Journal of Economic Perspectives—Volume 39, Number 1—Winter 2025—Pages 151–180

Getting Infrastructure Built: The Law and Economics of Permitting

Zachary Liscow

https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.20221347

“In the 1960s, the United States did big things with little public consultation. Now, even smaller things can be held up by small opposition groups.” This quote summarizes the entry idea for Zachary Liscow’s *Getting Infrastructure Built: The Law and Economics of Permitting* from the Journal of Economic Perspectives—Volume 39, Number 1—Winter 2025—Pages 151–180. He begins with a background of where we came from (Rober Moses demolishing swathes of the Bronx, in fact more than was even necessary for his gargantuan projects) to where we are now (windmills being delayed for 20+ years at a cost of 100s of millions of dollars due to opposition from homeowners).

Working in the transportation sector, this is an issue that comes up often. NIMBY (not-in-my-backyard)-ism is an oft-lamented issue we face. Countries such as China are often brought up as the yard with the greener grass we planners look to longingly. Entire metro systems going up (or down, actually) in the time it takes us to relocate a park bench is the general perception of what’s happening overseas. Indeed, my own experience in Morocco observing their lightning-fast new high-speed rail made me green with envy. However, there are benefits as well to not living under systems which can Robert Moses-ly do whatever they want with little exception.

Liscow takes an eye towards international comparison in his article, noting that the US has the 5th-highest cost per kilometer for urban transit, and probably the highest when controlled for the relatively few tunnels we build. He also notes “that the five Anglo countries are all in the top dozen most expensive countries, suggesting some importance for legal origins.” This cost comparison remains similar when looking at roads and highways.

However, he notes, the US has low scores for environmental impact of its projects, suggesting the higher costs do not lead to better outcomes in that regard. He suggests this implies the majority of cost is borne by the litigation involved in a decentralized system of building. France, by contrast, dictates transportation projects at the national level, making less room for a community of timeshare holders on Cape Cod to set crucial infrastructure back decades.

He describes issues as well on the levels of project management, which in the US is often outsourced to consultants and can exceed 20% of a project’s budget (compared to 7% on average in Europe), and data, which is decentralized and not regularly published. He recommends centralizing certain systems and coming up with standards for reporting that will allow for more streamlines processes. Additionally he recommends completing environmental reviews for geographic areas vs individual projects.

He believes ultimately these reforms could “lead to a ‘green bargain’, with improvements for efficiency, the environment, and democracy.”

Journal of Economic Perspectives—Volume 39, Number 3—Summer 2025—Pages 171–192

Carbon Rollercoaster: A Historical Analysis of Decarbonization in the United States

Karen Clay, Akshaya Jha, Joshua Lewis, and Edson Severnini

https://pubs.aeaweb.org/doi/pdfplus/10.1257/jep.20241430

In *Carbon Rollercoaster: A Historical Analysis of Decarbonization in the United States* Karen Clay, Akshaya Jha, Joshua Lewis, and Edson Severnini discuss the history of carbon emissions in the USA, from when it surpassed the UK in emissions in 1888, to when it was itself surpassed by China in 2005, to today.

They found that the electricity sector was the largest contributor to rapid the rapid decrease in carbon intensity, but then also its rapid decrease, as more efficient systems were put into place. In particular, while the use of coal, a very carbon-heavy form of power generation, has not gone away in the US, the way its power is stored and transmitted has made it much more efficient. For developing countries which still rely heavily on coal today, they suggest similar interventions could help mitigate the adverse effects of coal.

> *Our findings underscore the central role of technological progress and coal-efficiency gains in curbing carbon emissions. In the United States, rapid innovation significantly contributed to efficiency gains between 1920 and 1960. In the electricity sector specifically, major advances—such as more efficient generators, high-voltage transmission lines, and economies of scale from centralized production—substantially lowered the amount of coal needed to generate electricity. By adopting proven technologies and investing in emerging innovations, research, and local capacity-building, developing economies may be able to expand electricity access while limiting carbon emissions.*

They also discuss how wind and solar have contributed to a reduction in electricity-related emissions in the US, and how the large reductions in the costs of these modes make them now more viable for developing economies as well. This is interesting to me as my research on Morocco's high-speed rail has emphasized how the train is entirely electric and powered by wind energy. Additionally, I find it encouraging that improving the systems surrounding use of 'dirtier' energies, like coal, can make huge impacts in reducing the harms they cause.