

OIBUSY22 - Regional Development: Evidence, Policy and Practice

Professors: Miquel VIDAL-BOVER, Michael FLOOD, Javier TERRERO-DAVILA

Contact information:

miquel.vidal-bover@dauphine.psl.eu;

michael.flood@dauphine.psl.eu;

javier.terrero-davila@dauphine.psl.eu

Department: International affairs

Semester: 2

Course level: L3 Undergraduate / Graduate

Domain: Regional Development, Economic Geography, Social Sciences

Teaching language: English

Number of in-class hours: 33

Number of course sessions: 10 + Exam

ECTS: 6

Course description and objectives

How can regions achieve economic development? What kind of regional institutions and policies lead to more prosperity for their citizens? Why can some regions attract population, talent and investments while others fail to do so? What are the political consequences of leaving regions behind in the development process?

As development responsibilities have increasingly shifted from the national to the local and regional scale, the importance of regional actors in the implementation of development strategies, the management of social and economic crisis and the fostering of citizens' wellbeing has increased in recent decades. This course focuses on subnational institutions and policies, and on their role in guaranteeing that regions succeed in promoting economic growth, become attractive places to live in and remain engaged in the political process.

The sessions delve into specific topics in the field of regional development, including the effects of political and fiscal decentralization in the ability to promote growth, reduce inequalities and manage crisis; the role of local employment and entrepreneurship policies in reducing inequalities and poverty; regional strategies to attract investment and human capital; and the political implications of failing to promote development across all territories.

The course draws on academic literature, but also on policy reports and specific case studies from advanced economies. The intention is to combine rigorous empirical analysis with policy-oriented training, so students are not only able to evaluate qualitative and quantitative evidence on regional development topics, but also use this evidence to navigate existing institutional constraints and promote concrete policies. More than just a review of the existing literature and evidence, students will be asked to apply the findings in a regional/place-based context through individual and group assignments.

Prerequisites

Previous exposure to regression analysis, or at least the ability to interpret results from regression tables. Students will not be asked to perform any econometric analysis and previous experience with statistical software is not needed. However, the content of some classes relies on quantitative papers, so the student must be comfortable with empirical literature. The bibliography contains examples of the kind of papers we will discussing in class.

Learning outcomes

At the end of the course, the students will have achieved:

- (1) A solid overview of the theoretical and empirical literature on i) the major drivers behind regional economic development and economic growth, ii) local labour markets and poverty, iii) regional attractiveness policies, and iv) the political outcomes of bad (and good) regional development strategies.
- (2) Exposure to case studies from advanced economies on policies related to the topics highlighted above.
- (3) The ability to critically evaluate qualitative and quantitative evidence on regional development topics from both academic and policy sources.
- (4) The ability to analyse existing public policies in the field of regional development and to produce their own policy recommendations.

Assignments and grading

Individual assignments:

- (1) **Essay** (1200 words) on a question chosen by the student from a list of three questions, each of which will correspond to the lessons imparted by each lecturer (**40%**).

Group assignments (3 to 4 students):

- (2) **Applied policy report** (4000 words) on the economic, social and institutional development of a region, city or municipality chosen by the students (**40%**).
- (3) **Live debate** with students divided into three groups on an issue proposed by the instructor for which students prepare a presentation and arguments (**10%**).

Attendance and participation:

- (4) **Active class participation** with students coming to class on time and ready to discuss weekly readings and with all potential minor tasks prepared as requested (**10%**). Class participation is based on quality of comments, not quantity.

The numerical grade distribution will dictate the final grade. The passing grade for this course is 10/20.

Course structure

Session	Topic
1	Introduction to the lesson & Topic 1: The closer, the better? Decentralisation as a tool for development
2	Challenges for regional development in decentralised contexts
3	The role of institutions in regional development
4	Regions in the world: the role of foreign direct investment and value chain integration in place-based strategies
5	Move people to jobs or jobs to people? Spatial mismatch, employment and poverty
6	Entrepreneurship as a tool for development: myth or reality?
7	Human capital and regional development: The global search for talent and its regional dimension
8	Places that don't matter - Economic decline, polarisation and the rise of populism in advanced economies
9	More than just dollars and cents? Well-being as a driver and outcome of regional

	development policy
10	Top-down regional funds for development - The good, the bad and the ugly
11	Group Project Presentations for Feedback

Bibliography

- **Cavallini, S., Soldi, R., Di Matteo, L., Utma, M. A., Errico, B. (2018).** Addressing brain drain: The local and regional dimension, Commission for Social Policy, Education, Employment, Research and Culture, European Committee of the Regions, European Commission, report.
- **Charbit, C. (2020),** From 'de jure' to 'de facto' decentralised public policies: The multi-level governance approach. *The British Journal of Politics and International Relations*, 22(4), 809–819.
- **Charron, N. ; Lapuente, V. ; Bauhr, M. ; Annoni, P. (2022).** "Change and Continuity in Quality of Government: Trends in subnational quality of government in EU member states." *Investigaciones Regionales - Journal of Regional Research*, 53, 5-23.
- **Fazekas, M., & King, L. P. (2019).** Perils of development funding? The tale of EU Funds and grand corruption in Central and Eastern Europe. *Regulation & Governance*, 13(3), 405-430.
- **Frank, J., & Martínez-Vázquez, J. (2015).** *Decentralization and Infrastructure in the Global Economy: From gaps to solutions*. Routledge: New York.
- **Giammetti, R., Papi, L., Teobaldelli, D., Ticchi, D. (2022).** The network effect of deglobalisation on European regions, *Cambridge Journal of Regions, Economy and Society*, 15(2): 207–235.
- **Gobillon, L., & Selod, H. (2021).** Spatial mismatch, poverty, and vulnerable populations. *Handbook of regional science*, 573-588.
- **Luca, D., Terrero-Davila, J., Stein, J., & Lee, N. (2022).** Progressive Cities: Urban-rural polarisation of social values and economic development around the world.
- **Mason, C., & Brown, R. (2013).** Creating good public policy to support high-growth firms. *Small Business Economics*, 40(2), 211-225.
- **Moretti, E. (2010).** Local multipliers. *American Economic Review*, 100(2), 373-77.
- **Muringani, J., Fitjar, R. D., & Rodríguez-Pose, A. (2021).** Social capital and economic growth in the regions of Europe. *Environment and Planning A: Economy and Space*, 53(6), 1412–1434.
- **Nightingale, P., & Coad, A. (2018).** Muppets and gazelles: political and methodological biases in entrepreneurship research. *Industrial and Corporate Change*, 23(1), 113-143.
- **OECD (2022),** "Measuring the attractiveness of regions", OECD Regional Development Papers, No. 36, OECD Publishing, Paris.
- **Pellegrini, G., Terribile, F., Tarola, O., Muccigrosso, T., & Busillo, F. (2013).** Measuring the effects of European Regional Policy on economic growth: A regression discontinuity approach. *Papers in Regional Science*, 92(1), 217-233.
- **Rodríguez-Pose, A. (2018).** The revenge of the places that don't matter (and what to do about it). *Cambridge journal of regions, economy and society*, 11(1), 189-209.
- **Rodríguez-Pose, A., & Vidal-Bover, M. (2022).** Unfunded mandates and the economic impact of decentralisation. When finance does not follow function. *Journal of Political Studies*, 0(0), 1-25. <https://doi.org/10.1177/00323217221136666>
- **Scott, S. (2009).** Why encouraging more people to become entrepreneurs is bad public policy. *Small Business Economics*, 33(2), 141-149.

Lecturer's biography

Javier Terrero Dávila is a Junior Economist at the OECD Economics Department, where he works in the area of business regulatory environment. Prior to this, he was a consultant at the Ministry for Territorial Development in Spain, where he evaluated the deployment of EU Structural Funds in left-behind Spanish regions. Javier also engages in academic research. Until recently, he was affiliated to the International Inequalities Institute at the London School of Economics, where he researched on the impact of interpersonal inequalities on economic and political outcomes at the local level. His publications appear in

journals such as the Journal of Economic Geography and Urban Studies. He holds an MPA in Economic Policy from the London School of Economics.

Michael Flood is a Policy Analyst at the OECD Centre for Entrepreneurship, SMEs, Regions and Cities where he works in the Regional Attractiveness and Migrant Integration unit. Hailing from a region of Canada that has seen its population and economic opportunities wither away – yet one celebrated for its quality of life – he is devoted to supporting places to overcome the challenges of decline by attracting and maintaining population, investment and, above all, their sense of well-being. Before joining the OECD and teaching Regional Development at Paris-Dauphine, Michael led a program in Nova Scotia, Canada, to better measure and incorporate population well-being into policy-making and civic action. He has a Master's in Social Policy and Social Innovation from SciencesPo, Paris and Master's in Public Policy from the National University of Singapore.

Miquel Vidal-Bover is a Junior Policy Analyst at the Decentralisation, Subnational Finance and Infrastructure Unit at the OECD Centre for Entrepreneurship, SMEs, Regions and Cities. His work revolves around decentralisation reforms, subnational finance, fiscal equalisation systems and regional development policy. Among other projects, he has been actively involved in the development of the 3rd edition of the synthesis report of the World Observatory for Subnational Government Finance and Investment. Prior to this, he worked in the United Nations, the Council of Europe and the OSCE on topics related to development at the subnational level. He holds an MSc in Local Economic Development from the London School of Economics, a Master's Degree in European Studies from the University of Geneva, and a Bachelor's Degree in Translation and Interpreting from the Autonomous University of Barcelona.

Moodle

This course is on Moodle: **Yes**

Academic integrity

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.