DEPARTMENT OF ECONOMICS
REGIONAL & LOCAL ECONOMICS (RELOCE)
U15070

UNIT CO-ORDINATOR: DAVE CLARK
3rd EDITION (February 2010)
SECTION 1 - INTRODUCTION

1.1 What is RELOCE?
The RELOCE unit is a single semester 20 credit unit that seeks to understand more about how and why regional and local economies perform differently from the national economy and the challenges this sets for local, regional and national governments and other economic development professionals.

The first part of the unit concentrates on the analysis of regional and local economies in order to discover why regional and local economies behave differently from each other. In essence it looks at how local economies work and how we might practically identify these differences.

The 2nd part of the unit concentrates on the evolution of regional and local policy in the UK and other countries. This investigates the solutions policymakers have used in the past and might use in the future to alleviate the kind of regional and local economic problems that you will have identified during the first part of the course.

1.2 Where does RELOCE fit into the curriculum?
The unit was previously offered as an option to students in the third year of their degree, with the recent curricular changes RELOCE has become a core unit for some pathways and remains optional for others. The RELOCE course maintains the core elements offered in previous years of regional analysis and regional policy what has changed is the level of assessment which is now reduced from four pieces of work to two.

1.3 Building on your previous study
Like most other units RELOCE utilises and builds on the skills you will have already acquired during your study of economics. It is expected that you will understand the basic concepts of macro and microeconomics, such as: demand/supply functions, factor markets, economies of scale, barriers to entry, efficiency and externalities. In addition, you will have a sound grounding in quantitative economics in particular linear and non-linear functions, matrix algebra, time series, indices, normal distribution and regression.

The coursework associated with the RELOCE unit allows you to put into practice some of the practical skills you will have acquired in subjects such as economics workshop.
1.4 Who takes the unit and why?
In previous years around 50 students have taken the unit. Students were drawn from across the spectrum of economics, with the majority from Business Economics. Students take RELOCE for a variety of reasons, but one of the main ones is that it allows them to develop their personal dimension; the emphasis is not just on remembering and understanding theory but it also gives you the opportunity to put into practice techniques you have learnt via the coursework.

The course is designed to enable you to engage in deeper and more rewarding learning, the objective being that you will analyse, differentiate, argue, organise and criticise rather than memorise.

1.5 What previous students said about the unit & what were their grades like?
Analysis of the unit feedback suggests that those taking the course before you thought that on balance the amount of effort expended was about right. Attendance was high for both lectures and seminars. Most students used pre-lecture handouts and spend some time reading them. On average students spend around 20+ hours completing their coursework (some considerably longer). Last year 80% of all students taking the course achieved a grade of 2:2 or above and six out of the thirty students gained a 1st. Performance was even stronger in the coursework projects (60% achieved 2:1 or better). A number of previous students have built on their work in RELOCE to work as professionals in economic development/regeneration for local and central government and NGOs.

1.6 Are there other similar courses at other universities?
The subject of regional and local economics is not unique to Portsmouth, it is taught in a number of other UK universities at both under and postgraduate levels. Institutions currently teaching the subject include; London School of Economics, Aberystwyth, Sheffield Hallam, Reading, Essex, Cumbria and Queens (Belfast) universities. Sometimes it is linked with European studies often with urban economics. It is also taught internationally, particularly in the United States. The theoretical approach you encounter at Portsmouth is similar to that taught elsewhere.

1.7 How has the RELOCE unit changed?
Will the RELOCE unit you take this year be the same as that taken by students in the past? The answer is “not exactly” Like most things in life the RELOCE unit is not static; it continues to evolve year-on-year. We want to keep the course fresh and relevant and give you an opportunity to get enthusiastic about the subject. There are a number of reasons why change is inevitable:
• New ideas come along all the time and economists need to keep up with them.
• New books and articles come out from time-to-time with different and better ways of presenting the material.
• We are always looking for better ways to explain key concepts and encourage you to be an active learner.
• We implement new ways of teaching and learning, often after recommendations from past students.
• We want you to enjoy your study and take transferable skills away with you.

In order to make sure we are developing the course in the right direction we will ask your opinion at the start and end of the course. However, if you think something is wrong or you don’t understand something let your tutor know right away.

SECTION 2 - GENERAL UNIT INFORMATION

2.1 Teaching staff
Dave Clark (Unit co-ordinator) Richmond Building, Room 428
44+ (0) 23 9284 4217
dave.clark@port.ac.uk

2.2 Aims of the unit
The RELOCE unit introduces you to the main theoretical concepts and techniques used in the study of regional and local economic analysis and policy. In addition, you will receive practical advice on how to profile a local economy and report the findings in a manner typical of the practice currently employed by professional researchers in the field.

The aims of the unit are to:
1. To examine and evaluate the main theories and techniques used in the study of regional and local economic systems and investigate how economists have, and are, attempting to model aspects of regional and local economic behavior.
2. To examine the nature of regional and local economic problems, the policies and instruments used to alleviate them and the impact of policies and instruments on regional and local economic problems.
3. To gain experience in the analysis of local economies and to be able to demonstrate competency in profiling and reporting the strengths and weaknesses of an area against national and regional benchmarks.
2.3 Learning outcomes

On successful completion of this unit, students should be able, at threshold level, to:
understand the main theories and techniques used by academics and professionals in
the study of regional and local economics. Students will be able to evaluate empirical
material in order to see how the theoretical ideas have been applied in practice. In
addition, they will have practical experience in evaluating the strengths and
weaknesses of local and regional economies. These are transferable skills that should
have application across a range of situations, not just whilst you continue to study but
after you leave University and go into the world of work. Specifically, on completion of
this unit, students are expected to be able to:

1. Be conversant with the main theories relevant to regional and local economic
   analysis. Understand the concept and application of tools such as, economic
   models and multipliers for assessing regional and local economic
   performance. Have a clear understanding of the regional and local economic
   problems encountered in the UK and other major economies, be able to
   identify and explain the workings of and discuss the rationale for using
   particular policy prescriptions and instruments to try to alleviate local and
   regional economic problems. Be conversant with the outcomes of applying
   policy prescriptions and how analysis of these has helped shape future policy.
2. Be able to critically appraise and argue the main theories used in the study of
   regional and local economics and the rationale for and outcomes of applying
   policies in order to alleviate regional economic problems.
3. Be familiar with the sources of regional and local economic data including
   database resources and be proficient in the use of simple analytical tools to
   interpret large data sets in order to show disparities between different areas.
4. Demonstrate that they can report the strengths and weaknesses of a local
   economy in a clear and professional manner via a detailed written report.

2.4 Scheduled Activities

The teaching style of this unit encourages student participation, the seminar and
workshop activities are designed so that you can practice some of the techniques that
you have been shown. Additionally, you will have the opportunity to experiment with the
type of analysis that you will be using in your assignment in a non-threatening group
study environment. You are expected to attend all lectures, seminar group meetings
and workshops. Attendance is monitored and persistent non-attendees will be reported
to the Director of Undergraduate Studies. Past evidence shows that non-attendees
are significantly more likely to get poor grades than those who attend regularly.
2.41 Lectures
Two one hour weekly lectures will introduce the broad themes of the unit, key concepts and theories. The first five weeks will be given over to the question of how to analyse local and regional economies, the second five weeks will concentrate on the practice of how local and regional economic policy has been applied both in the UK and elsewhere.

The attached lecture programme provides an outline of the subject matter to be covered throughout the unit. Lecture notes and copies of the overhead slides are available and can be accessed from any computer attached to the university network from the directory L:/pbs/LectData/Clarkd/RELOCE/Lecture notes. However, you should remember that the notes are not a substitute for lectures and may not be quite as detailed as some of the examples used. Lectures will usually last for about 50 minutes and will conclude with a question and answer session where you will be given the opportunity to feedback comments on the lecture and seek further clarification.

An example of lecture notes and an OHP from lecture five (input/output analysis) is shown below.

2.42 Seminars
Weekly seminars which use student centred activities and discussion, individually and in groups, are used to focus on particular topics in more depth. A single computer-based workshop will be used to familiarise students with the techniques for assessing local and regional economic data.
As with the lecture series the first five weeks will concentrate on the practical aspects of independent analysis of local economies in order to prepare students for their assignment. **Students will be expected to submit their coursework report immediately following the Easter recess.**

The second five week period will be given over to in-depth seminar discussions based around empirical evidence of the outcomes of regional and local economic analysis and policy. Students will be encouraged to read widely from contemporary sources in order that they can demonstrate depth of learning in preparation for the end of semester examination.

An outline of the seminar programme is attached. Full notes for the seminar programme are available via the university's computer network from the directory L:/pbs/LectData/Clarkd/RELOCE/Seminars.

**Typical screen grab used in Seminar notes to guide you in data access**

To find sub-district data go to Neighbourhood Statistics and click on data catalogue or select your district and highlight the state you want – but in this mode you may have to print and translate.

Under the listing find population and vital statistics click against resident population

---

**2.43 Workshop**

As part of the seminar programme a workshop-based session will take place during the second week in the computer labs. This is designed to give you practical experience of accessing electronic data sources, which will be needed to complete your assignment. You will also be shown how to get more out of the internet, including how to access journal articles and print them straight from your computer.
without going to the Library. You can work in pairs during this activity and you can use the notes to guide you later on. To aid familiarisation, a short quiz is provided to test your ability to access the data on-line.

2.5 Student workload
It is expected that you will undertake independent reading and learning. This is a twenty credit unit and you should expect to devote one third of your full-time working week to self-study for this unit, this equates to an average of about 12 hours a week. The coursework usually takes students 20+ hours or more to complete.

2.6 Reading
There is no one book that fully covers all aspects of the course. However, a number are strongly recommended particularly as they contain material useful for all aspects of the course.

- Although now nine years old, Armstrong H & Taylor J (2000) Regional Economics and Policy (3rd edition) Oxford: Blackwell, remains a very good text for all parts of the course. The fact is that may of the more recent books are still quoting and reproducing the concepts and models from Armstrong and Taylor.
- McCann, P (2001) Urban and Regional Economics Oxford: Oxford University Press is very good for elements of the first section of the course but contains no material on policy.
- In a similar vain a new book Capello R (2007) Regional Economics, Abingdon: Routledge is strong on theory and slightly more up-to-date.
- Pike, Rodriguez-Pose and Tomaney (2006) Local and Regional Development, Abingdon: Routledge is less theoretical and contains some useful case study examples of how policy has been applied.

A selection of slightly older books are still useful and are also available in the Frewen Library

- McDonald J F (1997) Fundamentals of Urban Economics Upper Saddle River: Prentice Hall (This book provides an urban flavour to the analysis which Armstrong and Taylor does not in its’ present form but it has a strong US bias, is a little expensive and available only in hardback.)
- Harris, R Regional Economic Policy in Northern Ireland, 1945-88.
• Temple M, (1994) *Regional Economics*: St. Martins Press. (Slightly more basic text but more orientated towards the economist’s point of view.)

• Geddes M & Benington J (1992) *Restructuring the Local Economy*: Longman. (This is one of the Warwick series on local economic and social strategies.)


There is also a wide range of journal articles dealing with regional and local economic analysis topics that are available to you. These cover not only the UK but Europe and the US as well. Specific references will be given in lectures and a comprehensive reading list (you don’t need to read them all) will be available at L:/pbs/LectData/Clarkd/RELOCE/Lecture notes. For up-to-date information on local, urban and regional policy a number of internet sites (listed below) are also very useful. In addition, a range of data covering demographic, economic and social variables is available in *Regional Trends* for the standard planning regions, major urban areas and counties of the UK.

2.61 Journals (all available in the Frewen Library)

*Regional Studies*, this is the journal of the Regional Studies Association, published 9 times per year contains up-to-date contemporary articles on both regional and local economic analysis and policy. Many of the key experts in the field regularly publish articles in this journal. Most of the recent articles are available over the internet and can be accessed via PORTIA these are available back to 1987.

*Urban Studies*: 12 issues per year, access from 1964,

*Journal of Regional Science*: 4 issues per year, access from 1965,

*Scottish Journal of Political economy*: 4/5 issues per year, access from 1990

*Local Economy*: 4 issues per year, access from 2000,

*Regional Science and Urban Economics*: 6 issues per year, access from 1975,

2.62 Internet sites

http://www.direct.gov.uk/Homepage/fs/en Gateway to functional Index listing all government and Local Authority Sites

http://www.communities.gov.uk/ The Department of Communities and Local Government, responsible for regional policy, urban policy and local government. Department for Business, Innovation and Skills (BIS) has responsibility of many of the functions of the Regional Development Agencies this site
http://www.englandsrdas.com/ provides a gateway to the RDAs.  
http://www.statistics.gov.uk/default.asp Probably one of the most useful, free up-to-date sources for economic and related data.  
http://europa.eu.int/comm/dg16/index_en.html Commission DG16 responsible of structural funds this is probably more useful than the committee of the regions web site.

**SECTION 3 - LECTURE, SEMINAR & WORKSHOP PROGRAMME**

**3.1 Lectures**
Lectures are held weekly and the programme is split into a number of clearly defined areas:

1. Introduction to course, the importance of the local economy and the case for regional policy.
2. How we measure the local economy – profiles, multipliers and models.
4. The business perspective – industrial location theory, innovation and other drivers of regional trade.
5. The local and regional labour market – quality of human capital, migration and unemployment.
6. Regional policy and its effectiveness in the UK and other major OECD countries during the 1960’s/70’s.
7. UK regional policy changes from 1979 and the emergence of EU regional policy.
8. Local economic regeneration in the UK and America with emphasis on urban regeneration.
9. Event-based regeneration and the role of large sporting and cultural events
10. The future - can regeneration be more than a temporary “shot in the arm”?  
11. Review and Revision.

**3.2 Seminars**
There will be seminars each week. The content of the seminars in the first five weeks is designed to show you how to get hold of and analyse key data on the competitive performance of regional and local economies. You will need this information to successfully complete your assignment in this unit.

You will be learning how to examine the strengths and weaknesses of a local and regional economy in relation to the country as a whole. For instance, is its’ unemployment profile better or worse than the national and regional averages? In
addition, during the first and last seminars you will be shown how the marking grades for your assessments (exam and coursework) are worked out. You will be reading and marking some previous work to get an idea how the marking system works (see how close you can get to the mark that was actually awarded).

3.3 Workshop
A single workshop will be held in the computer suits during the second week of the unit. This workshop is used to show you where and how to obtain the data you will need for your assignment. A questionnaire will be distributed at the start of the workshop this is designed to test your ability in accessing key data. Although this activity does not contribute towards the final mark of your assignment it is advisable to complete it because it will give you confidence that you are competent in the art of gathering data.
### 3.4 Lecture, seminar and workshop programme at a glance

<table>
<thead>
<tr>
<th>Lecture Date</th>
<th>Week</th>
<th>Lecture -</th>
<th>Indicative Reading</th>
<th>Seminar Topic</th>
<th>Workshop Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>9-Feb</td>
<td>1</td>
<td>Introduction and overview: Background to local and regional analysis:</td>
<td>Armstrong &amp; Taylor (2000) Intro to part 1; McCann P (2001) Intro; Temple M (1994) Ch.1:</td>
<td>(1) Introduction, to coursework</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Profiling the local economy:</td>
<td>Informing our future 2007:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16-Feb</td>
<td>2</td>
<td>Multipliers and models: the input-output approach to modelling the regional economy:</td>
<td>Armstrong &amp; Taylor (2000) Chapters. 1 &amp; 2</td>
<td>(2) Hands-on access to online data</td>
<td></td>
</tr>
<tr>
<td>23-Feb</td>
<td>3</td>
<td>Regional growth - the neoclassical perspective: Export demand models -</td>
<td>Armstrong, H &amp; Taylor, J. Chapters 3 &amp; 4</td>
<td>(3) Economic overview, location, demographics, wealth, and income</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>agglomeration and cumulative growth:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-Mar</td>
<td>4</td>
<td>Industrial location theory:</td>
<td>McCann P, Chapters 1 &amp; 2; Capello Chapters 1 &amp; 3; Armstrong, H &amp; Taylor, J. Chapter 5</td>
<td>(4) Industrial structures &amp; labour markets</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Innovation and interregional trade theory:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9-Mar</td>
<td>5</td>
<td>The local and regional labour market:</td>
<td>Armstrong, H &amp; Taylor, J. Chapter 6 &amp; 7</td>
<td>(5) Comparing competitiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>quality of human capital; interregional migration; unemployment and hidden unemployment:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>disadvantage</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lecture Date</td>
<td>Week</td>
<td>Lecture -</td>
<td>Indicative Reading</td>
<td>Seminar Topic</td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>------</td>
<td>-----------</td>
<td>-----------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>4-May</td>
<td>11</td>
<td>Review and Revision</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
SECTION 4 - ASSESSMENT

4.1 Reason for assessment
Assessment is not a matter of making you 'jump through hoops', it's a method of ensuring that you can demonstrate that you have met the courses learning outcomes. Successful completions of the coursework project will demonstrate that you have achieved learning outcomes (LO) 3 and 4, whilst success in the end of unit examination will demonstrate achievement of LO 1 & 2.

4.2 Mode of assessment
The assessment for the unit is by a coursework assignment (50% of total mark) and a 2 hour end of semester examination (50% of total mark).

4.3 Coursework
The coursework assignment is an individual piece of work using the techniques and information developed during the first part of the seminar programme. You will be expected to carry out your own independent research using electronic and library data sources to profile a local economy (usually a large town or city in the UK). You are to produce a report, which examines the competitive strengths and weaknesses of your local economy relative to other similar economies, its regional economy and the national economy.

Your analysis will be concentrated on the competitive aspects of the local and regional economy, including output, entrepreneurship, skills and qualifications as well as the downsides such as unemployment, deprivation, derelict land and congestion. The report should also give descriptive details of the location of your area, explanations about the sources of data used, how these have been analysed and the outcomes of the analysis. It is expected that you will use tables and graphs to illustrate your work. Marked assignments should be available prior to commencement of examinations. You may submit your work earlier if you wish, either formally (for marking) or informally (for an opinion prior to marking). Remember the penalty for late submission is severe and it will seriously affect your final mark - the best policy is to get your coursework in on time.

4.31 Stylistic requirements
The word limit for the project is up to 2,500 words, all work to be word-processed, pages are to be numbered and a minimum 3cm left-hand margin is to be left for comments. You must make sure that your student number is clearly marked on the front of the work. Please do not put separate pages in plastic folders. All references
must be fully cited using the Harvard referencing style and accompanied by a bibliography.

4.32 Submission of assessed work
All assessed work must be handed in to the department office, do not count on others submitting your work for you. The relevant admin cover sheet must be attached and completed. The last date for submission is 16th April 2010.

4.4 End of unit examination
The final examination is an unseen paper in which students are required to answer one question from each of two sections (each containing a choice from three questions). The questions are of an essay style, and you are required to demonstrate a thorough knowledge of the theoretical aspects of regional and local economic analysis and policy as well as the ability to present clear reasoned arguments based on your interpretation of the available evidence. All questions in the examination carry equal marks and the duration of the exam is two hours. An end of unit quiz, and past papers will be available to guide your revision prior to commencement of the examination.

4.5 Assessment marking criteria
For both the coursework and the examination your grade will be an overall summary of your performance in the following areas:

- demonstrable knowledge of relevant theories, methodologies and issues
- ability to critically analyse and synthesise factual data from a range of sources
- production of informed argument accurately supported by evidence
- originality of thought and analytical skills
- structure and clarity of presentation

You should remember that factual knowledge must be relevant to the question set; citation of references alone is not sufficient to demonstrate knowledge or understanding. Analysis of data should always be clearly explained; presentation of tables or charts without an accompanying explanation is insufficient to demonstrate understanding. A collection of quotations from various eminent authors without an exposition in your own words is also regarded as insufficient evidence of understanding of a topic. Coursework that are suspected of plagiarism will be marked in accordance with University regulations and where appropriate a zero fail mark may be awarded.

Below is a quick guide to how the criteria (above) relates to coursework and examination grades at their mid point
80%  Displays an excellent understanding of the subject matter, which is clearly structured and well presented. Contains clearly constructed arguments based on appropriate material from the research literature. There is evidence of original thought and a demonstrable ability to analyse and report on data and facts from a number of sources.

65%  Displays a clear understanding of the central issues, is well organised and clearly presented. Arguments are supported by reference to evidence from the wider research literature. No significant factual errors and a demonstrable ability to understand and interpret appropriate data and facts.

55%  Displays an understanding of the main issues, is organised and presented in a clear fashion. There may be a few factual errors or poorly expressed ideas, there is an over-reliance on lecture notes and textbooks and not demonstrable evidence of wider study. Data and factual analysis may lack rigour in places.

45%  Displays a superficial understanding of some of the material, the answer is poorly organised and/or presented. The may be some omissions or inaccuracies and the work is not fully focused on the question. There is little evidence of wider study and any data analysis is superficial.

30%  Answers are not sufficiently detailed, extensive or accurate to merit a pass mark. Understanding of the main issues is limited and there is no evidence of research. The work has no focus does not address the question adequately. Data and facts are presented but not analysed.

If you are uncertain about how to gain access to notes or slides or anything about the unit please contact unit co-ordinator, Dave Clark.