Edward Glaeser, the Fred and Eleanor Glimp Professor of Economics and Chairman of the Department of Economics at Harvard University, has been the central figure in urban economics for almost 30 years. Until the early 1990s, urban agglomeration was explained by the goal of economizing transport costs between producers, their suppliers, and labor, a view that goes back to von Thunen’s work in the 1820s. As the Nobel laureate Gary Becker commented, before Glaeser came along, "urban economics was dried up. No one had come up with some new ways to look at cities."

For Glaeser, cities are places where people can have face-to-face interactions that raise their own productivity and the productivity of the firms that employ them, and where consumers enjoy a wide array of services that benefit from economies of scale. Throughout his career he has derived and tested implications of this view for several facets of urban life. Glaeser’s work on urban growth established key stylized facts about the predictors of urban success and failure. His papers on the urban wage premium posed fundamental questions that have driven later researchers. As early as the mid-1990s, Glaeser understood that technological change and globalization strengthen rather than weaken cities. His work has not only helped to revitalize the study of cities, but also to guide decisions of urban policy-makers throughout the world.

Glaeser’s work on urban growth begins with his 1992 Journal of Political Economy paper, “Growth in Cities” (with Hedi Kallal, Jose Scheinkman, and Andrei Shleifer), which used cities as a means of testing theories of the sources of economic growth. The paper established that over-concentration in a few industries leads to decline, and an abundance of small firms leads to urban growth. The first fact had immediate policy impact, as the recognition of the dangers of one-industry towns led urban leaders to push for urban diversification, such as the creation of an applied science campus on Roosevelt Island by New York City mayor Michael Bloomberg. The small firm fact has had significant impact on the academic literature. Early papers interpreted the success of clusters of small firms as evidence of the power of competition. Later papers have argued that these clusters reveal the power of local entrepreneurship. This latter correlation has induced local leaders to invest in clusters of local entrepreneurs, such as in Boston’s Innovation District. “Growth in Cities” has received more than 7,500 citations on Google Scholar.

Glaeser’s 1995 paper on “Economic Growth in a Cross-Section of Cities” (with Jose Scheinkman and Andrei Shleifer, Journal of Monetary Economics) established that city population and income growth are strongly related to initial levels of education. The importance of skills to local economic success suggests that local leaders need to focus on both education and amenities that attract skilled workers, and influenced Richard Florida’s popular work on the Creative Class.

The urban wage premium is a central fact in the U.S. and throughout the world. Prior to Glaeser’s 2001 work on “Cities and Skills” (with David Mare, Journal of Labor Economics), there was a fair amount of confusion about what this fact meant. One side of the urban wage premium puzzle is explained by higher housing costs. But higher housing costs don’t explain why firms remain in cities, despite having to pay higher wages. Examining wage patterns of migrants to cities, Glaeser showed that the urban wage...
premium accrued only over time, suggesting that cities are places where people become more skilled: people in cities are more skilled because they have lived longer in cities. This work has also sparked a sizable literature.

Perhaps the single most impactful idea associated with Glaeser is that technology and globalization are making urban density more—not less—valuable. Today, the success of cities in both the wealthy and the developing world is apparent, but when Glaeser began to write on this topic (1994), the comeback of cities was far from obvious. The typical view was that improvements in technology would allow people to work from low density suburbs. Glaeser’s original contribution was that face-to-face contact may well be a complement, not a substitute, for electronic contact, and cities make face-to-face contact easier. Combined with the observation that cities enable human capital accumulation, this implies that cities were becoming more appealing. Today, the pandemic is testing Glaeser’s view.

Economists traditionally focus on housing demand far more than supply. Glaeser showed that many important aspects of cities can be understood through the analysis of housing supply. He argued that excessive zoning regulation is responsible for a good share of the lack of affordability in many US urban areas (San Francisco or NYC, for example).

Glaeser has written several papers on the impact of the Covid-19 pandemic on cities. Displaying the authors’ knowledge of the histories of pandemics, the book “Survival of the City” (with David Cutler, 2021) argues that societies have been very resilient to infectious disease. In fact, economies have sometimes been strengthened by pandemics. The book also discusses and suggests well-argued solutions to issues affecting urban areas such as affordable housing, education, and crime.

Glaeser has authored 14 books and 150+ journal articles, which have received 106,000+ cites in Google Scholar. His honors include giving the Richard Ely lecture, the most important invited lecture at the annual meetings of the American Economic Association. Glaeser has made numerous contributions to the academic community at large, including serving as a member of the Board of Directors of the Social Science Research Council and grant committees of the Gates and MacArthur foundations. His attention to undergraduate and graduate students at Harvard is legendary.

Glaeser’s work is high-quality applied economics but benefits from his great interest in and knowledge of history, sociology, psychology, and, more recently, big data. In the tradition of Albert Hirschman, Glaeser produces work that uses multiple disciplines, pushes the frontier of knowledge, and greatly influences policy discussions. He has been a prominent voice advocating a rethinking of restrictive local zoning rules and better analysis of infrastructure spending. In the developing world, he has been a strong advocate of replacing anti-urban policies with policies that meaningfully improve the quality of life in cities. The Social Science Research Council is pleased to award to Edward Glaeser the 2022 Albert O. Hirschman Prize.