



Book reviews

Urban Economics and Urban Policy: Challenging Conventional Policy Wisdom. Paul C. Cheshire, Max Nathan and Henry G. Overman. Cheltenham: Elgar, 2014. 256 pp. £67.50, hardback. ISBN 978-1-78195-251-1; and 2015. 256 pp. £20, paperback. ISBN 978-1-78347-525-4.

The handsome little book carries the enticing subtitle ‘challenging conventional policy wisdom’. Surely, this is no mean task – there has always been a big distance between science and policy, no matter how much valorization we perform, or how much we focus on societal impact. For one, policy mostly lags behind insights of science; it takes a lot of time to translate new insights. Moreover, policy-makers want clear and concise advice, without nuance or uncertainty, but preferably with an innovative ring to it.

We know, of course, that this preference also exists among scientists: articles should present clear and new results; neither doubt nor replication is approved of. Very few articles managed to go beyond that, and yet I believe they are the ones that really help us forward: those few articles that take a step back and propose a critical attitude (Martin and Sunley 2003; Bristow 2005), those that manage to point out patterns in a wilderness of literature (Abreu et al. 2005; Beaudry and Schiffauerova 2009), and those that systematically question the robustness of received methods (Briant et al. 2010).

This book is a similar attempt, but then at the level of policy-makers. Many of them have their own favourite theories and approaches, depending on their scientific education and on the scientists they interact with in the course of daily valorization. But wouldn’t it be great if there would be an accessible manual to quickly bring their ideas up to date? If such manuals exist, this book is certainly among them. It is accessibly written, well grounded in urban economic theory, and concise. It amply refers to actual cases, although full-fledged case studies are regrettably rare.

The book has two major drawbacks. The first is evident in the title, the table of contents, Ed Glaeser’s Foreword, the introduction: none of them makes explicit that this is a book about *British* policy in particular. It’s quite understandable the publisher wants to sell the book to a worldwide audience, and of course the authors base the book on an original series of SERC Policy Papers; they’ve done their best to generalize these. They largely succeeded, and on the whole, the book carries more than enough materials to be of interest for anyone. Yet from time to time, theory and recognizable cases like London and the Midlands make way for a description of very specific and precise UK policies (e.g. §2.6 or chapter 6). The situation is amended slightly by comparing the UK to the Dutch and German situation; the presence of researchers from those countries at LSE may have been beneficial in this regard. It makes a section on housing supply (§4.3) or land market reforms (§6.4) more interesting, at least for me as a Dutch reader. Still, some would feel this limits the usefulness of the book. I would rephrase this and argue that the choice to stay within a narrow context is even wise. Planning practices are very, very different between countries. It is therefore both understandable and prudent that the authors don’t even attempt to stray too far from the situation they know well.

On the other hand, the translation from urban economic models to planning practice is crucial in any context, and the same mistakes can be made in each context. The closest parallel in the Dutch context is perhaps the hobby horse of prof. Zef Hemel. He recently and repeatedly ignited heavy discussions by suggesting Amsterdam should double in size (Hemel 2014; Obbink 2015). In his view, Amsterdam is the only world city in the country, yet it is too small to play an important role on the world stage. Doubling it would solve this problem, and increase its productivity too, according to standard urban economic models (Melo et al. 2009) and economists like Richard Florida and Ed Glaeser. One would expect such argumentation from a diehard economist, used to thinking in terms of isotropic landscapes and greenfield developments; but in fact, prof. Hemel is a planner himself, one who should be fully aware of the existing urban structure one has to deal with, of the tastes and preferences of society, not to mention a host of institutions. Criticism on his far-fetched plans has been polite so far (Weterings and Buitelaar 2014; Obbink 2015); perhaps it is all too clear his idea may be meant to make people rethink their policies, and not to redesign the Randstad.

I would have hoped this volume by Cheshire, Nathan and Overman would make a statement against such mistranslations from theory to practice, and that it would convince policy advisors and policy-makers to look beyond the surface of economic theory. This may well have been their intention, but the outcome is unfortunate, and this in my opinion is the second drawback of the book. The authors argue most strongly in favour of deregulation, in favour of market liberalization, and in favour of land pricing as the demigod of policy. It is precisely here that economic principles should be treated with care.

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