

UP/ACE 552: Regional Development Theory

Meets: Wednesday, 9:00-11-50, 19 Temple Hoyne Buell Hall

Instructor: Prof. Marc Doussard, mdouss1@illinois.edu

Office Hours: Weds., 3:00-5:00

COURSE DESCRIPTION

Both the theory and practice of urban planning falter without a coherent underlying theory of regional development. Policy proposals, academic articles, formal plans and informal calls to action all carry the fingerprints of underlying assumptions about how and why places grow, how they fight for stability, and how the rewards of their growth are distributed. While many scholars and analysts state their underlying theoretical approach explicitly, others bury or downplay the theoretical origins of their arguments. Identifying these theories, and linking them to their known strengths, weaknesses, preferences and quirks, is an essential skill for any practitioner engaged in questions of regional growth or equity.

To equip you for this pursuit, the course reviews classic theories of regional development, interrogates the urban literature on industrial growth and innovation, and assesses the capability of classic approaches to reckon with current regional issues. We will focus on big questions -- why do regions thrive? Why do they contract? Where and how should planners intervene? Which regions will prosper in a world economy dominated by technology and finance? – and maintain a constant focus on the implications of complex theories for policy today.

The course proceeds in two sections. The first scrutinizes influential theories of regional development, from economic theories focused on measurable cost differentials, to social and institutional theories that map the interaction of industries, jobs and wealth with sociopolitical factors. The second half of the course investigates contemporary issues in regional growth and prosperity, including the offshoring of manufacturing, the potential industrial rebirth of the Midwest, high-tech industries, global cities and the expansion of financial industries.

Many of the theories we will investigate are ambitious, complicated, and in a word, dense. But they can also thrill. As critical thinking on regional growth has developed, leading scholars have found sophisticated ways to links profit-making models, technological innovation, regulation and social/cultural norms. The questions we investigate are at their heart economic, but in order to answer them, you will explore critical social and political-economic theories likely to have a long-term impact on the way you see the world as a professional or scholar.

COURSE FORMAT

The course operates as a seminar, with brief lectures on select topics. Vigorous discussion is an essential ingredient: You will not be able to assimilate these ideas, much less make them stick, without going back and forth over their merits, mechanics and implications. To that end, we will begin each class with a brief student presentation on the week's readings (see details below; we will also discuss this on the first day of class). Your presentations will pose key questions and critiques of the material. Effort and enthusiasm will go far here: Diving headlong into new ideas and presenting them to your peers is itself an important professional skill.

GRADING

As a seminar, the quality of your experience in the course will depend on participation. Unlike other components of the grade, a perfect participation mark can be earned on effort alone. Your final grade will be determined as follows:

- 1) Participation (30%). This includes attendance, your duties in introducing a given week's material, your active participation in classroom discussion, and the degree to which you demonstrative having read and thought about the material.
- 2) First (15%, October 11) and Second (25%, November 8) Paper Sections. You will build your final paper incrementally. The grading is designed to reward improvement over the course of the semester.
- 3) Final Paper (30%). The final paper integrates and builds on the first two papers. Integrating and synthesizing the material is key, and the large contribution to your final grade will reward students who incorporate feedback on the first two paper sections.

ASSIGNMENT DETAILS

You will prepare a paper focused on a development theory (examples: export base theory, restructuring theory, path dependence) or closely related set of theories. The paper must provide: 1) a description of the theory, i.e., its fundamental logic, structure, and what it purports to explain, 2) an elaboration and critique of the theory's strengths and weaknesses, and 3) a discussion of how the theory may be applied in regional development planning and policymaking. Doctoral students should emphasize the first two components, while Master's students will want to focus on the planning and policymaking discussion. All papers will rest on a strong critique of the theory's essential strengths and weaknesses.

The amount of material we cover means that comprehensiveness will be difficult. Your paper should strive to go *deep*, plumbing the core conceptualizations, contradictions and unresolved questions intertwined with each theory in detail.

Each paper section (of approximately 10 double-spaced pages) represents its own assignment. This will provide ample time for you to receive and incorporate feedback. The final paper is worth 30% of the grade, more than either of the first two sections. This structure will allow you to use the feedback to improve your grade.

Additional Materials for the Paper. Ph.D students will be asked to identify three additional articles on their topic, and incorporate them into the analysis. Master's students are required to find a policy memo, white paper, case study or report whose contents can be illuminated by their theory area.

Topic: You will have leeway to determine what theory or theories you wish to write about. We will discuss topic selection in class and during office hours if beneficial.

Length: Approximately 7,500 words (roughly 20 pages at 1.5 line spacing).

Weekly Presentation: In addition to being asked to participate vigorously in classroom discussions (remember, participation is 30% of your grade), students will take turns opening the class with a brief discussion of the week's readings. Taking charge of the material in this manner is a rare opportunity that will benefit your development as a communicator and/or teacher. There are no wrong answers, comments or questions about the material, only more and less enthusiastic presentations. Jump in – the course will be far more lively for it. As a guideline, your presentations should incorporate the following elements:

1. A brief list of what you view as the text's key arguments and contributions
2. The text's strongest arguments, in your view
3. The text's weaknesses
4. Questions – theoretical, methodological, practical or otherwise – raised by the reading

REQUIRED TEXTS

We will read three books in or near their entirety. The total cost should run about \$80, and a bit less if you hunt around for bargains. All other readings will be posted to Compass.

Christopherson, Susan and Jennifer Clark. 2007. *Remaking Regional Economies*. London: Routledge.

Markusen, Ann. 1986. *Profit Cycles, Oligopoly and Regional Development*. Cambridge: MIT University Press.

Saxenian, AnnaLee. 1994. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Cambridge: Harvard University Press.

HONOR CODE AND LEARNING ENVIRONMENT

The Illinois Student Code states: “It is the responsibility of the student to refrain from infractions of academic integrity, from conduct that may lead to suspicion of such infractions, and from conduct that aids others in such infractions.” Note that you are subject to the Honor Code, as well as procedures for addressing violations to the Code, regardless of whether you have read it and understand it. According to the Code, “ignorance is no excuse.”

For your written work in this course, all ideas (as well as data or other information) that are not your own must be cited. Note that ideas that require citation may not have been published or written down anywhere. While you are free—and indeed encouraged—to discuss the assignments with your peers, all of your writing, data collection, and analysis should be your own.

The Department of Urban and Regional Planning (DURP) is committed to maintaining a learning environment that is rooted in the goals and responsibilities of professional planners. By enrolling in a class offered by the Department of Urban and Regional Planning, students agree to be responsible for maintaining an atmosphere of mutual respect in all DURP activities, including lectures, discussions, labs, projects, and extracurricular programs. See Student Code Article 1-Student Rights and Responsibilities, Part 1. Student Rights: §1-102.

Part I: Theoretical Foundations

August 28: Introduction. We will briefly discuss the main themes of the course: Regions, industries, institutions and people.

September 4: Exports and economic base theory. Economic development planning and popular theories about why regions grow or stagnate rest on powerful, but problematic, assumptions about exports and the work processes entailed in their production. We begin by reviewing a classic debate between two influential mid-century economic thinkers, a contemporary account of exporting, and a regional development history narrating the transformation of an economy and place over time.

North, Douglass C. 1955. Location theory and regional economic growth. *Journal of Political Economy* 63: 243-258.

Tiebout, Charles M. 1956a. Exports and regional economic growth. *Journal of Political Economy* 64: 160-169.

North, Douglass C. 1956. A reply. *Journal of Political Economy* 64: 165-168.

Tiebout, Charles M. 1956b. Exports and economic growth, a rejoinder. *Journal of Political Economy* 64: 169.

Markusen, Ann and Greg Schrock. 2009. "Consumption-Driven Urban Development," *Urban Geography*, 30 (4):

Barnes, T. J., Hayter, R. and Hay, E. 2001. Stormy weather: cyclones, Harold Innis, and Port Alberni, BC. *Environment and Planning A* 33 (12): 2127-2147.

September 11: Alternative explanations of growth and stagnation. Continuing with key building blocks, we examine alternative explanations of regional growth.

Myrdal, Gunnar. 1957. *Economic Theory and Underdeveloped Regions*. New York: Harper & Row. Chapters 2-3.

Romer, Paul M. 1994. Origins of endogenous growth. *Journal of Economic Perspectives* 8: 3-22.

Lucas, Robert E., Jr. 1988. On the mechanics of economic development. *Journal of Monetary Economics* 22: 3-42.

Martin, Ron and Peter Sunley. 1998. "Slow Convergence? The New Endogenous Growth Theory and Regional Development," *Economic Geography*, Vol. 74, No. 3: 201-227.

September 18: Agglomeration. Growing in influence, theories of economic agglomeration explain the ongoing importance of cities despite their problems and high costs.

Feser, Edward J. 1998. "Enterprise, Externalities and Economic Development." *Journal of Planning Literature* 12: 283.

Glaeser, Edward L. 1998. "Are Cities Dying?" *Journal of Economic Perspectives* 12 (2): 139-160.

Granovetter, Mark. 1985. "Economic Action and Social Structure: The Problem of Embeddedness." *American Journal of Sociology* 91 (3): 481-510.

Noyelle, Thierry J. 1983. "The Rise of Advanced Services: Some Implications for Economic Development in American Cities." *Journal of the American Planning Association* 49 (3): 280-290.

September 25: Propulsive Industries. The economist Wilbur Thompson famously quipped "tell me your industries, and I'll tell you your... fortune." We examine two key theories that explain whether industries thrive, where they do it, and whom they benefit.

Markusen, Ann. 1986. *Profit Cycles, Oligopoly and Regional Development*. Cambridge: MIT University Press. Chapters 1-4, 9, 10, 13.

Storper, Michael and Richard Walker. 1989. *The Capitalist Imperative*. Chapters 1-3.

October 2: Industrial Restructuring. In the mid-1970s, prosperous manufacturing industries began to close plants, move production offshore, and centralize design and technology work in older urban regions. The often-referenced process of industrial restructuring plays on a complicated set of social, technological and governmental processes – all of which give planners and activists leverage to influence jobs in their communities.

Bluestone, Barry and Bennett Harrison. 1982. *The Deindustrialization of America*. New York: Basic Books. Chapters 1, 6.

Massey, Doreen and Richard Meegan. 1978. "Industrial Restructuring vs. the Cities." *Urban Studies* 15 (3): 273-288.

Massey, Doreen. 1984. *Spatial Divisions of Labor*. Chapters 2-3.

Part II: Issues

October 9: Fordism and What Comes Next. The end of the postwar manufacturing boom transformed dominant firms, industries and regions. Theories of Postfordism describe both these changes and the socio-political transformations that produced them.

Amin, Ash. 1991. "Postfordism: Models, Fantasies and Phantoms of Transition." In Amin, Ash, ed.: *Post-Fordism: A Reader*. London: Routledge. 1-38.

Peck, Jamie and Adam Tickell. 1991. "Searching for a New Institutional Fix: The After-Fordist Crisis and Global-Local Disorder." In Amin, Ash, ed.: *Post-Fordism: A Reader*. London: Routledge. 280-313.

Harvey, David. 1989. "From Managerialism to Entrepreneurialism: The Transformation in Urban Governance in Late Capitalism." *Geografiska Annaler* 71 (1): 3-17.

Brenner, Neil and Nik Theodore. 2002. "Cities and the Geographies of 'Actually Existing' Neoliberalism." *Antipode* 34 (3): 349-379.

October 11: First paper section due by 5pm.

October 16: Flexible Specialization and Other Postfordist Fixes. The demise of vertically integrated corporations gave rise to complex supply chains, outsourcing relationships and occupational shifts. Provocatively, leading scholars argued that this seeming chaos in fact represented a stable new order.

Piore, Michael and Charlie Sabel. 1984. *The Second Industrial Divide*. New York: Basic Books. Chapters 1-2.

Scott, Alan J. 1988. "Flexible Production Systems and Regional Development: The Rise of New Industrial Spaces in North America and Western Europe." *International Journal of Urban and Regional Research* 12 (2): 171-186.

Storper, Michael. 1995. "The Resurgence of Regional Economies 10 Years Later: The Region as a Nexus of Untraded Interdependencies." *European Urban and Regional Studies* 2 (3): 191-221.

Harrison, Bennett. 1994. "The Dark Side of Flexible Production." In *Lean and Mean*. New York: Guildford.

October 23: Rustbelt and Sunbelt. The dueling images of shuttered factories in the Midwest and sprawling Southern boomtowns stand in for a complicated bundle of political, demographic and technological changes. This week's reading unpack the misunderstood shift in U.S. employment and production.

Watkins, Alfred and David Perry. 1977. "Regional Change and the Impact of Uneven Urban Development." In *The Rise of the Sunbelt Cities*. Beverly Hills: Sage Publications.

Markusen, Ann, Hall, Peter, Campbell, Scott and Sabina Dietrick. 1991. *The rise of the gunbelt: the military remapping of industrial America*. Oxford University Press, USA. Chapters 1-3.

Essletzbichler, Jurgen. 2004. The geography of job creation and destruction in the US manufacturing sector, 1967–1997. *Annals of the Association of American Geographers*, 94(3), 602–619.

Glasmeier, Amy, and Robin Leichenko. 1996. "From Free Market Rhetoric to Free Market Reality: The Future of the US South in an Era of Globalization." *International Journal of Urban and Regional Research* 20 (4): 601–615.

October 30: America's New Growth Regions. Silicon Valley and Boston's Route 128 stand out as modern-day industrial success stories. Many regional economic development bodies aim explicitly to recreate these regions. Looking closely at their growth and sustainability raises important questions about where, whether, how and to what ends they might be reproducible.

Saxenian, AnnaLee. 1994. *Regional Advantage: Culture and Competition in Silicon Valley and Route 128*. Cambridge: Harvard University Press.

November 6: Globalization and Command-and-Control Centers. As technology makes people, communication and exchange portable, large urban centers have become more important to the global economy, not less. Understanding their growth is essential to understanding economic opportunity and the probable locations of future booms.

Harvey, David. 1989. *The Urban Experience*. Baltimore: Johns Hopkins University Press. Chapter 1.

Sassen, Saskia. 2000. *Cities in a Global Economy*. Second Edition. Thousand Oaks: Pine Forge Press. Chapters 1-2.

Scott, Allen J. and Michael Storper. 2003. "Regions, Globalization, Development." *Regional Studies* 37 (6 & 7): 579-593.

Peck, Jamie and Adam Tickell. 1995. "The social regulation of uneven development: 'regulatory deficit', England's South East, and the collapse of Thatcherism." *Environment and Planning A* 27 (1): 15–40.

November 8: Second Paper Section due by 5pm.

November 13: Governing Regional Growth. Despite its seemingly endless potential mobility, capital remains “sticky” in certain regions. Here, we examine the complex institutional structures needed to make firms sticky, and the implications of these structures for equitable labor market outcomes.

Pike, Andy, Rodriguez-Pose, Andres and John Tomaney. 2007. “What Kind of Regional Development and for Whom?” *Regional Studies* 41 (9): 1253-1269.

Christopherson, Susan and Jennifer Clark. 2007. *Remaking Regional Economies*. London: Routledge.

November 20: Narrow Perspectives? Regional Development Outside the U.S. Bubble. Regional development theories based on industrialized OECD nations have limited capacity to explain regional development elsewhere. In response we, look at a wide range of theories attempting to explain urbanization elsewhere.

Roy, Ananya. 2009. “The 21st century metropolis: new geographies of theory,” *Regional Studies* (43) 6: 819-830.

Robinson, Jenny. 2002. “Global and world cities: a view from off the map,” *International Journal of Urban and Regional Research*, 26 (3): 531-554.

Brenner, Neil. 2013. “Theses on Urbanization.” *Public Culture* 25 (3): 85-114.

Taylor, Paul and Rob Lang. 2004. “The Shock of the New: 100 Concepts Describing Recent Urban Change,” *Environment and Planning A* 36: 951-958.

December 4: Whither material development? Financialization and New Corporate Strategies. Theories of regional development focus on technology, production and material goods. But goods comprise a diminishing share of corporate revenues, which increasingly rely on financial instruments. We conclude the course by asking a question scholars have been slow to embrace: How does the financial turn in capitalism change our taken-for-granted theories?

Krippner, Greta. 2005. “The Financialization of the American Economy.” *Socio-Economic Review* 3 (2): 173-208.

Kaika, Maria and Luca Ruggiero.. 2013. “Land Financialization as a ‘lived’ process: The transformation of Milan’s Bicocca by Pirelli.” *European Urban and Regional Studies*. June 12.

Pike, Andy. 2006. “‘Shareholder Value’ versus the Regions: The Closure of the Vaux Brewery in Sunderland.” *Journal of Economic Geography* 6: 201-222.

Zademach, Hans-Martin. 2009. "Global Finance and the Development of Regional Clusters: Tracing Paths in Munich's Film and TV Industry." *Journal of Economic Geography* 9 (5): 697-722.

December 4: Wrap-Up.