Urban Economics and Urban Policy
Challenging Conventional Policy Wisdom

Paul C. Cheshire
London School of Economics and Political Science, UK

Max Nathan
London School of Economics and Political Science and National Institute of Economic and Social Research, UK

Henry G. Overman
London School of Economics and Political Science, UK

Edward Elgar
Cheltenham, UK • Northampton, MA, USA
## Contents

*List of figures*           vi
*List of tables*           vii
*List of acronyms and abbreviations* viii
*Foreword*                     x
Edward Glaeser

1 Introduction          1

**PART I  HOW DO URBAN ECONOMIES WORK? THEORY AND EVIDENCE**

2 Urban economic performance          11
3 Residential segregation and people sorting within cities          54

**PART II  LAND USE REGULATION: THE NEED TO BE GUIDED BY MARKETS BUT NOT OBEY THEM**

4 Planning for a housing crisis: or the alchemy by which we turn houses into gold  79
5 Planning and economic performance                   104
6 Planning: reforms that might work and ones that won't          127

**PART III  CAN GOVERNANCE MAKE A DIFFERENCE AND WHAT CAN POLICY DO?**

7 Devolution, city governance and economic performance                   157
8 Urban policies                 185

**PART IV  CONCLUSIONS: WHAT CONVENTIONAL POLICY WISDOMS DO WE CHALLENGE?**

9 Conclusions                 221

*Index*                         231