

URBAN ECONOMY AND BUSINESS ENVIRONMENT

PGP II, Term V, 2015-16 (0.75 credits)

Instructor: Prof. Prem Pangotra, W - 4, Tel: 4833

Overview

Many developing countries, including India, have experienced unprecedented urban growth in recent decades and this trend is expected to continue into the future. The role of cities as “engines of economic growth” is now well established. This course examines the evolving role of cities as centers of production and consumption and the manner in which businesses can contribute to the growth of the local economy as well as benefit from the opportunities that a city offers.

A key objective of the course is to provide basic understanding of macroeconomic frameworks for urban economic analysis and to show how these concepts could be applied in formulating local economic development strategies and shaping business decisions of firms.

The first half of the course deals with theories of location, urban land use, scale economies and models of urban economic growth. In the second half, the focus shifts to specific urban policies and issues of urban governance. The major topics to be covered are urban transport, infrastructure development, slum redevelopment strategies, and innovative land management approaches. Case studies based on international experiences would be used to examine policies and strategies for addressing urban issues.

Course Administration

The course will have 15 classroom sessions of 75 minutes each. In some of the sessions students will be expected to make short presentations of papers/cases and initiate discussion of the main issues. The grading scheme will be as follows:

Class participation	:	15%
Case presentation (group)	:	15%
Issue paper (group)	:	20%
End-term exam	:	50%

Note: There are no prerequisites for this course. There are no limitations on maximum class size and students are not expected to incur any out of pocket expenses for the course.

Session Plan

Session 1 (8/09): Perspectives on Urbanization and Economic Growth

- McKinsey Global Institute, *Urbanisation is critical to India's development*, Chapter 1 in India's Urban Awakening: Building Inclusive Cities: Sustaining Economic Growth, 2010
- *India's Urbanization: Emerging Opportunities*, Asia Economics Analyst, Goldman Sachs Economic Research, 2007
- Roy A, *City Life: Dichotomies in an Urbanizing India*, The National Bureau Of Asian Research, June 2012

Session 2 (09/09): Theories of Location and Urban Growth

- Levy John M, *Urban Growth*, Chapter 1 in Urban and Metropolitan Economics, 1985
- Turok I and McGranahan G, *Urbanization and Economic Growth: the arguments and evidence for Africa and Asia*, Environment & Urbanization, 2013

Session 3 (14/09): Land Use and Spatial Structure of Cities

- James Bohland, *The Urban Land-use Pattern*, Chapter 3 in John M. Levy (ed), Urban and Metropolitan Economics, 1985
- Alain Bertaud, *The Spatial Organization of Cities: Deliberate outcome or unforeseen consequence?*, Working Paper, University of California at Berkeley, 2004

Session 4 (15/09): Models of Urban Economic Growth (Export-Base and Shift – Share)

- Levy John M, *Models of the Urban Economy*, Chapter 4 in John M. Levy (ed.), Urban and Metropolitan Economics, 1985 (Pages 92-108)
- *Using Employment Data to Better Understand Your Local Economy*, The Pennsylvania State University, 2003.

Session 5 (16/09): Models of Urban Economic Growth (Input-Output)

- Levy John M, *Models of the Urban Economy*, Chapter 4 in John M. Levy (ed.), Urban and Metropolitan Economics, 1985 (Pages 109-126)
- Bendavid A, *Ch 7 Regional Input – Output Analysis*, in Regional and Local Economic Analysis for Practitioners, 1983
- Scott E and Wial H, *Multiplying Jobs: How Manufacturing Contributes to Employment Growth in Chicago and the Nation*, Centre for urban economic development, University of Illinois at Chicago, May 2013

Session 6 (21/09): Urban Transportation: Managing Travel Demand and Public Transport

- Case: *TransMilenio: The Battle Over Avenida Septima*, Kennedy School Of Government, 2011
- Mahendra A, *Options for Travel Demand Management: Traffic Bans Versus Pricing*, Chapter 18 in Dimitriou H & Gakenheimer R (ed), *Urban Transport in Developing World*, 2011
- Thecityfix.com blog, *TransMilenio: The Good, the Bus and the Ugly*

Session 7 (22/09): Water Availability and Urban Development

- Case: *Mexico City Water Shortage*, Harvard Business School, 2012
- *The State of Urban Service Delivery*, Chapter 2 in Report on Indian Urban Infrastructure and Services, High Powered Expert Committee, Ministry of Urban Development, Government of India, March 2011
- *Gurgaon on its deathbed: Haphazard model of development causes severe water crisis*, February 2, 2014

Session 8 (23/09): Private Sector Participation in Water Supply and Sanitation

- Case: *Manila Water Company*, Harvard Business School, 1997
- *The Water Conundrum*, Business India, September 2, 2012
- World Bank, Republic of India: Just-in-Time ESW, Running water in India's cities: A Review of Five Recent Public Private Partnership Initiatives, *Executive summary*, 2014

Session 9 (28/09): Local Economic Development Strategies (Mumbai)

- Case: *Vision Mumbai*, Kennedy School of Government, 2008
- "Vision Mumbai: Transforming Mumbai into a World Class City", A Bombay First-Mckinsey Report, 2003
- Karkaria Bachi, *Mumbai is on the verge of imploding*, The Guardian, 24 November, 2014
- Kale O, *Environmental Problems of Mumbai*, Centre for Education & Documentation

Session 10 (29/09): Local Economic Development Strategies (San Francisco)

- Case: San Francisco, 2015 #tech #inequality, HBS, 2015
- Glaeser Edward, *How do cities succeed?*, Chapter 9 in *Triumph of the City*, 2011
- The Bangalore Paradox, The Economist, April 21st 2005

Session 11 (30/09): Business Strategies for the Urban Informal Economy

- Case: *SEWA Trade Facilitation Center: Changing the Spool*, Harvard Business School, 2011
- Chen Martha A, *The Informal Economy: Definitions, Theories and Policies*, WIEGO Working Paper No. 1, August 2012

Session 12 (05/10): Urban Development: Making Planning Work

- Patel, Bimal, Shirley Ballaney, *Using the 'Development Plan—Town Planning Scheme' Mechanism to Appropriate Land and Build Urban Infrastructure*, Chapter 24 in India Infrastructure Report, 2009

Session 13 (06/10): Urban Development: Planning, Design and Implementation Challenges

- Patel Bimal and Kansal Tushar, *Bringing a City Back to its River: Why the Sabarmati Riverfront Development Project has Come Thus Far* (forthcoming)

Session 14 (07/10): Slum Redevelopment and Low Income Housing

- Case: *Dharavi, Developing Asia's Largest Slum*, (A) and (B), Harvard Business School, 2011
- Jim Yardley, *In One Slum, Misery, Work, Politics And Hope*, The New York Times, December 28, 2011
- Carr C, *The best idea to redevelop Dharavi slum? Scrap the plans and start again*, The Guardian, 18 February, 2015

Session 15 (12/10): Managing Urban Growth

- Case: *The Motor City: rebuilding Detroit's Image Post-Bankruptcy*, Ivey Publishing, 2014
- *Anatomy of Detroit's decline*, The New York Times, December 8, 2013
- *CRA Insights: Financial Markets -The municipal bankruptcy crisis: Lessons from Detroit*, Charles River Associates, July 2014