REGIONAL ECONOMICS

Regional Economics

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Academics deal in the currency of ideas. The compilation of those ideas into a text designed to enhance their accessibility to potential readers is no exception. In the process of compilation, the existing pool of knowledge is drawn upon extensively – both consciously and subconsciously – by the author. The present author's debt to academic colleagues who are interested in, and/or have written about, issues pertinent to regional economics is accordingly gratefully acknowledged.

As noted above, the initial writing of this book coincided with the preparation of lectures used for my own teaching. Students in the past two academic years have acted as a sounding board for some of the material. Their responses, questions and ideas have helped provide me with some interesting thoughts, both about regional economics and about some of the continuing gaps in our understanding of the regional economy.

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Introduction

Regional economics is an area of specialism of relevance to students studying a variety of courses. An understanding of the spatial dimension of the economy is relevant to economists if they are to appreciate fully the operation of economic mechanisms. Regional economics is relevant to students studying many courses relating to the built environment, such as planning and real-estate management. Knowledge of the regional economy is essential to students of economic geography.

While this book centres primarily upon the economics of the regional economy, the subject matter will be of interest to planners, geographers and real-estate managers too. The text has been written to provide a bridge between introductory economics and the advanced material to be found in relevant academic journals and texts aimed at final-year/postgraduate students.

The economic analysis contained in the book draws upon tools such as demand and supply, with which students who have undertaken introductory courses in economics at undergraduate level should be familiar. While knowledge of this economic analysis will help the reader, most of the argument should also be accessible to those who are less familiar with formal economic theory.

This book looks at the economics of the region in the context of the spatial economic hierarchy. The influence of subregional and local urban economies upon the regional economy is recognised. The dependence of the regional economy upon the wider national and supranational economic framework is considered.

The influence of the European Community is seen to be particularly important. The single-internal-market provisions adopted in 1993, the likely European Economic Area, embracing the European Free Trade Area and the EC economies, and the potential further extension of EC membership, all point towards greater spatial interaction and economic competition among regions in Europe in the late 1990s.

The book begins by looking at the constituent parts of the regional economy, which to a considerable degree are common to most regions in Europe. The supply conditions of production-process inputs of capital, labour and land are considered. The main influences upon demand are then explained as a prelude to considering the operation of prices and markets in the regional economy, and interregional trading relationships.

The middle chapters discuss the location of economic activity and the effects on the regional economy of changing patterns of growth and

location. Later chapters draw upon the earlier content to discuss the main spatial policy issues. The increased role of urban policy as a tool of regional policy is recognised, as is that of the European Community, in addition to discussion of longer-established regional policy issues.

As explained above, regional economics is an area in which people from different subject disciplines, such as economists, geographers and planners, all have an interest. For this reason the potentially relevant academic literature is extensive. This book does not seek to be encyclopaedic in its coverage of currently available academic research. To ensure that the arguments presented in the text are not unduly interrupted, reference to research is deliberately selective. The objective of such referencing is to interest the reader in further investigation and to provide pointers towards more detailed literature.

For this reason, at the end of each chapter a limited number of references are made to particularly relevant journal articles and literature on the subject. The bibliography at the end of the book offers a fuller indication of the scope of relevant literature that may be of interest to the reader wishing to find out more about regional economics.

A comparable approach is taken with the coverage of EC regions outside the UK, which centres on selected brief case studies. These are utilised to illuminate topics of interest in the text, and are not designed to offer an extensive coverage of EC regions outside the UK, which would be beyond the scope of this book.

The book raises many questions about the operation of the regional economy; the disparities in the recent economic growth and development experience of different regions of the UK and the EC; and the nature of political policy responses to regional issues. For the most part, answers to these questions are not to be found in this book. Rather than offering definitive answers the objective of this book is to raise questions and help provide readers with necessary information and ideas that will enable them to pursue their own analysis, and to stimulate debate on the questions.

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