

Course Code: ECON-432

Title: Regional Economics

Credit Hours: 03

Prerequisite: Calculus-II and Development Economics

Course Objectives:

Regional Economics is an introductory course, which will provide the students with the basic concepts related to regional economic growth and analysis. The course will also touch on the concept of sustainability and prevalent approaches to policy design in this context.

The objective of this course is to apply the methods of microeconomic analysis to gain an understanding of both why this is the case, and of the forces that shape land development and resource allocation in urbanized areas. A general objective is to improve your ability to apply microeconomic analysis. The more specific objective is to build a working understanding of the economics of urban areas: (1) economic explanations of why cities exist and where they develop and why they grow; (2) how and why urban land develops as it does; and (3) the roles of local governments in influencing the allocation of resources in urban areas. Income determination will also be an important area of study, looking at how economic growth is distributed, and the role of growth in improving household well-being.

Learning Outcomes:

By the completion of the course, students should be able to:

- Learn about the regional dynamics of various countries who are located geographically together
- What are the economic benefits and costs that these countries need to be mindful of.

Course Contents:

Introduction	Economics and space, Location and Physical-metric space, Regional Growth local development, Theories of convergence and divergence
Agglomeration and Location	Agglomeration economies and transportation costs, Localization Economies and transportation cost, Market size and Transportation cost, Economies of scale and transportation cost, spatial demand, market equilibrium and firm location, Interdependency in location choices.
Accessibility and location	Accessibility and transportation cost, The location of agriculture activities: The Von Thunen model, The urban location of firms: The Alonso model, The urban location of household, Recent developments: General equilibrium model
Productive Structure and development	The different interpretations of regional growth and development, the different conceptions of space, the theories of the stages of development, Stages of development and disparities, Industrial structure and regional growth: shift share analysis, The centrality approach
Demand	Demand and Regional Growth, interregional relations, the exporter region: the export-base model, critical assessment of the model, input-output analysis, the importer region: The Harrod-Domar model, Balance of payment and local growth
Factor Endowment	Factor endowment and regional growth, regional growth and factor mobility, factor mobility specialization and well-being, absolute vs comparative advantages in regional growth
Territorial Competitiveness and Exogenous Development	The components of territorial Competitiveness, the growth-pole theory, the role of multinational companies in local development, the spatial diffusion of innovation, infrastructure and regional development, new communication technologies and regional development
Territorial Competitiveness and Endogenous Development	The endogenous sources of competitiveness: agglomeration economies, space and static efficiency, space and dynamic efficiency, the urban structure and regional development

Territorial Competitiveness and Cumulative Demand/Supply Growth	Increasing returns, Competitiveness and cumulative growth, equilibrium in condition of non-linearity, increasing returns external to the firm: the circular and cumulative causation model, increasing return internal to the firm: the new economic geography
Territorial Competitiveness and Endogenous Growth	Endogenous growth and increasing returns, the endogamous sources of growth: the knowledge stock and learning

Teaching Methodology:

- To deliver lectures on topics included in course outline
- To require each student to solve independent assignments on topics included in the course.

Evaluation Criteria:

Evaluation Method	
Quizzes/Assignments	
Mid-Term Exam	
Final-Term Exam	

Recommended Books:

- Capello, R. (2007). Regional Economics. New York: Routledge.
- Hoover, E. M., & Giarratani, F. (1999). An introduction to Regional Economics (3rd ed.). West Virginia: Knopf.
- Richardson, H.W. (1972). Input-Output & Regional Economics. London: Weidenfeld and Nicolson.
- Temple, M. (1994). Regional Economics. Great Britain: St. Martin’s Press.
- Armstrong, Harvey, (2000). Regional Economics and Policy, Black wall Publishing Company.
- Choi, Rok-Byung, (2003). High Technology Development in Regional
- Davis H., Craig. (1990). Regional Economics, Impact Analysis and Project Evaluation, Amazon.com.
- Hijkamp (Editor). Handbook of Regional and Urban Economics, North Holland.
- Lee Roger (ed). (1997). Geographics of Economics, John Wiley and Sons. 106
- Mcker David L., (1970). Regional Economics: Theory and Practice, The Free Press, New York.
- Philip McCann, (2001). Urban and Regional Economics, Oxford University Press