Universidad de Navarra

Regional Economic Development

Guía docente 2026-27

PRESENTATION

Brief Description: This course aims to familiarize students with the structure and functions of theories, analytical tools, and policy applications related to urban, regional and spatial economic issues. Students will learn the advantages and disadvantages of Regional Economic Development across the world. This course will explore how regions develop, the factors influencing their growth or decline, and the consequences of economic development on different areas and populations. The syllabus also examines public policies aimed at fostering regional development and their potential impacts.

- Degree: BBA & ECON
- **Module/Subject**:Module: Economics; Subject: Regional Economics
- **ECTS**: 6
- **Course, semester**:4th year, 2nd semester
- **Carácter**: Optativa
- **Professor:** Rafael Garduño Rivera
- **Idioma**: English
- **Aula, Horario**: Tuesdays at 8 am (room 06, Amigos); Fridays at 8 am (room 05, Amigos)

COMPETENCIES

Basic Competencies:

- **BC2** Students must know how to apply their knowledge to their work or vocation in a professional way and must have the competencies that are usually demonstrated by means of preparing and defending arguments and solving problems within their area of study.
- **BC3** Students must have the ability to gather and interpret relevant data (usually within their area of study) to make judgments that include a reflection on relevant social, scientific and ethical topics.
- **BC4** Students must be able to transmit information, ideas, problems and solutions to specialized and general audiences.
- **BC5** Students must develop the learning skills required to undertake subsequent studies with a high level of independence.

General Competencies:

- **GC1** To be familiar with different areas of the theory and/or application of economic analysis.
- **GC2** To identify, integrate and use the knowledge acquired to argue, discuss and solve relevant problems in economics and/or business.
- **GC3** To prepare professional reports and/or multimedia presentations on topics related to economics and/or business.
- **GC4** To use independent critical reasoning on relevant topics in economics and business.
- **GC5** To communicate results and analysis, either orally or in writing, that are useful to economics and business.
- **GC6** To be familiar with the different contexts in which their work is carried out: the circumstances, markets and historical, legal or human context.
- **GC7** To analyze the process of defining and implementing goals and/or strategies in the company.
- **GC8** To develop expectations, describe scenarios and make estimates using relevant information for the company.

Specific Competencies (Economics):

- **CEO1** Understand models of aggregate supply and demand
- **CEO2** Understand introductory concepts of game theory and oligopoly
- **CEO3** Understand specialized areas within applied economics, such as Development Economics or Economic Analysis of Industries
- **CEO4** Understand and deepen advanced knowledge of marketing
- **CEO5** Understand and deepen quantitative techniques applied to marketing
- **CEO6** Understand advanced concepts of auditing
- **CEO7** Understand advanced concepts of taxation
- **CEO8** Develop a business valuation plan
- **CEO9** Understand advanced concepts of operations management
- **CEO10** Understand advanced concepts of quality management and/or its implications for standardized quality process management

Particula Competencies (RED)

- Analyze how geographic, institutional, and economic factors influence regional development outcomes.

PROGRAM

Module 1. Geography, Location and Regional Development

- What is Geography?
- Absolute and Relative Location
- Why Geography Matters for Economic Development
- Regional Development and Spatial Inequality
- The Case of Navarra and Volkswagen Navarra

Module 2. Location Decisions and Regional Development

- Why Firms Choose Particular Locations
- Transportation, Labor and Land Costs
- Regional Development Effects of Firm Location
- Business Location Decisions: Honda and Volkswagen
- Can Governments Influence Location Decisions?

Module 3. Spatial Patterns in Regional Development

- Maps as Tools for Regional Analysis
- Spatial Distributions: Uniform, Clustered and Random Patterns
- Population and Economic Activity Across Space
- Using Maps to Understand Regional Development
- Geographic Information for Public Policy Decisions

Module 4. Economic Structure and Structural Change

- Primary, Secondary, Tertiary and Quaternary Sectors
- Structural Transformation of Regional Economies
- Deindustrialization and the Rise of Services
- Regional Employment Structures
- Sectoral Change and Economic Development

Module 5. Measuring Regional Specialization

- Measuring Regional Economic Structure
- Location Quotients
- Regional Specialization and Diversification
- Export Base Theory
- Applications to Regional Analysis

Module 6. Industrial Location Theory

- Alfred Weber's Least Cost Theory
- Transportation Costs and Industrial Location
- Assembly and Distribution Costs
- Market-Oriented and Resource-Oriented Industries
- Modern Applications of Location Theory

Module 7. Spatial Interaction: Understanding Flows Between Regions

- The Concept of Spatial Interaction
- Complementarity
- Transferability
- Intervening Opportunities
- Trade, Migration and Information Flows

Module 8. The Gravity Model

- Measuring Potential Interaction Between Places
- Population, Distance and Economic Flows
- Market Potential
- Trade and Migration Applications
- Regional Connectivity

Module 9. Space-Time Convergence

- Friction of Distance
- Transportation and Communication Technologies
- Accessibility and Regional Development
- Infrastructure and Economic Growth
- Globalization and Shrinking Space

Module 10. Median Location: Where Should Firms and Services Locate?

- Transportation Cost Minimization
- Median Location Principle
- Market Accessibility
- Population Distribution
- Applications for Business and Public Services

Module 11. Hotelling’s Model: Competition and Location

- Hotelling's Oligopolistic Reaction Model
- Spatial Competition
- Locational Interdependence
- Market Capture Strategies
- Real-World Applications

Module 12. Oligopolies and Regional Markets

- Market Concentration
- Oligopolistic Industries
- Industrial Structure
- Competition and Innovation
- Regional Market Dynamics

Module 13. Central Place Theory: Why Do Different Places Offer Different Services?

- Urban Hierarchies
- Threshold Population
- Range of Goods and Services
- Central Places and Regional Systems
- The Spatial Organization of Economic Activity

Universidad de Navarra

Module 14. Agglomeration Economies: Why Do Firms and Workers Cluster?

- Agglomeration Economies
- Clustering and Regional Competitiveness
- Retail and Service Clusters
- Competition versus Cooperation
- Industrial Districts and Regional Development

Module 15. Product Life Cycle: How Industries and Regions Evolve

- Product Life Cycle Theory
- Innovation and Regional Growth
- Technological Change
- Creative Destruction
- Regional Adaptation and Resilience

Module 16. Industrial Change and Regional Development: The Automotive Industry

- Evolution of the Automobile Industry
- Industrial Relocation
- Automotive Clusters
- Transportation Costs and Market Access
- Lessons for Regional Development

Module 17. Foreign Direct Investment and Regional Development

- What is FDI?
- Why Firms Invest Abroad
- FDI and Regional Growth
- Government Incentives
- International Investment and Local Development

Module 18. Regional Development in Practice — The Toledo Automotive Cluster

- The Evolution of an Industrial Region
- Automotive Clusters and Regional Transformation
- Employment and Structural Change
- Public Policy and Industrial Development
- Lessons for Regional Economic Development

TRAINING ACTIVITIES

- Attendance to Master Classes(face-to-face): 40 hours

- Institutional Visits and Guest Lectures: 10 hours

- Elaboration of guided work (and participation in the Project presentations face-to-face): 15 hours

- Tutorials: 5 hours

- - Personal study: 75 hours

EVALUATION

- Ongoing Evaluation - Quizzes: **10%**
- Elaboration and presentation of guided work: **20%**
- Midterm exam: **30%** (Friday, October 23 at class time).
- Final Exam: **40%** (Wednesday, December 9, room B1 at noon).

OFFICE HOURS

Dr.Rafael Garduño Rivera (rgarduno@unav.es)

Office 2530 Edificio Amigos. 2nd. Floor.

- Tutoring hours: upon request

BIBLIOGRAPHY AND RESOURCES

We will use the most recent articles on each of these topics. However, some of the most popular books/papers in this area are:

- Ascani, A., Crescenzi, R., & Iammarino, S. (2012). Regional Economic Development. A Review, SEARCH WP01/03, 2-26.
- Howells, J. (2005). Innovation and regional economic development: A matter of perspective?. *Research policy*, *34*(8), 1220-1234. Find it in the library.
- Jackson, R. W., Hewings, G. J., Rey, S., & Lozano-Gracia, N. (2020). Regional development: Challenges, methods, and models.
- Knox, P. L., & Marston, S. A. (2016). Human Geography: Places and Regions in Global Context, Global Edition (7th ed.). Pearson International Content. Find it in the library.
- Martin, R., & Sunley, P. (2011). The new economic geography and policy relevance. *Journal of Economic Geography*, *11*(2), 357-369. Find it in the library.
- McCann, P. (2013): Modern Urban and Regional Economics. Oxford University Press, Oxford.
- Rubiera, F., Correa, R. y Polèse, M. (2020): Economía Urbana y Regional: teorías y evidencias sobre el desarrollo regional. Editorial AlfaOmega.
- Stimson, R. J., Stough, R. R., & Roberts, B. H. (2006). *Regional economic development: analysis and planning strategy*. Springer Science & Business Media.
- Storper, M, and Walker, R, 1989. The Capitalist Imperative, Oxford: Blackwell.
- Storper, M. 1997 The Regional World, London: Guilford.
- Storper, M. 2014. Keys to the City, Princeton: Princeton University Press.
- Storper, M. et al, 2015, The Rise and Decline of Urban Economies. Stanford: Stanford University Press.