: *What is the most provocative thing you have said? It may not be something that stirred controversy. It may be something that didn't get picked up.*

Ed Glaeser: That is a great question. If I think about the things that I have gotten hate mail for in my life, I have gotten a lot of hate mail from Katrina, when I argued for giving people cash instead of rebuilding the low-lying areas of the city. As it turns out we did neither. But I certainly got a lot of hate mail for that and not understanding the New Orleans problem, whereas I thought I understood it all too well. I have gotten a lot of hate mail from Buffalo. I wrote an article once about not subsidizing new mass construction projects in the cities of upstate New York. I actually went to Buffalo, because I felt like since I wrote this piece I should be willing to stand behind my work. My wife was a little worried because there were some threats about my tires being slashed rather than anything personal.

And of course, one of the things that disturbs me is disability rolls in this country—it is unrelated to urban matters. Disability numbers have climbed dramatically. I think there are many things that are deeply problematic about the system—that the current system is not working. Anything along those lines gets a lot of hate mail, for the suggestion that the current system doesn't work. And historic preservationist people hate me, since I have questions toward preservation as well. Somehow whether it is Buffalo or New Orleans, I feel bad about those places as I'm rooting for those people, I'm rooting for those cities and really actually want the cities to do well. You know, the hyper-elite, historic preservationist groups are hard to feel sympathetic for.

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controversial.... By and large the larger crime is
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What do I deserve the most criticism for? Probably for saying things that have not been controversial. There are areas in which I have been too politically correct when I should have been more critical and outspoken on issues. I have been a columnist for the Bloomberg Review for the past two years, I think that I have not slanted things I have said about the Bloomberg administration. I have always been completely upfront about that. Readers know that I am on the payroll and are free to make up their own mind. It is surely true that it has also felt appropriate for me to not be too critical of the Bloomberg administration. I am not sure, because I haven't gone looking for muckraking things, I am not sure that I have, and I don't feel morally problematic about it, but probably something I am deserving more criticism for. By and large the larger crime is not that you would say something that might be wrong, but it is that you don't say something where a debate should be opened up. Part of the job of being the Director of the Rappaport Institute for Greater Boston is that I not create a fight between Harvard and the Mayor's administration. I have resolutely not done that in eight-and-a-half years despite chairing the Citizen's Committee for the Future of Boston. One could certainly argue that I was not sufficiently hard hitting on this issue in many ways. It is not that I should be more controversial—it is the public stuff that I have done that deserves more criticism. And the standard errors in my 1992 “Growth in Cities” paper are all screwed up. We all were screwing them up in those

days, we just didn't know any better. It is because of clustering standard errors, we didn't know how to do them in 1992.

Yizhen Gu: *You have done a lot of research on the agglomeration economy, including how to measure it and how to empirically identify its sources. The main focus of empirical studies is on manufacturers. However, the spatial concentration of retailers seems to be a different story. Is it an interesting topic? Where would you start if you planned to work on it?*

Ed Glaeser: That is a really interesting question. I just advised an undergraduate thesis on measuring the concentration of retail stores in the US. Oddly using the indices that you mention, they show no agglomeration whatsoever in most retail trade industries, at least in the data he showed. We can all think of specific retail clusters that we know of—for example the corner with four gas stations. The student looked at it and found very little agglomeration. Now services, as opposed to manufacturing, are often very agglomerative and are particularly urbanized, as business services are at the heart of our successful urban areas. But retail—the data showed very, very little agglomeration, and a great deal of dispersion. Even more so than would be expected, using National Datasets, using sub-national data within individual states at the county level or the ZIP code level. Very little evidence of it, nothing like you would see in terms of manufacturing.

Yizhen Gu: *What about using distance-based measures? And looking at retail agglomeration within a metropolitan area?*

Ed Glaeser: There is a problem because the public county business counter does not allow you to go below the ZIP code level. So you are at the ZIP code level. You are probably right when we think of the examples of the four gas stations, and the four corners, we are thinking very, very micro-scale. That study hasn't been written, it certainly would be interesting, because we experience life in retail trade all the time so we have intuition of it. We start thinking, why is there a street in Cambridge where there are seven furniture stores on one street? Is it something about the common delivery of furniture, is it where they can come and check out all the stores at the same time? These are great questions, but we don't have that data.

Aksel Olsen: *California is running an experiment called SB 375, which is a state-level call for coordination of land use and transportation planning. In the Bay Area, the Metropolitan Transportation Committee and the Association of Bay Area Governments is leading the implementation of this. The main plan is to concentrate more growth in core areas of the of existing infrastructure, and remove red tape for building in those development areas while building less in outer areas. Since you are an economist and economists tend to dislike growth boundaries, I was wondering if you thought this a worthwhile effort since it removes restrictions even if it may make it harder to build at the periphery. What do you think of this?*

Ed Glaeser: The devil would be in the details. It would be hard to give a blanket answer on. There are many competing things going back and forth. Professor Wachs here may be able to answer this better.

Marty Wachs: You use the phrase “red tape.” In the case of SB 375, red tape being removed means removing CEQA [California Environmental Quality Act] requirements. Is the goal of achieving an environmental end a logical reason to remove environmental review? There are inherent contradictions that still have to be worked out—SB 375 is still a new program. What excites me in Southern California is how vigorously the local communities are adopting their regional growth plans. For example, the City of Pasadena said they would actually outdo the requirements from SCAG [the Southern California Association of Governments] and are throwing themselves into it.

Andrea Brooadus: *We haven't yet touched on transportation in this discussion. My doctoral thesis is on congestion as an externality of urban agglomeration. I am looking at the congestion pricing policy in London, where revenues from the congestion charge are invested in the public transit system, and so the gains are seen to outweigh the impacts. Yet very few people drive into central London, in part because there is excellent train and transit access. I am wondering what you think about this idea for American cities, where transit is less robust and more people drive. What is the potential for congestion pricing in American cities to be a benefit or a burden?*

Ed Glaeser: In terms of an actual London-style congestion charge, should Manhattan have it? You bet. It is hard not to see that you should have something like that in New York. Hopefully one that is less administratively cumbersome than London's system. Other cities, you would have to look at a city-by-city basis. Politically, this is a non-starter. The only chance for this in the US tends to be on new roads. On new roads, you can put in something like a congestion fee. Any new roads that open, you have to put it in from the beginning. The basic rule in this country is that you can't take “stuff” away from people. But you can give them new “stuff” and put conditions on it. That is what I would be pushing for. Certainly things like normal highway tolls, I would be pushing for time-of-day differences to get better usage over the course, although this is a political question.

I think the big issue with congestion pricing is getting it in the developing world now, when there are 3% driving rather than 60% of people driving. Also, it is a good time when some of these regimes are not necessarily democratic. This is the time for Shanghai and Beijing to put in all the chips, make it part of the woodwork, and no one thinks twice about it. I am happy to write two columns a year in the Boston Globe or the Bloomberg Review about how America should have more congestion pricing on stuff. I think it is more unlikely than if the Republican party would start embracing

urban living as the solution for America. I wrote a column for the People's Daily, and I am happy to urge the CCP to embrace congestion pricing. They are our best hope for embracing market principles and addressing transportation.

“There are very few places in the US where an area congestion charge could be even nearly as effective as it was in London...that doesn't mean there aren't opportunities for market principles to be applied in the regulation of congestion in many other places.”

Marty Wachs: I agree with everything he just said. You started with the London example. There are very few places in the US where an area congestion charge could be even nearly as effective as it was in London. New York is one of them, clearly. But, that doesn't mean there aren't opportunities for market principles to be applied in the regulation of congestion in many other places. The Port of Los Angeles has a pricing for truck arrivals that has moved a large proportion of the truck arrivals and departures at the port out of the peak hour, to take advantage of the price differential. That is a very good example of congestion pricing, that works. It is not so controversial. So why would you avoid congestion pricing in those types of settings, just because you can't get it in Manhattan? The airport in Los Angeles congestion prices the entry of taxis in the central terminal area. If they don't pick up someone within two minutes, they have to pay a charge. So they wait on the outside, where until there is no congestion, and they enter very briefly to pick up passengers and they leave. There are many opportunities, HOT [High-Occupancy Toll] lanes being the best one for California, rather than area pricing.

Erick Guerra: *Throughout your career you've been quite prolific. A Wikipedia author estimates that you've published about five articles per year over the past 20 years. Any writing or publishing tips?*

Ed Glaeser: It requires a lot of hours. You will have more hours to do this at this stage in your life than at any later stage in your life, as you will acquire children and all sorts of inconvenient administrative responsibilities, or other obligations to the world that you will do because it is the right thing to do, even though it crowds out the hours that you can spend figuring out why the world is the way that it is. I think the most important thing, though, is that if you are not finding joy in doing the research, there is something wrong. It should be hard work. There should be moments when you are totally fed up with the whole process. But the basic thought of

uncovering the answer to the questions you have posed should make your heart lift at the beginning of everyday. It should make you feel like you are using your short amount of time on this planet wisely. That is sort of a crucial thing.

The life of a scholar should be a joyful life. And that should be something you take great pleasure in. That is the most important thing. That you are answering a question that you think is really important to be answered. But as I alluded to early, the problems of the 21st century are going to be bound to the problems of cities. Particularly in the developing world, but America's cities certainly need help as well. I think you have the capacity by studying space, urban planning, cities, building to actually make meaningful difference in how the world works in addition to solving really intellectual puzzles, and figuring out really great things that nobody has figured out before. There are few things as thrilling as figuring something that no one else on this planet knows. That is the secret joy of the scholar. Just do work that you think is important, take joy into it and throw yourself into it 130%.

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Marty Wachs: At the stage that you are at in your research careers, research tends to be very solitary activity. You work on your dissertation primarily as an individual. In my career, what I learned later on was that research is a wonderful social and collective activity. One of the most satisfying aspects of it is that research is working with younger people and being a mentor, and through the sharing of opportunities with other people, especially students, you can learn to thoroughly enjoy every minute of it and become more productive in the process. There are too many people in this university that close their office doors to do research; you will accomplish so much more.

Acknowledgement

In addition to those already named in the text, the *BPJ* thanks Karen Frick for assisting with the arrangements that made the event possible, Nicola Szibbo for transcribing the audio recording, and the PhD students of DCRP who submitted questions and participated in the discussion.