

# The Washington Post



[Ezra Klein](#), Columnist  
Monday, March 13, 2012; Page A10

## The growth lesson America could take from China ( [blog](#) )

### Living large in the big city ( [web](#) )

### *The city as a growth engine* (print)

*This column makes very powerful arguments why HB 1195 Land Use — Rail Station Overlay Districts [RSOD] is so important.*

The basic driver of remarkable economic growth in China — and India, Vietnam, Thailand, Brazil and pretty much every other developing country — is pretty simple: Migration of people from rural areas, where they're not very productive, **to dense cities, where they are very productive.** This is a tried-and-true strategy for making people and countries richer. But it's not just for developing countries.

Over the past year, **three terrific books have come out on the importance of cities in America's economy.** In "[Triumph of the City](#)," Harvard economist Ed Glaeser details how cities all over the world have supercharged human development and ingenuity. In "[The Gated City](#)," Ryan Avent focuses more narrowly on the role cities play in making Americans better off. And in "[The Rent is Too Damn High](#)," Matt Yglesias focuses on, well, why the rent is so damn high.



A view of Lujiazui financial district in Shanghai, with the Huangpu River, Oriental Pearl TV Tower, Jinmao Tower and the Shanghai World Financial Center. (Zhou Junxiang - ZHOU JUNXIANG - IMAGINECHINA)

The three make similar arguments: First, cities make us smarter, richer and more productive. Avent sums up some of the (voluminous) evidence: “Economist Masayuki Morikawa finds that **productivity rises between 10 and 20 percent when density doubles**. Morris Davis, Jonas Fisher and Toni Whited estimate that a doubling of density may increase productivity by between 17 and 28 percent. Their work suggests that more than 30 percent of real wage growth over the past 35 years is attributable to changes in density.”

*Add the public health benefits of walking instead of driving  
{ pls see tabs [29a-d](#); [33a-c](#) } plus the increased ridership  
revenues for multi-billion dollar transit systems,  
and the economics are breath-taking.  
These authors are focused on the human-interaction  
dimension, which I had not even touched in justifying RSOD!*

**Cities**, Glaeser says, are “our greatest invention.” People make each other smarter, richer and more productive. They give each other ideas, buy services from one another, teach each other skills and engage in healthy competition. And cities put a lot of people next to each other.

Glaeser cites the example of Silicon Valley: “The computer industry, more than any other sector, is the place where **one might expect remote communication to replace person-to-person meetings**; computer companies have the best teleconferencing tools, the best Internet applications, the best means of connecting far-flung collaborators. Yet despite their ability to work at long distances, this industry has become the most famous example of the benefits of geographic concentration.”

*This is perfectly consistent with  
Hellman’s theory of Virtual Adjacency.  
It is not “either/or.” It is “some-of-each.”  
As long as the human intellect is in the human body  
you have to be “someplace.” Why not pick a place you enjoy.  
An important part of that decision is who you enjoy being with --  
for work and for play.  
→ N.B. Do NOT discount the power of virtual collaboration!*

Second, **we have choked off access to these remarkable growth machines for too many Americans**. We haven’t done it on purpose, necessarily. But we’ve done it, mostly through regulations that make it either prohibitively expensive or downright impossible to buy or rent a home in the country’s most productive cities. Avent notes the disparity between the Bay area, with its “natural beauty, urban amenities, fantastic climate, cultural riches, and outstanding economic prospects,” and Phoenix, where “temperatures above 100 degrees are commonplace” and the income earned by the typical household “is only about 60 percent of that of the typical Silicon Valley household.” And yet, between 2000 and 2009, the San Francisco metropolitan area lost almost 350,000 residents, while Phoenix gained nearly half a million.

The reason isn’t that Phoenix is more desirable. It’s that San Francisco is prohibitively expensive. That’s in part because demand to live there is high. But it’s also because **regulations make it almost impossible to increase the supply of housing** stock. “Land is a scarce resource, so some increase in the price of housing is bound to happen as the economy grows,” Yglesias wrote. “But architects know how to design multifloor buildings and engineers can build elevators. Public policy that restricts their ability to do so — not construction costs or the limited supply of land — is the main cause of high rents in America.”

The different authors focus on different ills. Yglesias's pulse is quickened by height restrictions, like the ones here in Washington. Avent takes aim at the local coalitions who band together to fight new real estate development for all manner of parochial reasons. Glaeser is particularly eloquent about the way all manner of ordinary buildings get designated "historical" in order to impede new development. But all make basically the same point: **Because we don't fully appreciate how important cities are in stoking economic development, we dismiss the economic costs of regulations that make them prohibitively expensive to live in.**

Which gets to their solutions. They're not arguing for pro-density policies. **All three are careful to say that Americans should live where they want.** What they're arguing against are **anti-density policies that make it effectively impossible for Americans to live where they want.** The means should thrill the right, as the agenda effectively boils down to deregulation. The ends should engage the left, the people who are priced out of the cities — and thus of the benefits they bring — are the poor and the middle class, not the wealthy.

*The mathematics of density is profoundly powerful.  
The number of "pairs" grows with the square of the number of individuals.*

*This is the reason that automobile usage declines so significantly as density within a pedestrian-fabric surrounding rail stations increases, because people can function without getting into a car.  
{ pls read one page: [tab 26b](#) }*

And Americans of both parties should embrace the basic logic of the enterprise. It's bad news indeed to realize that we have, for decades, ignored **one of the most important dimensions of economic growth: place.** The good news, of course, is that in this age of diminished economic expectations, there are still big ideas we can try to increase growth, innovation and productivity. Don't believe me? Just ask China.

*Think of a rail transit system as a horizontal elevator and the pedestrian-fabric public-realm surrounding each station as another floor in the same building!*

*This is precisely the purpose of the HB 1195 legislation RSOD — Rail Station Overlay Districts.*

*It is to re-engineer government's role regulating land-use to enable pedestrian-friendly buildings to be developed within walking distance of rail stations.*

*And, "walking distance" is NOT a number!  
{ pls read one page: [tab 28a](#) }*

*The existing automobile-based land plans currently surrounding stations must first be transformed into a pedestrian-fabric public-realm.*

*This is a government job.*

*And, it cannot be done one building at a time.*

*The "RSOD ToolKit" will empower local government to play this critical role, with the help of the state government and the private sector.*

*Please read the first two very short paragraphs on top of the Woodmont Triangle page of my website.*

***In the age of virtual adjacency,  
the experience of place  
is the top priority.  
Unless we make "being there" worth  
the effort of "getting there", it will die.***