



# REGIONAL ECONOMICS

## General data

Course code:	B19C05E
ECTS credits:	3
Type of the course:	C
Semester:	Spring, Semester 4
Course restrictions:	-
Course leader (with availabilities):	Norbert Szabó, <a href="mailto:szabon@ktk.pte.hu">szabon@ktk.pte.hu</a> +36 72 501 599/ 23382
Further lecturer(s) (with availabilities):	-

## 1. Description and aims

The module aims to introduce the basic principles of regional economics by discussing the role of space in economics at the micro and macroeconomic levels. At the micro level, the lecture will allow students to get a deeper knowledge of the logic of economic decision-making extended by localities. At the macro level, students will better understand how the system of cities and regions works, and how spatial inequalities, local growth and its sustainability can be dealt with and fostered by different policies. By completing group works and exercises, the course will provide students a better understanding of the economic processes going on in the local economy both at the micro and macro levels.

## 2. Intended Learning Outcomes (ILOs)

Upon the successful completion of this course, students should be able to:

1. Explain the basic theories of regional economic development (*PILO1*),
2. Examine the different approaches of theories on the role of space in economic development (*PILO1*),
3. Distinguish the key factors that can affect local economic growth and account for the potential consequences of growth (*PILO1,PILO8*),
4. Use the basic methodological tools in local economic analysis (e.g. location quotient) (*PILO2,PILO3*),
5. Deduct relevant conclusions from applied teamwork exercises designed for spatial economic problems (*PILO3, PILO5*),
6. Criticize the different local economic development approaches (*PILO4*).
7. Evaluate the potential of different policies aimed at fostering local growth and its sustainability (*PILO3*)

(The remarks in brackets express each CILO's connection to the Program Intended Learning Outcomes (PILOs).)



### 3. Content, schedule

1. Introduction to Regional economics.
2. Location choice theory. Where should firms locate?
3. Spatial competition. How do firms treat rivals?
4. Agglomeration effects. Why do cities exist?
5. Land use: How do activities compete for land?
6. Location of urban places. How are activities distributed in space?
7. How demand affects regional growth?
8. What are the sources of regional growth on the supply side?
9. The role of export activities in regional growth.
10. How does innovation promotes regional development?
11. Core and periphery. Is the world 'flat' or 'curved'?
12. Regional development policy

### 4. Learning and teaching strategy, methodology

*Principal teaching methodologies:*

The joint application of theoretical and practical teaching methods should enable students to understand the main economic forces behind regional economics. Students are required to follow the study material throughout the course. Active participation in class discussions and group works as well as completing occasional quizzes require them to come to classes prepared. Students are encouraged to raise their questions which drive the sessions to those parts of the topic which are less clear for them. Group works drive students to apply their knowledge to real or imaginary situations of international trade policies. (LOs 1,2,3,4,5,8)

### 5. Assessment

*Formative assessment elements:*

Oral feedback on in-class activities, discussion of the solution of practical exercises and simulation games in the classes, online quiz games (e.g. Kahoot) occasionally. (LOs 1,2,3,5,8)

*Summative assessment elements:*

Summative assessment of the course is split into three parts and consists of groupworks, a midterm and a final exam. Groupworks focus on the application of knowledge in real of imaginary situations and on identifying the essential points of theories on the basis of real economic data. The mid-term exam focuses on the first half of the topics , while the final exam focuses mainly on the second half of the topics however questions from the first half can be expected with a smaller weight. Both papers are made up of two parts. In the first part with multiple choice questions students are called to prove that they are aware of the main concepts of the material and are able to interpret the main messages of the models they have learnt. In the second part students are given questions which they have to answer by providing a short (around 10 sentences) comprehensive essay. These questions focus on how the students can apply the learnt concepts in some cases and also how they can match different aspects/parts of the learning material by providing a complex answer. (LOs 1, 2, 3, 4, 5, 8)

**Resit opportunities**

There is one resit opportunity for the midterm and final exams during the exam period.

<b>Individual Assessment</b>	80%	<b>Group Assessment</b>	20%
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Name of the element	Weight	Type	Details	Retake opportunity	Req.*	Related CILOs
Case study, groupwork	20%	Group/written/coursework	Case studies and small teamworks regarding collecting local economic data and application of theoretical knowledge	No	No	1,2,3,5,8
Midterm exam	30%	Individual/written/exam	14% multiple choice questions 84% essay questions	One retake opportunity in the exam period	Yes	1,2,3,4,8
Final exam	50%	Individual/written/exam	14% multiple choice questions 84% essay questions	One retake opportunity in the exam period	Yes	1,2,3,4,8

\* Req.: Completion of the element is required to pass the course, irrespective of the performance in other elements.

## 6. Learning materials

- Essential

McCann, Philip (2013): Modern urban and regional economics. Oxford University Press.

- Recommended

Capello, Roberta (2016): Regional Economics. Routledge.

Edwards, Mary E. (2007): Regional and Urban Economics and Economic Development. Theory and Methods. Taylor & Francis.

Erdős, Katalin – Szabó, Norbert – Veréb-Miskolci, Zsófia – Varga, Attila (2022): Assessing the spatial economic impacts of the university of Pécs with the GMR-Hungary model. Regional Science Policy and Practice, Working paper.

Pyke, Andy - Rodriguez-Pose, Andrés – Tomaney, John (2017): Local and Regional Development. Routledge, New York.

Szabó, Norbert – Farkas, Richárd – Varga, Attila (2021): The economic effects of passenger transport infrastructure investments in lagging regions. Would the increase in commuting be beneficial for regional development? Growth and Change, Vol. 54, No. 4, pp. 2099-2123. DOI: 10.1111/grow.12516

## 7. Further information

<b>International</b> aspects embedded with the course
Local sources of competitiveness in the global competition is discussed in class (localization, globalization, the global-local paradox).
<b>Ethics, Responsibility &amp; Sustainability (ERS)</b> aspects embedded with the course
Regional inequality and related policy issues are discussed in class. Urban growth and urban sustainability is one of the topics discussed in the class including the aspects of the environment, income distribution and economic growth and the most important dilemmas regarding them.
<b>Connections to the world of practice</b> of the course
Not relevant to this course.