

MIT 11.483
HOUSING AND LAND USE IN RAPIDLY URBANIZING REGIONS

Fall 2009

Wednesdays
5-7 PM
Room 9-450A
Course website: stellar.mit.edu/S/course/11/fa09/11.483/

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Office Hours: Wednesdays, 2:30-3:30 PM, please use signup posted on sheet outside office door

Course Description and Objectives:

While many are concerned about housing conditions in cities, this course posits that the issue more precisely concerns land use and property rights. It invites students to consider whether the current urbanization rates and global transition to land markets puts us in an exceptional point in history and whether our core theories about how to understand urban housing problems needs to be rewritten as a result. This course reviews how law, economics, sociology, and planning theories problematize our current situation and considers what a more spatial appreciation for property rights might engender. It then explores cases when state planners have attempted to use property rights tools to increase economic growth and social justice so that students may gain insight for possible design and policy interventions in the future.

Course text:

The course readings are available on the class website. A hard copy of all the materials are also available on course reserve at Rotch library. The readings are separated into those that are required for the day's session and some optional "recommended" readings for those who would like to read further. The students are responsible for responding to the required list.

Assignments and Grading:

Course grades will be calculated according to the following weights:

Reading responses and class participation	60%
Final paper and presentation	40%

Reading responses and class participation

It is essential for students to read the material assigned each week and to participate in the discussions in the seminar. In order to promote reflection and substantive discussion, students will post a message to the class on the forum section of the class website. These will be due on the Tuesday nights before the class meets so that everyone can read each other's responses before class.

The reading responses will be graded more for fulfillment rather than quality so that students should feel free to write about any thoughts and questions about the day's assigned reading. I have provided discussion questions in this syllabus for each class session in order to help guide students in the reading. But you need not answer these questions in your reading responses.

Final paper

This assignment is meant to serve the student's interests and to develop their critical thinking on a topic. Students may use this assignment in preparation for thesis work or to pursue a question of personal interest. However, the topic must be chosen in consultation with the professor. Below are three possible approaches to the final paper. Regardless of the approach taken for the final paper, your paper should survey no less than 10 articles, books, etc.

a) One approach to the final paper would be to apply the property rights framework explored in the course to a real world case. Using the different property rights theories reviewed in the course, analyze a housing or urbanization phenomenon of a specific region. Identify issues that they are helpful in illuminating and what aspects it does not address well. Then, discuss the implications for policy and/or design interventions, and what would need to be further studied.

b) You can document and critically appraise a policy that attempted to address property rights issues. Your paper should review the problems it was intended to address and the logic behind how it was supposed to solve them. It should also explain the political context in which the intervention was brought about. Then give a critical appraisal of what happened or is happening in practice. Summarize the lessons learned and what you would suggest for further study.

c) Another approach would be to choose an urbanization topic in which property rights are not the primary focus. The paper should have three components: a literature review, preliminary analysis of available secondary data, and a proposal for further study. For the literature review, you should be able to identify a broad topic area, but then quickly narrow your focus to a manageable thread of the literature. The use of practitioner writings and publications is encouraged but may not be the sole source of the literature review.

Although you will be relating information about prior research done by others, you should have your own story to tell in the context of a critical assessment of that research. Ideally, this process results in conclusions about important questions yet to be answered or that can be answered in a better or more rigorous way. Next, you should find available secondary data (qualitative and/or quantitative) about your question and analyze it. This does not mean simply presenting published tables as facts but to critically question and interpret what it is saying, especially in regards to the literature you just reviewed. And then you should present a brief proposal for further study including a well-honed research question and a possible study design. The point of the exercise is to allow you to investigate a topic area more deeply or a particular strand of literature not already explored in class.

Deadlines and Dates

- 9/28:** Turn in a one page explanation of proposed research topic.
10/9: Hand in a write-up (up to 2 pages) refining the topic and approach with a preliminary reference list.
10/12 **Schedule a meeting for this week to discuss your paper topic with the professor.**
11/9: An outline of the paper is due with extended reference list.
12/9: Student presentations of papers.
12/10: Final paper due – around 15-20 double-spaced pages.

Statement of Academic Integrity:

Academic dishonesty is not tolerated at the Institute. Please refer to MIT's Handbook of Academic Integrity for the definitions of cheating, plagiarism, unauthorized collaboration, facilitating academic dishonesty and an outline of disciplinary action procedures.

Overview of Course Topics:

SECTION 1: Current lenses on the phenomenon

Session

- 1 Introduction to Course: What is the problem?
- 2 the Urban economics lens
- 3 Political and sociological lens about urban land and housing
- 4 Legal theory lens about property rights
- 5 Are we in a unique historical period? Do we need new theories?
- 6 Incorporating physical space back into property rights theory

SECTION II: Property rights interventions mediating the struggle for housing in the city

- 7 Current conceptualizations of property rights in the development policy world
- 8 Titling and Regularization
- 9 Land readjustment and Housing
- 10 Land trusts and affordable housing s
- 11 Transferable Development Right
- 12 Land reform and restitution
- 13 Class Presentations

Course Content and Schedule:

SECTION 1: Current lenses on the phenomenon

Session 1

September 9 **Introduction to Course: What is the problem?**

Discussion Question: *On balance, is urbanization a positive phenomenon? Why has urbanization fallen off the international development agenda?*

Recommended Reading:

“The Challenge of Slums: the Global Report on Human Settlements, 2003, UN Human Settlements Programs, (read Findings, Prologue, Part 1) (download from UN Habitat website: <http://www.unhabitat.org/pmss/getPage.asp?page=downloads>)

Session 2

September 16 **The Urban Economics Lens**

Discussion Question:

What drives land development and housing conditions according to the urban economics perspective?
What is presumed to be the key constraint in rapidly urbanizing regions?

Look around the Saigon South development website or another mega-project that you are interested in. What is being advertised as attractive to potential investors in these land development projects? Who are these projects being built for?

Reading:

<http://www.saigonsouth.com/>

Glaeser, Edward L. 2007. “The Economic Approach to Cities,” Harvard University and NBER working Paper.

DiPasquale, Denise and William Wheaton. 1994. Market for Real Estate Assets and Space: A Conceptual Framework. *Real Estate Economics* 20(1): 181-197.

Kim, A.M. 2007. North Versus South: the impact of social norms in the market pricing of private property rights in Vietnam. *World Development* 35 (12).

Demsetz, Harold. (1967). Toward a Theory of Property Rights. *American Economic Review*, 57(May), 347-359.

Recommended reading:

Malpezzi, Stephen. 2002. Hedonic Pricing Models: A Selective and Applied Review. Working paper. (a good review of how hedonic price models have been used, its usefulness and limitations).

Box, G.E.P. and Cox, D.R. (1964). ‘An Analysis of Transformations’, *Journal of the Royal Statistical Society. Series B (Methodological)*, 26(2), pp. 211-52. (for those students who may be interested in the math behind hedonic price models).

Bertaud, A. and B. Renaud (1997). "Socialist Cities without Land Markets." *Journal of Urban Economics* 41(1): 137 - 151. (discusses how urban land development typically in centrally planned economies occurred in markedly different land use patterns from mono-centric market systems' bid rent curve).

Bertaud, Alain and Stephen Malpezzi. 2003. "The Spatial Distribution of Population in 48 World Cities: Implications for Economies in Transition," working paper.

Alonso, William. 1964. Location and Land Use: Toward a General Theory of Land Rent. Cambridge: Harvard University Press. (classic exposition of urban land use theory).

Session 3

September 23 **Political and Sociological Theory lens about urban land and housing**

Discussion Question:

How do the Marxist and critical theory perspectives frame the main drivers of urban land development and housing conditions?

Read the report from HCMC's people's committee. Compare the applicability of the urban economics frame from last week to the critical frame from this week.

Reading:

Hang, To Thi Thuy, et al. "Assessing the socio-economic and environmental impact of South Saigon urban development project and providing recommendations for redressing environmental and socio-economic consequences," Ho Chi Minh City People's Committee's Institute for Economic Research. 1997.

Harvey, David. 1981 "The Urban Process under Capitalism: a framework for analysis," in Michael Dear and Allen J. Scott, eds., *Urbanization and Urban Planning in Capitalist Society*. New York: Methuen. Pp.: 91-122.

Castells, Manuel. 1979. *The Urban Question*. Cambridge: MIT Press. Chapters 5,8, section 3 of Chapter 9; pp: 73-85;115-128, 215-233.

Recommended reading:

Marx, Karl. 1867. *Capital*. Chapters 32,33

Session 4

September 30 **Legal theory lens about property rights**

Discussion Question:

The previous class sessions have alluded to the importance of property rights. What exactly are property rights? Where do they come from?

Reading:

from Perspectives on Property Law, Ellickson et al. NY: Aspen publishers. 2002

Ellickson, Robert C. "Order without Law: how neighbors settle disputes", pp.210-221

Acheson, James M. "The Lobster Gangs of Maine", pp.129-135

Rose, Carol. (1990). Property As Storytelling: Perspectives from Game Theory, Narrative Theory, Feminist Theory. *Yale Law Journal*, 2, 37-57.

Pipes, Richard. (1996). Human Nature and the Fall of Communism. *Academy of Arts and Sciences Bulletin*, 54(January), 38-52.

Goffman, Ervin. (1961). Culture and Human Nature. In *Asylums : Essays on the Social Situation of Mental Patients and Other Inmates* (pp. 18-21, 244-254). Garden City NY: Anchor.

Recommended reading:

Some core legal theory readings:

Locke, John. 1690. Second Treatise of Government, chapter 5

Hohfeld, Wesley Newcomb. 1919. Fundamental Legal Conceptions as Applied in Judicial ReasoningU. Westport, Conn: Greenwood Press.

Calabresi, Guido, & Melamed, A. Douglas. (1972). Property Rights, Liability Rules, and Inalienability: One View of the Cathedral. *Harvard Law Review*, 85, 1089-1128.

Radin, M. J. (1982). Property and Personhood. *Stanford Law Review*, 34, 957-973, 977-979, 1002-1006.

Hardin, Garrett. (1968). Tragedy of the Commons. *Science*, 162, 1243-1248.

Blackstone, William. (1766). Commentaries on the Laws of England. In *Commentaries on the Laws of England* (Vol. 2, pp. 2-11). Chicago: University of Chicago Press.

readings which help differentiate with economic theory:

Merrill, Thomas W. and Henry E. Smith. 2001a. "What Happened to Property in Law and Economics.," *The Yale Law Journal* 111(2), p. 357 - 398.

Cole, D.H. and Grossman, P.Z. 2002. The meaning of property rights: law versus economics? *Land Economics* 78(3), p. 317-30.

Ostrom, Elinor. 1990. Governing the Commons: the evolution of institution for collective action. Cambridge University Press.

Ellickson, Robert (1987). "A Critique of Economic and Sociological Theories of Social Control" *Journal of Legal Studies* (16)1, pp. 67-99

Session 5

October 7

Are we in a unique historical period? Do we need new theories?

Discussion Question:

Are the theories reviewed in the last three class sessions adequate to explain the current urbanization phenomenon? What exactly needs better explanations?

Reading:

Kim, Annette M. 2008. *Learning to be Capitalists: Entrepreneurs in Vietnam's Transition Economy*. Oxford University Press. Chapter 1.

Mayer, Margit. 2009. "The 'Right to the City' in the context of shifting mottos or urban social movements," *City* 13(2 & 3): 362-374.

Weber, Rachel. 2002. "Extracting Value from the City: Neoliberalism and Urban Redevelopment," *Antipode* : 519-539.

Brenner, Neil. 2000. "The Urban Question as a Scale Question: Reflections on Henri Lefebvre, Urban Theory, and the Politics of Scale," *International Journal of Urban and Regional Research*, 24(2): 361-378.

Dear, Michael. 2000. "Taking Los Angeles Seriously," in *The Postmodern Urban Condition*, Malden: Blackwell. pp: 10-24.

Recommended reading:

Eyal, Gil, Szelenyi, Ivan, & Townsley, Eleanor. (2001). The Utopia of Postsocialist Theory and the Ironic View of History in Neoclassical Sociology. *American Journal of Sociology*, 106(4), 1121-1128.

Roy, Ananya. 2003. "Paradigms of Propertied Citizenship: transnational techniques of analysis," *Urban Affairs Review*, 38(4): 463-491.

Saskia Sassen. The City: Between topographic representation and spatialized power projects *Art Journal*. Summer 2001. Vol.60, Iss. 2; pg. 12.

Session 6

October 14

Coming back to earth: Incorporating physical space back into property rights theory

Discussion Question:

Does land's physicality matter? How are property rights in land similar and different from disembodied rights such as intellectual property, air, etc. Are there policy implications from incorporating space into property rights theory? Or from incorporating property rights theory into planning theory and economic geography?

Reading:

Harvey, David. 2006. "Space as a key word," in *Spaces of Global Capitalism: toward a theory of uneven geographical development*. New York: Verso. pp: 119-148.

Ellickson, Robert. (1993). Property In Land. *Yale Law Journal*, 102(6), 1315-1400.

Yiftachel, Oren. 2006. "Re-engaging Planning Theory? Towards 'South-Eastern' Perspectives. *Planning Theory* 5(3): 211-222.

Merrill, Thomas W. 2002. "Introduction: the Demsetz Thesis and the Evolution of Property Rights," *Journal of Legal Studies*, vol.31(2): 331-39.

Vaiou, Dina and Maria Mantouvalou. 1999. "Spatial disciplines in the cultural turn," *European Planning Studies*. Vol. 7, Iss. 1; p. 5-7.

Varley, J.B. 2002. "Deconstructing the Map," in Michael J. Dear and Steven Flusty *Spaces of Postmodernity: Readings in Human Geography*. Malden: Blackwell. Pp: 277-289.

SECTION 2: Property rights interventions mediating the struggle for housing in the city

Session 7

October 21 **Current conceptualizations of property rights solutions for housing in development policy circles**

Discussion questions:

How has the importance of property rights been conceptualized in the policy literature? What kind of programs have been implemented as a result?

Reading:

de Soto, Hernando. 2000. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York: Basic Books. Chapters 3 and 6.

World Bank. 1993. Housing: *Enabling Markets to Work*.

UN Habitat "Guidelines on how to undertake a National Campaign for Secure Tenure," 2003.

Recommended reading:

Buckley, Robert M., and Jerry Kalarickal, eds. 2006. *Thirty Years of World Bank Shelter Lending: What Have We Learned?*. Washington D.C.: World Bank (for those interested in a World Bank perspective on the recent history of shelter programs)

Firmin-Sellers, Kathryn and Patrick Sellers. 1999. "Expected failures and unexpected successes of land titling in Africa. *World Development* 27(7): 1115-1128.

Session 8

October 28 **Titling and Regularization**

Reading:

Gulyani, Sumila and Debabrata Talukdar. 2008. "Slum Real Estate: the low-quality high-price puzzle in Nairobi's Slum Rental Market and its implications for theory and practice," *World Development*, 36(10): 1916-1937.

Payne, Geoffrey. 2001. Urban Land Tenure Policy Options: Titles or Rights? *Habitat International* 25 (3):415-429.

Home, Robert. 2004. "Outside de Soto's Bell Jar: Colonial/Postcolonial Land Law and the Exclusion of the Peri-urban Poor," in Home, Robert K. and Hilary Lim, eds. *Demystifying the mystery of capital*. London: Glass House Press. Pp.11-30.

Recommended Reading:

"The Challenge of Scale –Nationwide Upgrading," 2003. Cities Alliance Annual Report.

Field, Erica. 2005. "Property Rights and Investment in Urban Slums," *Journal of the European Economic Association*, 3(2/3): 279-290

Session 9

November 4 **Land readjustment and Housing**

Discussion Question:

Land readjustment for a long time has been viewed as a successful reformation of property rights in land that was key to the rapid economic development of Japan and South Korea. However, this history is now being challenged. Are there any lessons that are still relevant today?

Reading:

Larsson, Gerhard. 1997. "Land Readjustment: a tool for urban development," *Habitat International*. 21(2): 141-152,

Sorensen, Andre. 2000. "Conflict, consensus or consent: implications of Japanese land readjustment practice for developing countries," *Habitat International*. 24(2000):51-73.

Home, Rob. March 2007. "Land readjustment as a global land tool: focus on the Middle East," Royal Institution of Chartered Surveyors Report.

Mukhija, Vinit. 2006. "Property readjustment and a tenants' cooperative in Mumbai: some lessons and questions," *Environment and Planning A*, vol.38(11): 2157-2171.

Fourie, Clarissa. 2004. "Land Readjustment for Peri-Urban Customary Tenure: the Example of Botswana," in Home, Robert K. and Hilary Lim, eds. *Demystifying the mystery of capital*. London: Glass House Press. Pp.31-50.

Turk, Sevkiye Sence. 2008. "An Examination for Efficient Applicability of the Land Readjustment Method at the International Context," *Journal of Planning Literature* 22(3): 229-242.

Recommended Reading:

Lin, Tzu-Chin. 2005. "Land assembly in a fragmented land market through land readjustment," *Land Use Policy* 22(2):95-102.

La Grange, Adrienne and Hee Nam Jung. 2004. "The Commodification of Land and Housing: the Case of South Korea," *Housing Studies*, vol. 19(4): 557-580.

Sagalyn, Lynne B. 2007. "Land Assembly, Land Readjustment and Public/Private Redevelopment," Columbia Business School Working Paper.

Lee, Tae-il. 2002. "Land Readjustment in Korea," Lincoln Institute of Land Policy Conference Paper.

NO CLASS November 11, Veteran's Day Holiday

Session 10

November 18 **Land Trusts and Affordable Housing:**
Guest speaker from Dudley Street Neighborhood Initiative

Reading:

Yahya, Saad S. 2002. "Community Land Trusts and other tenure innovations in Kenya," in Geoffrey Payne, ed., *Land, Rights and Innovation*. London: ITDG Publishing. Pp: 233-263.

Davis, John E. 2007. "Shared Equity Homeownership: the Changing Landscape of Resale-Restricted, Owner-Occupied Housing," National Housing Institute.

Session 11

November 25 **Transferable Development Rights:**

Readings:

Kaplowitz, Michael D., Patricia Machemer, Rick Pruetz. 2008. "Planners' experiences in managing growth using transferable development rights (TDR) in the United States," *Land Use Policy*. 25(2008): 378-387.

Burra, Sundar. 2005. "Towards a pro-poor framework for slum upgrading in Mumbai, India," *Environment and Urbanization*, 17(1): 67-88.

Field, Barry C. and Jon M. Conrad. 1975. "Economic Issues in Programs of Transferable Development Rights," *Land Economics* 11(4):331-340.

Session 12

December 2 **Urban Land Reform and restitution**

Reading:

Deininger, Klaus. 1999. "Making Negotiated Land Reform Work: Initial Experience from Colombia, Brazil and South Africa," *World Development* 27(4): 651-672.

Verdery, Katherine. 2004. "The Obligations of Ownership: Restoring Rights to Land in Postsocialist Transylvania," in Verdery, Katherine and Caroline Humphrey, eds. *Property in Question: Value Transformation in the Global Economy*. New York: Oxford University Press. Pp. 139-159.

Wilpert, Gregory. 2003. "Collision in Venezuela," *New Left Review*, 21:101-116.

<http://www.hlurb.gov.ph/article/articleprint/511/-1/102/>: Philippines

Session 13

December 9 **Class presentations**

Students make a 15 minute presentation of their final paper and will receive 10 minutes for questions and responses. This will be an extended class session, with dinner provided.

MIT 11.483: HOUSING AND LAND USE IN RAPIDLY URBANIZING REGIONS
Fall, 2009
Informational Questionnaire:

Student Name: _____

Email: _____

Phone number: _____

Ethnicity and/or Nationality: _____

Circle one:

Department: DUSP another _____

Program: MCP PhD other _____

Year in the program: 1 2 3 4

What courses have you taken to provide background for this course?

Any relevant work experience?

Why are you interested in taking this course? What do you hope to learn?