

## Behavioural Sciences and Rural-Urban Development Seminar Series

# Behavioural Economics, Macroeconomics and Public Policy

By Prof. Michelle Baddeley

4.30pm, Wednesday 25 Apr, 2018

Tower Meeting Room, Department of Land Economy, University of Cambridge

### SUMMARY

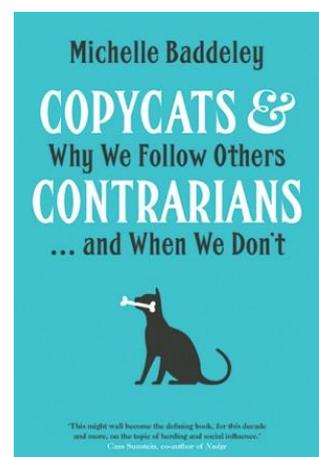
With the award of the 2017 Economics Nobel Prize to behavioural economist Richard Thaler and the rapidly increasing international influence of the UK's Behavioural Insights Team (a.k.a. the 'Nudge Unit'), behavioural public policy is very much in the news. This presentation will explore the successes, pitfalls and challenges for behavioural public policy, focusing on its role as a complement to traditional economic policies. This presentation will also explore the so far relatively neglected field of behavioural macroeconomics, including the potential for behavioural policy innovations in macroeconomic policy-making, an area where new thinking about policy is long over-due.

### About the speaker



Michelle Baddeley is Research Professor, Institute for Choice – University of South Australia and Honorary Professor, Institute for Global Prosperity – University College London. She is a behavioural economist – specialising in the analysis of social influences and behavioural public policy. She applies key insights from behavioural economics across a range of fields including behavioural macroeconomics, housing and infrastructure, financial decision-making, energy and water, and cyber-security. She has been a research investigator on research projects funded by the ESRC, EPSRC and the Leverhulme Trust, most recently the RELIEF

(Refugees, Education, Learning and Entrepreneurship for the Future) project, led by Professor Henrietta Moore and funded via the ESRC's Global Challenges Research Fund. She has also worked on a range of contract research projects, including a long-standing collaboration with Anglian Water and the UK's Infrastructure Client Group. She has an active interest in public policy and was a public appointee to DEFRA's Hazardous Substances Advisory Committee and is the international expert for PRICE lab – a behavioural experimental lab advising Irish regulators and hosted by Ireland's Economic and Social Research Institute. She is on editorial boards for a number of journals, including the Journal of Behavioural Economics for Policy and the Economic and Labour Relations Review. She has written a wide range of books, book chapters and articles and her latest book – *Copycats and Contrarians: Why We Follow Others, and When We Don't* – will be published by Yale University Press in June 2018.



## Behavioural Sciences and Rural-Urban Development Seminar Series

# Decision making in the Peri-Urban Fringe: Examples of Responses to Risk, Attraction and Environment

By Prof. Guy Robinson, University of Adelaide, Editor of *Land Use Policy*

11am, Wednesday 9 May 2018

Tower Meeting Room, Department of Land Economy, University of Cambridge

### Summary

The peri-urban fringes of large cities provide an environment where residents can interact more directly with the natural and semi-natural environment than most urban dwellers. This interaction can be a major attraction to people seeking to escape from perceived dis-benefits of inner city life, but it can also present risks through greater exposure to damaging events, such as floods and wildfires. In the context of exploring certain aspects of Ulrich Beck's 'risk society', this presentation will draw on several recent strands of research in Australia and the UK to consider decision making by peri-urban fringe residents. The main focus will be on how the residents rationalise living in locales threatened by high risk of bushfires, drawing on a detailed survey of over 3,000 households in Adelaide, capital of South Australia. The complex interaction between maintaining biodiversity on the one hand and protecting residents from damaging fires on the other presents a major challenge to planners. The response to that challenge will also be examined, in terms of the drivers of new development at the city's edge. Analysis of these drivers will be presented based on spatial patterns of residential development in Adelaide during four consecutive periods (ten-year intervals between 1971 and 2010). Some comparisons with changing patterns of land use in south-west London will be made.

### About the speaker



Prof. Guy M Robinson is a human geographer with over 40 years of experience as a researcher on issues relating to rural development and environmental management. Currently based at the University of Adelaide, he has held positions at the Universities of Oxford, Edinburgh, Kingston London and South Australia. He has also been an official visitor at 17 universities in the UK, Australia, China, India, Canada and New Zealand, most recently as a Guest Professor at the Chinese Academy of Sciences in Beijing and GIAN Lecturer at Aligarh Muslim University in India. He has edited the journal *Land Use Policy* for the last twelve years and has published 14 books and over 200 academic papers and book chapters. The books include *Conflict and Change in the Countryside*, *Sustainable Rural Systems*, *Geographies of Agriculture*, *Methods and Techniques in Human Geography*, and *Handbook on the Globalisation of Agriculture*. His recent work includes research on three Australian Research Council-funded projects and a Leverhulme grant supporting research on recycling and pro-environmental behaviour by households in London. In Australia, he is leading a team examining tensions between maintaining biodiversity and limiting risk from bushfires in the peri-urban fringe. Other recent Australian-based research has focused on farmers' adaptations to climate change and the impacts on rural and remote communities of corporate social responsibility in the mining industry. He is Co-Chair of the IGU's Commission on Agricultural Geography & Land Engineering (AGLE).

## Behavioural Sciences and Rural-Urban Development Seminar Series

### The financialisation of China's urban development: preliminary evidence and distinctive features

By Professor Fulong Wu, Bartlett School of Planning, UCL

4.30pm, Wednesday 16 May, 2018

Mill Lane Lecture Room 10, Mill Lane Lecture Theatres, University of Cambridge

#### Summary

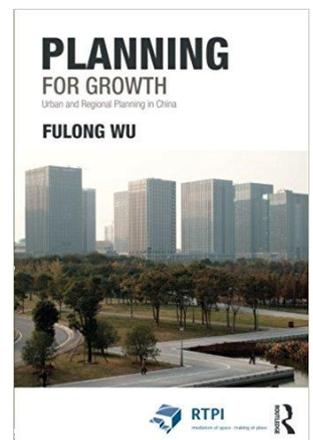
This paper reviews the transformation of China's development strategy through the perspective of changing capital accumulation. Rethinking the so-called China model and its land finance, which heavily depends upon land sales as a source of local public finance, this paper tries to understand how two explanations: land finance and the circuits of surplus capital are two sides of the same coin. From the notion of 'state entrepreneurialism' which is in essence based on planning centrality and market instruments, this paper reveals how recent financialisation of urban development is intrinsically triggered by the fiscal stimulus to cope with the global financial crisis in 2008. The concrete channels and operations are examined, in particular the development of local government finance vehicles (LGFVs), the development of municipal corporate bonds and recent the shift from the formal finance to shallow banking as an ad hoc process of financialisation in China.

#### About the speaker



Prof. Fulong Wu is Bartlett Professor of Planning at University College London. He is a joint coordinator of China Planning Research Group (CPRG) at Bartlett School of Planning, UCL. He is Fellow of Academy of Social Sciences (FACSS), UK. He was awarded 2013 Outstanding International Impact Prize by UK Economic and Social Research Council (ESRC). He is an editor of International Journal of Urban and Regional Research, a leading journal in the field of Urban Studies. He has been Professor of East Asian Planning and Development at Cardiff University (2005-2011) and Lecturer to Reader at the University of Southampton from 1998 to 2005. His research interests include urban

development in China and its social and sustainable challenges. He is among 40 'Key Thinkers on Cities' (Koch and Latham, 2017, SAGE publishing). His total citations are 12,954 in Google Scholar with an h-index of 62 and an i10 index (the number of publications with at least 10 citations) of 146. To date, he has secured funding for 32 research projects, totalling £2,310,000, as PI. Among many appointments in editorial boards and international advisory boards, he has been Trustees of Urban Studies Foundation and Foundation for Urban and Regional Studies (now IJURR Foundation). He is a member of the UK ESRC Review College, the Assessor Board of the Australian Research Council, and the Standing Review Board of the Research Grants Council of Hong Kong. He is a member of the advisory board of the mayor of Wuhan, and planning advisory board of Guangzhou municipal government.



## Behavioural Sciences and Rural-Urban Development Seminar Series

# Behavioural Economics and Personal Financial Decision-Making

By Professor John Howe, Trulaske College of Business, University of Missouri

11am, Wednesday 23 May, 2018

Mill Lane Lecture Room 10, Mill Lane Lecture Theatres, University of Cambridge

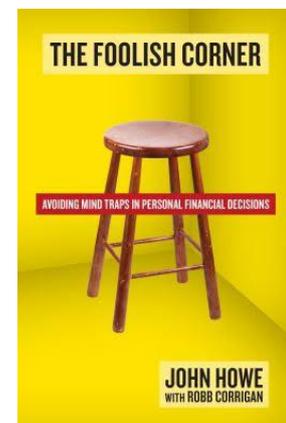
### SUMMARY

In the last two decades, Behavioural Economics (BE) has evolved from a largely ignored ugly stepchild to a well-accepted sub-discipline of Economics. Two Nobel Prizes have been awarded for work in the area (Kahneman and Thaler), and a number of policies have been adopted based on Behavioural Economics, e.g., the “Nudge” unit here in Britain. Prof. Howe’s talk will start by contrasting Behavioral Economics with mainstream Economics, emphasizing that each has something to offer. He will then turn to practical applications of BE to personal financial decision-making, the subject of his new book. Along the way, he will offer some suggestions about how the tenets of Behavioural Economics might apply to real estate and real estate finance.

### About the speaker



John Howe is Professor of Finance, Missouri Bankers Chair, and Chair of the Finance Department at the University of Missouri. He has been at MU more than two decades, with prior appointments at Louisiana State University and the University of Kansas. He earned his undergraduate degree (B.A.) from Colorado College and his graduate degrees (M.S., Ph.D.) from Purdue University. He is a Chartered Financial Analyst (CFA) as well as a Governance Fellow of the National Association of Corporate Directors. He has served on the boards of directors of five for-profit companies and has extensive non-profit board experience. John’s research interests include behavioral finance, corporate governance, and household finance. He has published extensively in the major journals in finance and accounting, and has more than 65 publications in peer-reviewed journals. He has been a visiting scholar at the University of Cambridge (U.K.) and Queensland University of Technology (Australia), and has taught courses for the banking group UBS (Switzerland). John has won numerous teaching awards, including the William T. Kemper Fellow for Excellence in Teaching. He has taught at all levels including the executive MBA. He is the author of *The Foolish Corner: Avoiding Mind Traps in Personal Financial Decisions*. A preview of the book (Table of Contents, Introduction, and Chapter 1) can be found at: <http://www.knowthybiasedself.com/>.



## Behavioural Sciences and Rural-Urban Development Seminar Series

### Prices and the Stock Market Betas of Housing: Evidence from Micro Data

By Dr Liang Peng, Smeal College of Business, The Pennsylvania State University  
2pm, Friday 29 June, 2018

Tower Meeting Room, Department of Land Economy, University of Cambridge

#### Summary

This paper empirically tests whether the stock market betas of house price appreciation rates vary across houses with different prices. An analysis of about 6 million repeat sales in the U.S. over the 2000 to 2015 period suggests that pricier houses tend to have lower stock market betas. This result is robust across time, holding-period duration, and MSAs with different population and GDP growth rates, and remains significant when the model includes more stock market factors.

#### About the speaker



Liang Peng is an Associate Professor of Risk Management and the King Fellow of Risk Management in the Smeal College of Business of the Pennsylvania State University. Liang received his PhD in Economics from Yale in 2002. His research interests include the risk and returns of commercial real estate and housing, real estate price index estimation, and economics of the housing market.

Liang serves in the editorial boards of Real Estate Economics, Journal of Real Estate Finance and Economics, and Journal of Real Estate Research and the advisory board of Real Estate Research Institute. He is the recipient of American Real Estate Society best paper award and Asian Real Estate Society best paper award. He is a fellow of the Real Estate Research Institute and a postdoctoral honoree and also a fellow of Weimer School of Advanced Studies in Real Estate and Land Economics.