

Code: ECON-415

Title: Regional Economics

Credit Hours: 03

Prerequisite: Calculus-II and Which Development Economics

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.

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 endogenous sources of growth: the knowledge stock and learning

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