

EA/EC 563
Regional Economic Development: Theory, Methods, and Issues

M 3:30-6
C363 Clark

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Office Hours:
MW 3-3:30 & by appt.

OVERVIEW:

The study of regions in economics is an old tradition whose value has recently been rediscovered, due to recognition of differing regional growth patterns, advances in economic modeling, as well as the increasing responsibility of local and state governments for development issues. In that spirit, this course investigates how space influences economic decisions and outcomes, which in turn help shape regional economic development. The course will be divided into five parts. The initial three sections will address the 3 key questions raised by introducing spatial aspects into economic analysis. In effect, each is based on the regional facets of economic demand, supply, and externalities. Applied regional analysis techniques will be surveyed in the fourth section. The final section will then explore the history, recent policy debates, and frontier topics of regional economics. Each section will first introduce core topics, then consider foundational theories and issues in the field, and finally consider samples of cutting-edge current inquiry. Student research pursued over the course of the semester will be an important part of the course by integrating and applying regional methods to areas of individual interest.

READINGS:

Background reading is based on chapters from **McCann, Philip (2013) *Modern Urban and Regional Economics*. Oxford: Oxford University Press**. Students will be responsible for short summary presentations of selected additional articles.

RESEARCH PAPER:

A research paper will be developed alongside the core curriculum, emphasizing the applications of the tools of regional analysis to a topic of personal interest. Papers are due on Wed Nov 18 at 12n. Presentations of student research will take place during the final two weeks of the course.

EXAM (Week 11):

An exam in the eleventh week will survey both understanding and synthesis of topics presented over the first two-thirds of the semester.

GRADING:

The Research Paper and its presentation will be worth 40% of the course grade, as will the Exam. Class participation along with reading presentations will constitute the remaining 20%. The +/- system will be used for final course grades. Accommodations are made for students with disabilities in conjunction with the Resources for Disabled Students (<http://rds.colostate.edu/>). The course will adhere to the Academic Integrity Policy of the Colorado State University General Catalog and the Student Conduct Code. You can find further useful information on academic integrity at <http://learning.colostate.edu/integrity/index.cfm>

Weeks 1-2: WHERE? Firm Location and Supply

Core Topics: McCann Chapters 1 (except 1.4) and 4

Recent Research:

Bleakley, Hoyt and Lin, Jeffrey (2012) Portage and Path Dependence. *Quarterly Journal of Economics* 127, 587-644.

Klier, Thomas H. Where the Headquarters Are: Location Patterns of Large Public Companies, 1990-2000. *Economic Development Quarterly*, May 2006, 20(2), pp. 117-28.

Klier, Thomas H. and Rubenstein, James M. The Changing Geography of North American Motor Vehicle Production. *Cambridge Journal of Regions, Economy and Society*, November 2010, 3(3), pp. 335-47.

Liao, Wen-Chi. Inshoring: The Geographic Fragmentation of Production and Inequality. *Journal of Urban Economics*, July 2012, 72(1), pp. 1-16.

Michielsen, Thomas O. (2013) The distribution of energy-intensive sectors in the USA. *Journal of Economic Geography* 13: 871-888.

Weeks 4-5: HOW MANY? Market Areas and Demand

Core Topics: McCann 1.4 and Chapter 3

Recent Research:

Lambert, Thomas E.; Srinivasan, Arun K. and Katirai, Matin. Ex-urban Sprawl and Fire Response in the United States. *Journal of Economic Issues*, December 2012, 46(4), pp. 967-87.

Percoco, Marco. Geography, Institutions and Urban Development: Italian Cities, 1300-1861. *Annals of Regional Science*, February 2013, 50(1), pp. 135-52.

Weeks 5-8: WHY? Agglomeration Externalities

Core Topics: McCann Chapter 2

Recent Research:

Krugman, Paul (2010) The New Economic Geography, Now Middle Aged. Paper presentation at the Association of American Geographers.

Glaeser, Edward and Matthew Resseger (2010) The complementarity between cities and skills. *Journal of Regional Science*, 50(1), 221-244.

McGranahan, David and Wojan, Timothy. Recasting the Creative Class to Examine Growth Processes in Rural and Urban Counties. *Regional Studies*, April 2007, 41(2), pp. 197-216.

Nissan, Edward and Carter, George. Spatial Distribution of the Specialization of Arts. *Journal of Economics and Finance*, Fall 2007, 31(3), pp. 422-34.

Delgado, Mercedes, Michael Porter, and Scott Stern. (2010) Clusters and Entrepreneurship. *Journal of Economic Geography*, 10, 495-518.

Ellison, Glenn; Glaeser, Edward L. and Kerr, William R. What Causes Industry Agglomeration? Evidence from Coagglomeration Patterns. *American Economic Review*, June 2010, 100(3), pp. 1195-1213.

Buenstorf, Guido and Klepper, Steven. Why Does Entry Cluster Geographically? Evidence from the US Tire Industry. *Journal of Urban Economics*, September 2010, 68(2), pp. 103-14.

Bauernschuster, Stefan; Falck, Oliver and Heblich, Stephan. Social Capital Access and Entrepreneurship. *Journal of Economic Behavior and Organization*, December 2010, 76(3), pp. 821-33.

Weeks 8-10: APPLICATIONS

* Basics: McCann Chapter 5

-Stages & Flow -Export Base -Location Quotients

* Shift/Share Analyses:

Gabe, Todd (2006) Growth of Creative Occupations in U.S. Metropolitan Areas: A Shift-Share Analysis. *Growth and Change*, 37(3), 396-415.

* Input/Output Models: Chapter 5

Beyond Rock and Roll: The Economic Impact of the Grateful Dead on a Local Economy; By Gazel, Ricardo C.; Schwer, R. Keith; *Journal of Cultural Economics*, 1997, v. 21, iss. 1, pp. 41-55

Moretti, Enrico. Local Multipliers. *American Economic Review*, May 2010, 100(2), pp. 373-77.

* Regional Labor Markets: McCann Chapter 6

The Spatial Mismatch Hypothesis and Black Youth Joblessness: Evidence from the San Francisco Bay Area; By Raphael, Steven; *Journal of Urban Economics*, January 1998, v. 43, iss. 1, pp. 79-111

Migration, Regional Equilibrium, and the Estimation of Compensating Differentials; By Greenwood, Michael J.; *American Economic Review*, December 1991, v. 81, iss. 5, pp. 1382-90

Falck, Oliver; Fritsch, Michael and Heblich, Stephan. The Phantom of the Opera: Cultural Amenities, Human Capital, and Regional Economic Growth. *Labour Economics*, December 2011, 18(6), pp. 755-66.

Forman, Chris; Goldfarb, Avi and Greenstein, Shane. The Internet and Local Wages: A Puzzle. *American Economic Review*, February 2012, 102(1), pp. 556-75.

Bauernschuster, Stefan et al (2014) Why are Educated and Risk-Loving Persons More Mobile Across Regions? *Journal of Economic Behavior and Organization*, 98, 56-69.

Partridge, Mark (2010) The dueling models: NEG vs amenity migration in explaining US engines of growth. *Annals of Regional Science*, 89(3), 513-536.

Week 11: EXAM

Weeks 12-15: HISTORY, POLITICS, AND FRONTIER TOPICS

Core Topics: McCann Chapters 7-10

Recent Research:

Weiler, Stephan (2000) "Pioneers and Settlers in LoDo Denver: Private Risk and Public Benefits in Urban Redevelopment." *Urban Studies*, 37(1), 167-179.

Weiler, Stephan, Dana Hoag, and Chuen-mei Fan (2006) "Prospecting for Economic Returns to Research: Adding Informational Value at the Market Fringe." *Journal of Regional Science*, 46(2), 289-312.

Weiler, Stephan and Andrew Seidl (2004) "What's In a Name? Extracting Econometric Drivers to Assess the Impact of National Park Designation." *Journal of Regional Science*, 44(2), 245-264.

Weiler, Stephan (2006) "A Park By Any Other Name: National Park Designation as a Natural Experiment in Signaling." *Journal of Urban Economics*, 60, 96-106.

Bunten, Devin, Stephan Weiler, Eric Thompson, and Sammy Zahran (2015) "Entrepreneurship, Information, and Growth." *Journal of Regional Science*, Forthcoming.

Student Presentations