

Ed Glaeser Public Lecture

Date: 20/01/2014

Time: 6.30-8pm

Venue: New Theatre, East Building, LSE

On 20 January 2014, the IGC was privileged to host the visit of Professor Ed Glaeser, an expert on the development of cities, and author of the best-selling book "The Triumph of the City". His lecture mainly focussed on the birth of the modern city, and the challenges inherent in cities and globalisation.

He began by analysing the link between urbanisation and income. In 1960, there was no such thing as a poor, urban city, yet in 2012 there are huge poor cities such as Lagos and Kinshasa. This phenomenon is tied to the strength of governments and their ability to make cities more prosperous and safer. Yet people are almost always better off in urban poverty, than in rural poverty.

He then canvassed the history of the city. Every large city prior to the 20th century was the centre of a vast empire – bureaucracy and central planning was needed. They were capital cities and all under 1 million people. Yet, as a result of globalisation, cities no longer need to be able to feed themselves – they can become urban without local development. As cities grew, so did the GDP of those countries – hence why Ed Glaeser says “beware of anti-urbanisation policies!”

In the last 30 years, there has been a massive decline in US cities. Cities grew up around transport links, but as transport networks changed (from canal to rail, boats to roads) so did the cities. With highways, people could move to where they wanted to live, primarily in warmer climes, and industry followed. America, therefore, built itself around the car – even now it provides a shorter average commute than public transport. Yet some places have seen urban resurgence, despite people predicting the death of the city due to technological advancements.

Cities have always been forges of human capital – you get smart by being around other smart people. Successful cities have **smart people, small firms and connections to the outside world**. Big companies don't give much back to the city. However, some places, such as New York, are dominated by a single industry. This creates a “chain of genius”, people ripping off each other's ideas and creating cross industry leaps of fertilisation.

This relationship between skills and urban growth is even stronger in developing countries. The GDP of a country increases as skills increase. Entrepreneurship has the single greatest impact on urban resilience, so how do we encourage these people? Retaining talent in the developing world means encouraging a better quality of life.

Ed Glaeser then went on to talk about the “demons of diversity” and the problems inherent in cities – most notably clean water. He talked about the Public Private Partnerships set up to manage water in the US but noted that these can be tricky especially when the government is weak, as it tends to focus more on profitability. It can be more important to focus on taxing

valuable assets rather than “building your way out of a crisis” e.g. congestion in Singapore. This infrastructure crisis is now focused on housing – space isn’t increasing with demand in many cities such as London, and as housing prices rise, middle income earners are prevented from moving in. Yet living in the country may not be the answer, carbon emissions in terms of heating and driving are much more if you live outside of a city.

He concluded by noting that cities aren’t always good – especially fake cities (such as Dubai) and forced cities (out of disaster). But when cities work well, they work very well.

The questions and answers at the end of the session were very illuminating. Glaeser emphasised the need to analyse the pros and cons of every policy – and not to just translate things that may have worked well in one city into an entirely different city. He argued that the job of the economist is to help poor people, not poor cities. If a city is in decline, it shouldn’t be saved just for its own sake. Money should be focused on education, rather than monuments. He argued that the only way to get better government and more democracy in developing countries is through urbanisation and a critical mass of human capital.