

Urban and Regional Economic Development, 90-743

Spring 2021

Version 1.0, January 30, 2021

Time:	Tuesdays and Thursdays 3:10-4:30PM	Instructor
Location:	Online through February 12	Christopher Briem
Office Hours:	Group online Mondays 4-5:30pm (starting Feb 6) Individual appts: Fridays 3-6pm	E-mail use: cbriem@gmail.com Office/voicemail: 412.624.3791 Cell: 412.363.7498

Course Description

The course will introduce students to the theory and practice of economic development in the United States. An introduction to basic analytic techniques used by both researchers and economic development practitioners will be coupled with a broad overview of the research literature in the fields of urban and regional economics. Emphasis will be placed on the public sector's role in promoting economic development and public policy at the federal, state and local levels that are focused on improving economic conditions for people, places and regions. Optional readings will focus on Pittsburgh's economic development and regional economic change since WWII.

Upon successful completion of this course you should be able to:

- Explain economic theories explaining the location of economic activities and the growth or decline of regional economies at the state, metropolitan and local level. To include, but not limited to industry cluster theory, the role of human capital, place-based vs person-based economic development approaches.
- Critique the theories and methods of regional economic development in their application to a region.
- Understand key data sources and their limitations for use in local and regional analysis. Examine regional and local economies using critical analytical methods like shift share, location quotients, and comparative analysis.

Text and readings

There is no one assigned textbook that you will need to purchase for this course and material will be drawn from a range of academic journals, training material, and various mass media articles. Students will be expected to participate in discussion of assigned readings and will be assigned to present and lead discussion of one assigned reading over the course of the semester.

Online Books

1. Hoover, Edgar M. and Giarratani, Frank, "An Introduction to Regional Economics" (2020). Web Book of Regional Science. <https://researchrepository.wvu.edu/rri-web-book/4>
2. Tim Bartik, Who Benefits from State and Local Economic Development Policies? (Upjohn Institute, 1991).

Office Hours

Through the week there will be two options available for office hours. I'll have a collective open period on zoom where I will be available to all who participate. I will set up a standing Zoom call anyone can participate in and bring up any issues you wish. One note, if you plan to participate in office hours during this period and will not be there at the beginning of the time period, please let me know ahead of time.

For those who want to talk individually, we can set up individual times to talk on the phone or via zoom and I have Friday's blocked off for those calls. As changing circumstances permit, I will make these office hours available in person.

Course Evaluation

Grades will be assigned based on performance in a combination of in-class exams, assigned applied projects and overall class participation. Testable material for exams will be based on assigned readings per the specific course schedule itemized below. More information on the applied projects

Exams	40%	A midterm and a final will be evenly weighted (20% of final grade each) and will cover student's knowledge of assigned readings and other assigned material. These will be distributed with 48 hours to complete. See schedule below for timing of midterm and final will be TBD after the last scheduled lass.
Applied Projects	40%	Four individual projects will be assigned over the course of the semester. Each assignment will focus on using real-world data in the application of quantitative methods of applied regional and urban economics.
Course Participation and Paper Presentation	20%	Evaluated based on course attendance and participation in discussion of assigned readings. In addition each student will be assigned to present major themes in 1 (or 2 depending on class size and timing) of the assigned readings during class periods.

Course Schedule

Note that this schedule should be considered a living document and when planning you should check that you are referencing the latest version of this document. Specific dates and topics will be adjusted based on schedules of guest lectures and other circumstances.

Section 1: Overview and key tools for economic development analysis

The first part of this course will cover both the history of economic development in the United States and basic analytic techniques that can be applied in the practice of economic development and related research.

February 2	<p>What is Economic Development? Overview of course, syllabus review, introductions.</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Timothy J. Bartik, Local Economic Development Policies, Upjohn Institute (2003), pages 1-43
February 4	<p>History of regional competition and regional economic policy</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Russell Roberts, "Hamilton's Great Experiment – The Society for Establishing Useful Manufactures," <i>Financial History</i> 20, Issue 64 (1998) 2. Connie Lester, Economic Development in the 1930s: Balance Agriculture with Industry, <i>Mississippi HistoryNow</i> (online). 3. Hoover and Giarratani , Chapter 12, pp. 242-272 (not including appendix)
February 9	<p>Geography for Economic Development</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Gregory K. Ingram, Defining Metropolitan and Megapolitan Areas, Lincoln Institute of Land Policy (December 2014) 2. Jean-Pierre Collin, Michèle Dagenais and Claire Poitras, From City To City-Region: Historical Perspective On The Contentious Definitions Of The Montréal Metropolitan Area, <i>Canadian Journal of Urban Research</i>, Vol. 12, No. 1, Montréal, Depictions of a Mid-size Metropolis: Special Issue (Summer 2003), pp. 16-34 <p><u>Web page:</u></p> <ol style="list-style-type: none"> 1. Census Bureau, Metropolitan Areas <p><u>Optional Reading:</u></p> <ol style="list-style-type: none"> 1. Pennsylvania Economy League – Western Division, Pittsburgh: A Regional City with a Local Tax Base, 1982. Executive Summary.

	Assignment 1 introduced and assigned.
February 11 and February 16	<p>Basic Metrics and Measurement for Economic Development</p> <p><u>Web Pages:</u></p> <ol style="list-style-type: none"> 1. Powerpoint: Calculating Location Quotients, LMI Training Institute, September 12, 2012 2. Maryann Feldman, Innovative Data Sources For Regional Economic Analysis 3. Downtown and Business District Market Analysis toolbox, University of Wisconsin Extension 4. Penn State Extension, Understanding Economic Change in Your Community. 5. Alan Mallach. 2017. Neighborhoods by Numbers. Center for Community Progress. (2017)
February 18	<p>Demographics of regional economic change</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Arthur Nelson, Reshaping Metropolitan America, Island Press (2013), pp. 16-30 2. Ali Modarres Joel Kotkin, The Childless City, City Journal (2013) <p><u>Optional Reading:</u></p> <ol style="list-style-type: none"> 1. Peter Morrison, A Demographic Overview of Metropolitan Pittsburgh, RAND Corporation (2003)
February 23	Break Day – No Class
February 25	<p>More Analytic Techniques</p> <p>Location quotients, Shift Share</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Center for Regional Economic Competitiveness, Redefining Economic Development Performance Indicators for a Field in Transition 2017 2. Methods of Regional Analysis: Shift Share, a primer prepared by Jerry Paytas who used to teach this course. <p>Anil Rupasingha and J. Michael Patrick, Tools for Understanding Economic Change in Communities: Economic Base Analysis and Shift-Share Analysis, New Mexico State University</p>
February 26	Assignment #1 Due at 1159pm February 26

Section 2: Regional growth theory and the role of public incentives

This section will introduce students to basic theories of regional change and economic growth theory from agglomeration theory to industry cluster theory. Also covered will be the role of public incentives in attracting regional investment.

March 2	<p>Regional Growth Theory and Economic Impact Analysis</p> <p><u>Readings:</u></p> <ol style="list-style-type: none">1. Glen Weisbrod and Burton Weisbrod, "Measuring Economic Impacts of Projects and Programs," Economic Development Research Group (April 1997)2. Bartik, Tim and Nathan Sotheland, "Local Job Multipliers in the United States: Variation with Local Characteristics and with High-Tech Shocks", W.E. Upjohn Institute (2019), pp 1-22, pp. 48-69 <p>Assignment 2 introduced and assigned</p>
March 4	<p>From Agglomeration Economies to Clusters</p> <p><u>Readings:</u></p> <ol style="list-style-type: none">1. Hoover and Giarratani , Chapter 122. Michael Porter, "Clusters and the New Economics of Competition," Harvard Business Review, November-December 1998, pp. 77-90. <p><u>Optional Reading:</u></p> <ol style="list-style-type: none">1. Michael E. Porter, et. al, Clusters of Innovation Initiative: Pittsburgh, 1998
March 9	<p>Site selection then and now</p> <p><u>Readings:</u></p> <ol style="list-style-type: none">1. Andrew Shapiro, The Role of the Site Selector, South Carolina Journal of International Law and Business (2011)2. Andrew W. Wood and Nicholas A. Phelps, Mediating Local Economic Development: The Place of Site Selection Consultants in Industrial Recruitment, Economic Development Quarterly, Vol. 34 (1), February 2020, pp. 78-843. Amazon HQ2 Request for Proposals (2018) <p><u>Optional Reading:</u></p> <ol style="list-style-type: none">1. Jack Markowitz, "How Chrysler Came to New Stanton I: Firm Eyes Western Pennsylvania for Major Growth?" <i>Pittsburgh Post-Gazette</i>, November 4, 1968, 43.

March 11	<p>Incentives and their discontents</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Tim Bartik, Making Sense of Incentives: Taming Business Incentives to Promote Prosperity, Upjohn Institute, (October 2019). 2. Andrew Schwartz “The Realities of Economic Development Subsidies,” (November 1, 2019) <p><u>Optional Reading:</u></p> <ol style="list-style-type: none"> 1. Beaver, William. “Volkswagen’s American Assembly Plant: Fahrvergnugen Was Not Enough.” Business Horizons, December 1992.
March 16	<p>Fiscal Capacity and Financing Economic Development</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Alan Mallach and Eric Scorsone, Long-Term Stress and Systemic Failure: Taking Seriously the Fiscal Crisis of American’s Older Cities, Center for Community Progress(2011) 2. Kim Phillips-Fein , The Legacy of the 1970s Fiscal Crisis, The Nation, April 16, 2013
March 17	Assignment 2 due March 19 at 1159pm
March 18	Midterm assigned 8am March 18 – Due 1159pm March 19. No Class this day. I can reply to questions all day pertaining to the midterm.
March 23	<p>1 – Government Fragmentation and Economic Development 2 - Review</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Christopher Goodman, Political Fragmentation & Economic Growth in U.S. Metropolitan Areas, forthcoming, Journal of Urban Affairs 2. David Miler and Jen Nelles, Order out of Chaos: The Case for a New Conceptualization of the Cross-Boundary Instruments of American Regionalism. Journal of Urban Affairs <p><u>Optional Reading:</u></p> <ol style="list-style-type: none"> 1. Charles Tiebout, A Pure Theory of Local Expenditures, Journal of Political Economy, Vol. 64, No. 5 (Oct., 1956), pp. 416-424 <p>Assignment 3 introduced and assigned</p>

Section 3: People and Places

This section will focus on the role of geography in economic development to include debates over the efficacy of place-based vs person-based economic development policies, land use. housing economics, the impact of transportation and the economics of opportunity.

March 25	<p>Place based vs person –based economic development</p> <p><u>Readings:</u></p>
----------	-----------------------------------------------------------------------------------------

	<ol style="list-style-type: none"> 1. Tim Henderson, While Most Small Towns Languish, Some Flourish, <i>Stateline</i>, (July 5, 2017) 2. Michelle Miller-Adams (et. al) Building Shared Prosperity: How Communities Can Create Good Building Shared Prosperity: How Communities Can Create Good Jobs for All , Upjohn Institute (2019) 3. Alessandro Bonanno and Stephan Goetz, WalMart and Local Economic Development: A Survey, <i>Economic Development Quarterly</i> 26(5) (2012) pp. 285-297 <p><u>Video:</u></p> <ol style="list-style-type: none"> 1. Thomas Holmes, The Diffusion of Wal-Mart and Economies of Density, 2005
March 30	<p>Land Use</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Hoover and Giarratani , Chapter 6 2. Alan K. Sever, Building-Tax Abatements: An Approximation to Land Value Taxation. 3. James Kunstler, Geography of Nowhere, (Free Press, 1994) pages TBD <p><u>Video:</u></p> <ol style="list-style-type: none"> 1. The City (part 1), American Institute of Planners (1939). Online via the Prelinger Archives <p><u>Optional Reading:</u></p> <ol style="list-style-type: none"> 1. Kyle Westphal, The City, Library of Congress Joe Gareau, Edge City: Life on the New Frontier (Anchor Books, 1992), Pages TBD
April 1	<p>Housing and neighborhood development</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Miriam Axel-Lute Talking About Revitalization When All Anyone Wants to Talk About Is Gentrification, <i>Shelterforce</i> (October 24, 2019)
April 6	TBD: Guest Lecture
April 8	<p>Economics of Opportunity</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Benjamin Forman and Caroline Koch, Geographic Segregation: The Role of Income Inequality, Federal Reserve Bank of Boston (August 2012) 2. Raj Chetty et al. Where is the land of Opportunity? The Geography of Intergenerational Mobility in the United States, <i>Quarterly Journal of Economics</i>, 129 No. 4 (November 2014), pp. 1553-1560, 1619-1620 <p><u>Web site:</u></p> <ol style="list-style-type: none"> 1. Mapping Inequality Redlining in America, University of Richmond
April 9	Assignment 3 due April 9 at 1159pm

Section 4: Technology Based Economic Development (TBED)

This section introduces the technology based economic development in the United States, public policy for incubating entrepreneurial activity and the evolving role of talent in regional economic competition.

April 13	<p>Technology-Based Economic Development (TBED)</p> <ol style="list-style-type: none"> 1. Walt Plosilla, State Science- and Technology-Based Economic Development Policy: History, Trends and Developments, and Future Directions, <i>Economic Development Quarterly</i>, 2. Bradshaw and Blakely “What are Third-wave State economic development efforts,” <i>Economic Development Quarterly</i> 13, No 3. (August 1999) 3. Maryann Feldman and Nichola Lowe, Evidence-Based Economic Development Policy, <i>Innovations</i> (2017) <p><u>Optional Readings:</u></p> <ol style="list-style-type: none"> 1. Edward Litchfield, “Research: The Key to Pittsburgh’s Economic Growth” (Speech, May 4, 1962). 2. Vijai Singh and Christopher Briem, “The role of universities in the evolution of technology-based economic development policies in the United States?” Chapter 9 of Routledge Handbook of Politics and Technology, Ulrich Hilpert Editor (Routledge, 2015) <p>Assignment 4 introduced and assigned</p>
April 15	<p>TBD Guest Lecture</p>
April 20	<p>Do people follow jobs or do jobs follow people?</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. D. B. Grigg, E. G. Ravenstein and the “ laws of migration,” <i>Journal of Historical Geography</i>, 3, 1 (1977) 41-54 2. Tim Bartik, Who Benefits from state and local economic development, Upjohn Institute, chapter 2 <p>Audio: Moretti on Jobs, Cities, and Innovation, EconTalk (June 25, 2012)</p>
April 22	<p>Transportation and Spatial Mismatch</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Shlomo Angel and Alejandro M. Blei, The spatial structure of American cities: The great majority of workplaces are no longer in CBDs, employment sub-centers, or live-work communities, <i>Cities</i> 31 (2016)
April 27	<p>Creative Class and beyond</p> <p><u>Readings:</u></p> <ol style="list-style-type: none"> 1. Richard Florida, Competing in the Age of Talent: Environment, Amenities, and the New Economy, January 2000 2. Edward Glaeser, Review of Richard Florida’s The Rise of the Creative Class
April 29	<p>COVID and local economic Development</p> <p><u>Slides:</u></p>

	<ol style="list-style-type: none"> 1. Bartik, Tim, The Aftermath of the Pandemic Recession: The Role of Economic Development Policy (slides, July 2020) <p>Podcast:</p> <ol style="list-style-type: none"> 1. Pittsburgh Quarterly Podcast, August 12, 2020, Richard Florida's Three Game Changers for the Post-COVID World (25 minutes)
April 30	Assignment 4 due April 9 at 1159pm
May 4	TBD: Guest Lecture
May 6	<p>Conclusions, Review and what it all means?</p> <ol style="list-style-type: none"> 1. Sean Safford, Why the Garden Club Couldn't Save Youngstown: Civic Infrastructure and Mobilization in Economic Crises, MIT (2004) 2. Alice Rivlin: My final thoughts on how to heal divisions in America, October 10, 2019

Overview of Applied Projects

Specific instructions will be provided when assigned.

Topic	Overview	Dates
Location Quotient	Using data from the Bureau of Economic Analysis (BEA), identify the industries with the largest employment-based Location Quotients (LQs) for each of the 40 largest metropolitan statistical areas (MSAs) in the United States and how these have changed over the most recent two decades.	Assigned : February 9 Due: Feb 26
Shift Share	Identify the 30 largest Micropolitan Statistical Areas in the United States and determine which have experienced the largest competitive gains in manufacturing sector employment over the most recent decade.	Assigned : March 2 Due: March 19
Housing and Neighborhood Segregation/Spatial Mismatch	Examine the shift in employment between center city and suburban locations in an assigned region over the last three decades.	Assigned : March 23 Due: April 8
Occupational Employment and Technology Clusters	Using techniques previously assigned, identify the MSAs which have experienced the largest absolute gains in an assigned occupational category and compare to how that ranking contrasts with a shift-share analysis ranking the competitive growth of the same occupation sector.	Assigned :April 13 Due: April 29