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# REGIONAL AND URBAN ECONOMICS AND DEVELOPMENT

**International MBA IMBA-EN SEP-2024 S-IBE**

Area Economics

Number of sessions: 15

Term: Concentrations

Category: regular

Language: English

Professor: **GERMÁN RÍOS MENDEZ**

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Germán Ríos Méndez received a Bachelor of Arts in Economics from Universidad Central de Venezuela, a Master of Arts in Economics from Johns Hopkins University, a Master of Business Administration from the Instituto de Estudios Superiores de Administración (IESA), and a Master of Philosophy in Economics from George Washington University. He has taught macroeconomics, fiscal policy, cost-benefit analysis, economic development, Latin America economics and microeconomics in several universities in Venezuela, the United Kingdom, Spain and the United States. During the academic year 2010-2011 he was the Andres Bello Fellow at the Latin American Centre of the University of Oxford. Professor Ríos was part of the Venezuelan research team in the project "Understanding Reforms" sponsored by the Global Development Network, published by Palgrave, and is co-author of the textbooks "Macroeconomics and Oil", published by Pearson/Prentice Hall and "Macroeconomics and Natural Resources" published by Kendall Hunt. Germán Ríos is Senior Partner at Atrevia and Senior Analyst at OHM Research Independent Insight. Previously he was Corporate Director of Strategic Affairs at CAF, development bank of Latin America. He served as Director of Public Investment at the Ministry of Planning of Venezuela, and as a Country Analyst for Brazil, Chile, Uruguay and Paraguay at the World Bank. Mr. Ríos has worked as a consultant for the Inter-American Development Bank and the United Nations Economic Commission for Latin America (ECLAC).

## **Office Hours**

Office hours will be on request. Please contact at:

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## **SUBJECT DESCRIPTION**

This course aims to provide the student an overview and some basic concepts on the urban and regional economy and its basic analytic tools. To achieve this objective, the student must acquire certain knowledge, and skills. The course runs through a set of formal lectures and practical classes. We will study the economics of cities and urban problems by understanding the effects of geographic location on the decisions of individuals and firms. First, we will try to answer general and interesting questions such as, why do cities exist? How do firms decide where to locate? Why do people live in cities? What determines the growth and size of a city? Which policies can modify the shape of a city? Having discussed why we live in cities, we will analyze the economic problems that arise because we are living in them. We will focus on many specific urban economic problems such as firm location, poverty, inequality, education, and local government economics. We will learn about economic complexity theory and its applications in the growth diagnostic of regions, using a practical case.

## LEARNING OBJECTIVES

- Learn tools of regional development
- Understand how cities form and develop
- Apply Economic Complexity Theory to regional development
- Analyse cities and regions problems and challenges: poverty, inequality, skills, institutions and labor markets.

## TEACHING METHODOLOGY

IE University teaching method is defined by its collaborative, active, and applied nature. Students actively participate in the whole process to build their knowledge and sharpen their skills. Professor's main role is to lead and guide students to achieve the learning objectives of the course. This is done by engaging in a diverse range of teaching techniques and different types of learning activities such as the following:

Learning Activity	Weighting
Lectures	30.0 %
Discussions	10.0 %
Exercises in class, Asynchronous sessions, Field Work	20.0 %
Group work	20.0 %
Individual studying	20.0 %
TOTAL	100.0 %

## AI POLICY

In this course, the use of generative artificial intelligence (GenAI) is encouraged, with the goal of developing an informed critical perspective on potential uses and generated outputs.

However, be aware of the limits of GenAI in its current state of development:

·If you provide minimum effort prompts, you will get low quality results. You will need to refine your prompts to get good outcomes. This will take work.

·Don't take ChatGPT's or any GenAI's output at face value. Assume it is wrong unless you either know the answer or can cross-check it with another source. You are responsible for any errors or omissions. You will be able to validate the outputs of GenAI for topics you understand.

AI is a tool, but one that you need to acknowledge using. Failure to do so is in violation of academic honesty policies. Acknowledging the use of AI will not impact your grade.

Suggested format to acknowledge the use of generative AI tools:

I acknowledge the use of [AI systems link] to [specify how you used generative AI]. The prompts used include [list of prompts]. The output of these prompts was used to [explain how you used the outputs in your work].

If you have chosen not to include any AI generated content in your assignment, the following disclosure is recommended:

No content generated by AI technologies has been used in this assignment.

## **PROGRAM**

### **SESSION 1 (LIVE IN-PERSON)**

Presentation of the syllabus. Review of theories of economic growth. Introduction to urban and regional economics: Market Forces in the Development of Cities.

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 1 Nature and Scope of Regional and Urban Economics (See Bibliography)*

*Technical note: What are the Challenges of Economic Growth? (growthlab.hks.harvard.edu)*

### **SESSION 2 (LIVE IN-PERSON)**

Market Areas and Systems of Cities

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 3 Market Areas and Systems of Cities(See Bibliography)*

*Book Chapters: Systems of Cities: Harnessing urbanization for growth and poverty alleviation. The World Bank(CED)*

### **SESSION 3 (LIVE IN-PERSON)**

Industrial Location

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 4 Industrial Location (See Bibliography)*

### **SESSION 4 (LIVE IN-PERSON)**

Agglomeration Economies and Entrepreneurs' Preferences

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 5 Economies and Entrepreneurs' Preferences (See Bibliography)*

### **SESSION 5 (LIVE IN-PERSON)**

Economic Complexity Analysis.

*Article: The new paradigm of economic complexity.ELSEVIER.Research Policy 51 (2022) 104450. (CED)*

### **SESSION 6 (LIVE IN-PERSON)**

Practical Case: The Chiapas Puzzle

*Practical Case: The Chiapas Puzzle (HBS KS1307-PDF-ENG)*

### **SESSION 7 (LIVE IN-PERSON)**

Core–Periphery Models: Distance Counts

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 9*

*Core–Periphery Models: Distance Counts (See Bibliography)*

### **SESSION 8 (LIVE IN-PERSON)**

Regional Labor Markets and Migration

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 10 Labor Markets and Migration.(See Bibliography).*

### **SESSION 9 (LIVE IN-PERSON)**

Can Government Change a Region's Growth Path?

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 11 Can Government Change a Region's Growth Path?.(See Bibliography).*

### **SESSION 10 (LIVE IN-PERSON)**

Institutions and Economic Development..

*Technical note: World Economic Outlook, April 2003: Growth and Institutions (International Monetary Fund)*

*Working Paper: INSTITUTIONS AS THE FUNDAMENTAL CAUSE OF LONG-RUN GROWTH.Acemoglu et.al. (National Bureau of Economic Research)*

### **SESSION 11 (LIVE IN-PERSON)**

Local Public Finance

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 16 Local Public Finance.(See Bibliography).*

### **SESSION 12 (LIVE IN-PERSON)**

Income Inequality and Poverty

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 1 Inequality and Poverty.(See Bibliography).*

### **SESSION 13 (LIVE IN-PERSON)**

Optimal Local Education Policies

*Book Chapters: Regional and Urban Economics and Economic Development. Chapter 19 Local Education Policies.(See Bibliography).*

### **SESSION 14 (LIVE IN-PERSON)**

Presentations of groups projects

## SESSION 15 (LIVE IN-PERSON)

Presentations of groups projects

## EVALUATION CRITERIA

The assessment methods will be a individual project and a group project in which students will apply their knowledge of the subject to concrete issues, class participation and non-class learning activities will also be part of the final grade.

criteria	percentage	Learning Objectives	Comments
Individual Work	40 %		Individual project
Workgroups	40 %		Group project and presentation
Class Participation	20 %		Class participation and non-class learning activities

## FAILING GRADE AND REASSESSMENT

When students receive a Fail in a course, they have the opportunity to present themselves for reassessment in order to earn the necessary credits toward graduation.

The reassessment of students should be scheduled between 5 and 10 working days after the review session takes place.

Grades for the reassessment are limited to a Low Pass and Fail.

Both, the initial Fail as well as the grade of the reassessment remain on the transcript. For the purpose of calculating the GPA however, only the grade of the reassessment is to be considered. Students receiving a failing grade in the reassessment of a course will not be able to continue in the program.

## BIBLIOGRAPHY

### Compulsory

- Mary E. Edwards. *Regional and Urban Economics and Economic Development..* Routledge. ISBN 084938317X (Digital)

### Recommended

- Hoover, Edgar M., and Giarratani, F. *An Introduction to Regional Economics..* Scott Loveridge and Randall Jackson. WVU Research. ISBN 0394334132 (Digital)  
- ARTHUR O'SULLIVAN. *Urban Economics.* McGraw Hill. ISBN 0078021782 (Digital)

## BEHAVIOR RULES

Please, check the University's Code of Conduct [here](#). The Program Director may provide further indications.

## **ATTENDANCE POLICY**

Please, check the University's Attendance Policy [here](#). The Program Director may provide further indications.

## **ETHICAL POLICY**

Please, check the University's Ethics Code [here](#). The Program Director may provide further indications.

