



## *The Hebrew University of Jerusalem*

### *Syllabus*

## *Introduction to Transport Economics - 49824*

*Last update 29-07-2021*

*HU Credits: 2*

*Degree/Cycle: 2nd degree (Master)*

*Responsible Department: Urban & Regional Studies - Specialization*

*Academic year: 0*

*Semester: 1st Semester*

*Teaching Languages: Hebrew*

*Campus: Mt. Scopus*

*Course/Module Coordinator: Ms. Ruth Amir*

*Coordinator Email: [mail.ruti.amir@gmail.com](mailto:mail.ruti.amir@gmail.com)*

*Coordinator Office Hours: Wednesday between 14:00-14:30*

*Teaching Staff:*

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Ms. Ruth Amir

Course/Module description:

A basic course in transportation economics that will focus on the following issues: transportation demand and supply, assessment of transport projects, subsidies and monopolies, public transport fare policy, congestion, congestion fees and sustainable transport.

Course/Module aims:

Learn basic concepts in transportation economics. Understand the complex relationship between the transport system and various economic characteristics. Comprehend the different economic tools in transportation planning. Analyze the transportation market in Israel and around the world, based on an understanding of the underlying economic theory. Investigate the process of planning, decision making and management of the transport field. Study major issues in the transport economy, through analysis of current cases. Ascertain the economic theory, which serves as a basis for transportation planning and market actuality. During the course, the students will be required to perform exercises. At the end of the course the students will be asked to submit a course completion work. The work can be done in pairs.

Learning outcomes - On successful completion of this module, students should be able to:

1. Basic recognition of key economic theories and their role in transport planning.
2. Knowledge of basic concepts in transport economics (such as cost-benefit tests, demand flexibility, monopolies and subsidies, externalities, demand management and more).
3. Understand the economic basis of transportation planning and decision-making processes and recognize the actual use of economic tools in these processes.
4. Ability to understand current issues in transport economics in light of the basic concepts learned.
5. Ability to present and analyze these issues.

Attendance requirements(%):

- Active participation in the course (10% of the course score). Attending at least 10 lessons is required to receive the full score. Attending less than four classes equals 0 points. Notice, attending the class means attending the entire class.
- Presentation of a case study in class (10% of course score).
- Presentation of the course completion work (15% of the course score).
- Course completion work grade (65% of the course score).

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- The completion work can be done in pairs. Work topics will be given during the first half of the course. The work will be up to 10 pages long and will include current topics in transportation, using the economic tools learned in the course. Preparation of the work should be based on articles and research on the subject. The aim is not to summarize the articles but to present the topic and hold a discussion.
  - The submission date is a month after the end of the course.

Teaching arrangement and method of instruction: Frontal

Course/Module Content:

תכנית הקורס

13/10

שיעור 1- מבוא לכלכלת תחבורה ועל ההשקעה בתשתית תחבורה ככלי לפיתוח כלכלי

קריאה:

מדינת ישראל 1999, תכנון כולל של מערכת התחבורה היבשתית - נייר עמדה לכנס קיסריה 1999, המכון הישראלי לדמוקרטיה

Course Plan

13 October

Lesson 1- Introduction to Transportation Economics and about investment in transportation infrastructure as a tool for economic development

Reading:

The state of Israel 1999, Overall design of the inland transportation system - Position Paper, the Israel Democracy Institute

20/10

שיעור 2- היצע וביקוש לתחבורה, שיווי משקל

קריאה:

גרונואו ר. 1997, התערבות לתחרות בשוק התחבורה המוטורית 1. ענף התחבורה המוטורית - סיפור של כשל שוק, המכון למחקר כלכלי בישראל ע"ש מוריס פאלק, מאמר לדיון 97.03, עמודים 1-32

20 October

Lesson 2- Transportation supply and demand, equilibrium

Reading:

Gronau R. 1997, Intervention and Competition in the Motor Transport Market - i. The Motor Transport Branch: A tale of market Failure, The Maurice Falk Institute, Article for discussion 97.03, pages 1-32 (Hebrew)

27/10

שיעור 3- גמישות הביקוש לתחבורה ותחבורה כביקוש נגזר

Sergio R. Jara-Diaz 1986, On the relation between users' benefits and the economic effects of transportation activities, Journal of regional science, Vol.26 No.2, 1986 Pages 379-383

Todd Litman 2013, Transport Elasticities: Impacts on Travel Behavior, GIZ GmbH Sector Project "Transport Policy Advisory Services" Division 44 Water, Energy, Transport

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27 October

Lesson 3- Transport demand elasticity and Transportation as a derived demand

Reading:

Sergio R. Jara-Diaz 1986, On the relation between users' benefits and the economic effects of transportation activities, *Journal of regional science*, Vol.26 No.2, 1986 Pages 379-383

Todd Litman 2013, *Transport Elasticities: Impacts on Travel Behavior*, GIZ GmbH Sector Project "Transport Policy Advisory Services" Division 44 Water, Energy, Transport

3/11

שיעור 4 - מודלים לחיזוי הביקוש לתחבורה

November 3

Lesson 4 -Forecast transport demand models

10/11

שיעור 5 - מבוא להערכה כלכלית של פרויקטים תחבורתיים

November 10

Lesson 5- Introduction to economic evaluation of transport projects

17/11

שיעור 6 - הערכה כלכלית של פרויקטים תחבורתיים - הניסיון העולמי

קריאה:

Shiftan Y., Ben-Akiva M., De Jong G. at all 2002, *Evaluation of Externalities in Transport Projects*, *European Journal of Transport and Infrastructure Research*, 2(3/4). pp. 285-304

November 17

Lesson 6- Economic evaluation of transport projects - the world experience

Reading:

Shiftan Y., Ben-Akiva M., De Jong G. at all 2002, *Evaluation of Externalities in Transport Projects*, *European Journal of Transport and Infrastructure Research*, 2(3/4). pp. 285-304

24/11

שיעור 7 - הערכה כלכלית של פרויקטים תחבורתיים - הניסיון בישראל

הערכה של השפעות בטיחותיות וסביבתיות

קריאה:

מדינת ישראל, נוהל פר"ת 2012

November 24

Lesson 7- Economic evaluation of transport projects - the Israeli experience

Evaluation of safety and environmental effects

Reading:

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*The state of Israel 2012, Procedure for transportation Projects (Hebrew)*

12/1

שיעור 8 - תחבורה בת קיימא

סובסידיות בתחבורה

קריאה:

גרונאו ר. 1997, התערבות ותחרות בשוק התחבורה המוטורי 3 סיבסוד התחבורה הציבורית והתערבות בשוק המוניות, המכון למחקר כלכלי בישראל על שם מוריס פאלק, מאמר לדיון 97.03 iii עמודים 34-38

December 1

Lesson 8- Sustainable Transport

Transport Subsidies

Reading:

Gronau R. 1997, *Intervention and Competition in the Motor Transport Market - iii. The Subsidization of Public Transportation and Intervention in the Taxi cab Market*, The Maurice Falk Institute, Article for discussion 97.03, pages 34-38 (Hebrew)

8/12

שיעור 9 - מונופולים והשפעת התחרות בענף התחבורה הציבורית

קריאה:

Shiftan Y. and Sharaby N. 2006, *Competition in bus public transport in Israel*, TRB

December 8

Lesson 9- Monopolies and effects of the competition in public transport

Reading:

Shiftan Y. and Sharaby N. 2006, *Competition in bus public transport in Israel*, TRB

15/12

שיעור 10 - מדיניות תעריפים בתחבורה הציבורית

קריאה:

Cats O., Susilo Y.O. and Reimal T., 2017 *The Prospects of Fare-Free Public Transport: Evidence from Tallinn*. *Transportation*. 44 (5), 1083-1104

מדינת ישראל 2015, הרפורמה בתעריפי התחבורה הציבורית במטרופולינים מסמך מסכם

December 15

Lesson 10- Fare policy in public transport

Reading:

Cats O., Susilo Y.O. and Reimal T., 2017 *The Prospects of Fare-Free Public Transport: Evidence from Tallinn*. *Transportation*. 44 (5), 1083-1104

*The State of Israel 2015*,

/1222

שיעור 11 - מגמות כלכליות, חברתיות וטכנולוגיות בתחום התחבורה - סקירה עולמית

December 22

Lesson 11- Economic, social and technological trends in transportation

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29/12

שיעור 12 - גודש ואגרות גודש

קריאה:

רום הנדסת תחבורה בע"מ 2008, אגרות גודש במטרופולין תל אביב דו"ח מסכמ

גרונו ר. 2010, התערבות ותחרות בשוק התחבורה המוטורית 4. הרכבת - חולצת הפקקים של

המדינה, המכון למחקר כלכלי בישראל על שם מוריס פאלק, מאמר לדין iv 10.07, עמודים 60-64

December 29

Lesson 12- Congestion and congestion fees

Reading:

Rom Traffic Engineering Ltd.2008, Congestion Fees in the Tel Aviv Metropolitan Area- Summery Report

Gronau R. 2010, Intervention and Competition in the Motor Transport Market - iv  
The Israeli Railroad: Road Jam Panacea? The Maurice Falk Institute, Article for  
discussion 10.07, pages 60-64

5/1

שיעור 13 - סטודנטים מציגים את עבודות הגמר

January 5

Lesson 13- Students present course completion works

12/1

שיעור 14 - סטודנטים מציגים את עבודות הגמר

January 12

Lesson 14- Students present course completion works

Required Reading:

Course Plan

October 21

Lesson 1- Introduction to Transportation Economics and about investment in  
transportation infrastructure as a tool for economic development

Reading:

The state of Israel 1999, Overall design of the inland transportation system -  
Position Paper, the Israel Democracy Institute

October 28

Lesson 2- Transportation supply and demand, equilibrium, Transportation as a  
derived demand

Reading:

Gronau R. 1997, Intervention and Competition in the Motor Transport Market - i. The  
Motor Transport Branch: A tale of market Failure, The Maurice Falk Institute, Article  
for discussion 97.03, pages 1-32 (Hebrew)

November 4

Lesson 3- Transport demand elasticity

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*Transportation as a derived demand*

*Reading:*

*Sergio R. Jara-Diaz 1986, On the relation between users' benefits and the economic effects of transportation activities, Journal of regional science, Vol.26 No.2, 1986 Pages 379-383*

*November 11*

*Lesson 4- Forecast transport demand models*

*November 18*

*Lesson 5 - Introduction to economic evaluation of transport projects*

*November 25*

*Lesson 5- Economic evaluation of transport projects - the world experience*

*Reading:*

*Shifan Y., Ben-Akiva M., De Jong G. et al 2002, Evaluation of Externalities in Transport Projects, European Journal of Transport and Infrastructure Research, 2(3/4). pp. 285-304*

*December 2*

*Lesson 7- Economic evaluation of transport projects - the Israeli experience*

*Evaluation of safety and environmental effects*

*Reading:*

*The state of Israel 2012, Procedure for transportation Projects (Hebrew)*

*December 9*

*Lesson 8- Sustainable Transport*

*Transport Subsidies*

*Reading:*

*Gronau R. 1997, Intervention and Competition in the Motor Transport Market - iii. The Subsidization of Public Transportation and Intervention in the Taxi cab Market, The Maurice Falk Institute, Article for discussion 97.03, pages 34-38 (Hebrew)*

*December 16*

*Lesson 9- Monopolies and effects of the competition in public transport*

*Reading:*

*Shifan Y. and Sharaby N. 2006, Competition in bus public transport in Israel, TRB*

*December 23*

*Lesson 10- Fare policy in public transport*

*Reading:*

*Cats O., Susilo Y.O. and Reimal T., 2017 The Prospects of Fare-Free Public Transport: Evidence from Tallinn. Transportation. 44 (5), 1083-1104*

*December 30*

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*Lesson 11- Economic, social and technological trends in transportation*

*January 6*

*Lesson 12- Congestion and congestion fees*

*Reading:*

*Rom Traffic Engineering Ltd.2008, Congestion Fees in the Tel Aviv Metropolitan Area- Summery Report*

*Gronau R. 2010, Intervention and Competition in the Motor Transport Market - iv  
The Israeli Railroad: Road Jam Panacea? The Maurice Falk Institute, Article for  
discussion 10.07, pages 60-64*

*January 13*

*Lesson 13- Students present course completion works*

*January 20*

*Lesson 14- Students present course completion works*

*Additional Reading Material:*

*Course/Module evaluation:*

*End of year written/oral examination 0 %*

*Presentation 0 %*

*Participation in Tutorials 0 %*

*Project work 0 %*

*Assignments 0 %*

*Reports 0 %*

*Research project 0 %*

*Quizzes 0 %*

*Other 100 %*

*see additional information*

*Additional information:*

*Percent of Final Grade*

*10% Exercises*

*15% Presentation of the course completion work in class*

*75% Course completion work grade*