

Hong Kong University of Science and Technology

PPOL 5320 Urban Economics and Urban Policy

Spring 2024
Wednesday 3:00PM-5:50PM
Location: RM4504
Office Hours: Thursday 12:30-4:30PM or by apt.

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“...the professionals in charge of modifying market outcomes through regulations (planners) know very little about markets, and the professionals who understand markets (urban economists) are seldom involved in the design of regulations aimed at restraining these markets.”

--Alain Bertaud

Course Description

This course provides students with an advanced level understanding of the nature of urban problems. This course focuses on urban policy as it is examined in the context of general economic, social and spatial trends in metropolitan settings. Particular attention is placed on the decision-making process and how it affects policy choices. In this journey of exploring various urban issues around the world, students will develop critical thinking skills on the economic, social and environmental outcomes of various urban policies.

This course covers a wide range of topics in urban economics and urban policy: urban spatial patterns, land use, travel behavior, costs of driving, the role of transportation infrastructure in land use and economic development, housing, accessibility, etc. It also covers other topics in urban policy with a discussion of relevant institutions being involved, including transportation finance, public transportation, non-motorized transportation modes, land use, affordable housing and social equity. Through these topics, students are able to critically evaluate policies aimed to influence various urban issues.

Course Objectives

To provide students with an advanced level of understanding of the nature of various urban issues from economic, social and environmental perspectives.

Course Learning Outcomes

- 1) Explain contemporary urban theories and concepts.
- 2) Apply them to explore various urban issues in the real world.
- 3) Explore the way land use, transportation and economic development are connected to each other.
- 4) Explain the way various urban policies may be implemented to change people's behavior and

choices.

Course Assessment

Class participation, presentations and discussions: 20%

Weekly reflections: 20%

Individual term paper: 60%

Details of assessment

- **Class Participation, Presentations and Discussion: 20%:**
Attendance in all scheduled class sessions is required. Each time a student misses one session without getting written approval from the professor prior to class, he/she will be deducted 5 points (or 5% of total grade, up to 20%). Students are required to engage actively in class. Students will be asked to summarize, discuss and critique weekly readings through a series of presentations and discussions.

Note: number of presentations will depend on class size.

- **Weekly Reflections: 20%:**
Over the semester, students are required to write a total of 11-12 reflections on their weekly readings, except for those weeks that we conduct field trips or term paper presentations. Each reflection should summarize the topics and contents of those weekly readings, as well as provide your own opinions about the urban issue(s) discussed in your readings. Each reflection should be about 2 pages (font size 12, line space 1.5).

Please submit your reflections with plagiarism check report (e.g. Turnitin report). Do not copy and paste from other resources. You need to paraphrase every sentence even if you are citing the readings. Do NOT use AI software to assist your writing.

You may choose to submit your reflection via Canvas as soon as you complete each one of them. Alternatively, you can submit them all in once at the end of the semester. In either way, your reflections will be graded at the end of the semester.

The deadline for you to submit all your reflections is 6:00pm May 12th, 2023, after which the online submission system will automatically be turned off. Late submissions will NOT be accepted and graded. Please also note that once a reflection is submitted in the system, there is no way to withdraw and resubmit it. Please double-check before you submit. Submissions via email will not be accepted.

Note to TA: please set up separate submission links for each week's reflection, i.e., 1, 2, 3, 4, 5....

- Individual term paper: 60%

The term paper shall focus on one or two (related) topics that have important relevance to contemporary urban policy making. It can be built on urban issue(s) in any countries. The main contents of the term paper shall consist of an introduction, a comprehensive literature review, your thoughtful opinions that critically discuss the pros and cons of any relevant policies (and/or their benefits and costs), and your recommendations on how to improve them so as to achieve their intended goals (or to reduce the unintended consequences). The term paper shall be 10-15 pages (font size 12, line space 1.5), excluding tables, figures, and list of references.

Deadline: **May 21, 6pm**. Late submissions will NOT be accepted and graded.

Note to TA: please set up a submission link for term paper.

Potential term paper topics

1) There are many factors (e.g. demographics, socioeconomic status, land-use plans and transportation infrastructure investment) that influence the demand for driving. What factors in the land use and transportation infrastructure areas could influence the demand for driving? Please provide a comprehensive literature review. Then based on this review, discuss national and local policy changes that can be introduced to reduce our driving and enhance environmental sustainability?

2) You have learned the Fundamental Law of Congestion and the economic reasoning behind congestion pricing. Briefly discuss these theories/reasoning. How could local policies or programs that are relevant to these aspects potentially affect the demand for driving (e.g. mode choice, commute distance, commute duration)? You can also discuss their pros and cons, or the benefits vs. costs. Please provide a comprehensive discussion.

3) Write a comprehensive review of affordable housing policies in Hong Kong or cities of mainland China. Based on your review of relevant articles, you need to critically discuss the pros and cons of these policies, their intended consequences and un-intended consequences, and recommendations about how to improve them.

4) What kind of urban development projects or policies could potentially lead to gentrification and social inequity? Comprehensively and critically discuss them. Your discussion needs to be based on the international literature. Then provide recommendations on how to improve these policies so as to reduce the unintended consequences of gentrification.

Weekly Readings

Students will be assigned around 50 pages of readings each week. They consist of journal articles, book chapters, and blogs. The full list of weekly readings will be provided in the course binder on a continuous basis.

Recommended Reading List

1. Edward Glaeser (2012). *TRIUMPH OF THE CITY: How Our Greatest Invention Makes Us Richer, Smarter, Greener, Healthier, and Happier*. The Penguin Press.
2. Jose A. Gomez-Ibanez, William B. Tye, Clifford Winston (2011). *Essays in Transportation Economics and Policy: A Handbook in Honor of John R. Meyer*. Brookings Institution Press.
3. Brueckner, J.K. (2011). *Lectures on Urban Economics*. MIT Press.

COURSE SCHEDULE

Here are the topics for the semester. Reading assignments will be provided on a continuous basis. Reminder: Readings are to be completed before each class meeting.

*****Course schedule and readings are subject to changes.**

Week 1 (Jan. 31) Introduction: course overview--why do we need to combine urban economics and urban policy.

Week 2 (Feb. 7) Urban Theories: land rent, agglomeration economies, neo-classic urban economics model, and urbanization
Urban Land Use: the urban sprawl vs. growth management debate

Week 3 (Feb. 14) Demand for Transportation (price elasticity, land use factors, socioeconomic factors, etc.) and Travel Behavior

Week 4 (Feb. 21) Cost of driving and congestion pricing

Week 5 (Feb. 28): Urban public transportation; public finance

Week 6 (March 6): Large-scale urban infrastructure projects and the impacts: High-speed rail

Week 7 (March 13): Gentrification and Social Equity; Residential Differentiation and Segregation, Spatial Mismatch

Week 8 (March 20): Housing Policy (Guest Speaker)

Week 9 (March 27): Public housing policy in Hong Kong

Week 9 (April 3): Mid-term break, no class

Week 10 (April 10): *Field trip*: Public Housing in Hong Kong

Week 11 (April 17): The Pandemic: Fast-Forward to the City of the Future

Week 12 (April 24): Livable city and sustainability: experiencing Hong Kong's cycling path (field trip)

OR student presentations of term paper proposals

Week 13 (May 1): Holiday, no class

Week 14 (May 8): Course overview and Q&A; Term paper discussions