# **GEOG 311: ECONOMIC GEOGRAPHY**

McGill University, Department of Geography

Winter 2014

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**Lectures**: Tuesdays and Thursdays, 13:05 – 14:25 (Burnside Hall 306)

Office Hours: Mondays, 13:30 – 14:30, or by appointment (Burnside Hall 417) **Teaching Assistant**: Alicia Cavanaugh (e-mail: alicia.cavanaugh@mail.mcgill.ca)

# **Course Description and Objectives**

Why are certain economic activities clustered in space while others are dispersed over long distances? Why do certain cities or regions develop and grow while others lag behind? In an increasingly globalized economy is spatially uneven development an inevitable feature of capitalism? These are the types of questions economic geographers seek to understand.

In this course, you will learn about the different approaches developed by social scientists to examine the spatial organization of economic activities. Our journey of the intellectual history of economic geography begins with early neoclassical attempts to explain industrial location. We then move on to alternative political economy approaches that focus more on the tensions and crises inherent to capitalism. Following a brief review of the work of the Regulation School, particular emphasis is placed on understanding the microeconomics and organizational dynamics of industrial complexes.

The latter part of the course deals with a variety of contemporary issues in economic geography. In particular, we examine the importance of learning and innovation in different regional settings, consider the economic geography *vs.* geographical economics debate of the 1990s as well as a series of other special topics including the role of transnational corporations in today's global economy and questions of poverty and inequality. Throughout the course, we draw on several case studies to help reinforce and highlight the conceptual material presented in class.

#### Readings

Required readings for the course are compiled in a customized course pack that can be purchased at the McGill University Bookstore. Further readings, if required, will be posted on the course website (i.e., WebCT). Students are strongly encouraged to read the assigned material before each class.

#### **Course Evaluation and Grading Policy**

Your grade for the course will be determined as follows:

Tests / Assignments	Value
Class participation	5 %
Mid-term exam (February 27 <sup>th</sup> )	30 %
Final research paper (April 10 <sup>th</sup> )	25 %
Final exam (TBA)	40 %

Students who miss an exam will need a certified note from their physician in order to write a make-up. The final project, which consists of a short research paper (topic to be announced later), must be turned in on Thursday, April 10<sup>th</sup>. In accord with McGill University's Charter of Students' Rights, students in this course have the right to submit in English or in French any written work that is to be araded.

#### **Academic Integrity**

McGill University values academic integrity. Therefore all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information).

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#### **COURSE OUTLINE AND READING ASSIGNMENTS**

#### Topic 1 – Laying the foundations: A geographical approach to the economy

The first week of class is designed to provide you with a general introduction to the course and its key themes. Topics explored include how we think about economics in geographical terms (i.e. definitions of basic spatial concepts) and how economic geography, as a discipline, has evolved over time.

Readings:

Coe, N., Kelly, P. F., and Yeung, H. W. C. (2012) Thinking Geographically. In *Economic Geography: A Contemporary Introduction*. 2<sup>nd</sup> Edition, Blackwell Publishing, pp. 3-26.

Sheppard, E. (2006) The economic geography project. In *Economic Geography: Past, present and future*, eds. S. Bagchi-Sen and H. Lawton Smith. New York: Routledge, pp.11-23.

# Topic 2 – Neoclassical approaches I: Homogeneous land surfaces and the search for general laws

Here we examine some of the earlier attempts at explaining the spatial organization of economic activities. Particular attention is paid to the work of German location theorists (e.g. Weber, Christaller, Losch) and to the 1950s and 60s *Regional Science* movement. We explore how geometry and other techniques borrowed from the physical sciences are used in the search for general laws characterizing the structure of the 'space-economy'.

Readings:

Essletzbichler, J. (2011) Locating Location Models. In *The Sage Handbook of Economic Geography*, eds. A. Leyshon, R. Lee, P. Sunley and L. McDowell. Thousand Oaks: Sage Publications, pp. 23-38.

Dicken, P., and Lloyd, P. E. (1990) *Location in Space: Theoretical Perspectives in Economic Geography*. New York: HarperCollins Publishers, pp.15-45, 83-92.

#### Topic 3 – The need for alternative approaches

Realizing that even the most sophisticated neoclassical models of equilibrium and optimization cannot account for the deeper and more complex socio-economic tensions inherent to capitalism, economic geographers begin to search for alternative approaches to explain the location of economics activities. Here we draw on Marxist theory to present an outline of some of the defining elements of capitalism and explore its uneven spatial development.

Readings: Storper, M., and Walker, R. (1989) *The Capitalist Imperative: Territory, Technology, and Industrial Growth.* Oxford: UK; New York, NY: Blackwell (chapter 2, pp.6-35).

Edel, M. (1981) Capitalism, Accumulation and the Explanation of Urban Phenomena. In *Urbanization and Urban Planning in Capitalist Society*, eds. M. Dear and A. J. Scott. London and New York: Methuen, pp.19-44.

#### Topic 4 – Regulation theory and the transition from Fordism to post-Fordism

During the late 1970s and early 1980s, French Regulationists (e.g. Aglietta, Lipietz, Boyer) developed a conceptual framework to help characterize and explain the 'macro-structures' of capitalist economies and how these change over time. This set of lectures takes a look at different historical periods of capitalist expansion, paying particular attention to the contemporary transition from Fordism to post-Fordism and some of its spatial expressions.

Readings:

Bryson, J., and Henry, N. (2001) The global production system: from Fordism to post-Fordism. In *Human Geography: Issues for the 21st Century*, eds. P. Daniels, M. Bradshaw, D. Shaw, and J. Sidaway. New York: Pearson Education, pp.342-372.

Moulaert, F., and Swyngedouw, E. (1989) Survey 15 – A regulation approach to the geography of flexible production systems. *Environment and Planning D - Society & Space*, 7: 327-341.

#### Topic 5 – Alternative approaches I: New Industrial Spaces?

After the crisis of Fordism, a 'new economy' begins to take shape. Whether we call it post-Fordism, post-Industrialism, or the Information economy, at the heart of this 'new economy' is the notion of flexible specialization. Here, we take a close look at the micro-dynamics of the organization of production, processes of agglomeration and the formation of industrial complexes, all of which are captured in Scott's *New Industrial Spaces*.

Readings:

Scott, A. 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: 171-183.

Scott, A. J. (1988) *Metropolis: from the division of labor to urban form.* Berkeley: University of California Press (chapters 3 and 4, pp.26-60).

*NB.* The **mid-term** is scheduled for Thursday, February 27<sup>th</sup>.

### **Topic 6 – Alternative approaches I (continued)**

To continue our exploration of new industrial spaces / industrial complexes, we examine various case studies and introduce some elements of an initial critique of the concept.

Readings:

Saxenian, AnnaLee (1994) Regional advantage: culture and competition in Silicon Valley and Route 128. Cambridge, Mass.: Harvard University Press (chapter 2).

Scott, A. J. (2002) A new map of Hollywood: The production and distribution of American motion pictures. *Regional Studies*, 36(9): 957-75.

Sforzi, F. (1989) The Geography of Industrial Districts in Italy. In *Small Firms and Industrial Districts in Italy*, eds. E. Goodman and J. Bamford. London: Routledge, pp.153-173.

# Topic 7 – Alternative approaches II: From industrial districts to innovative milieux and learning regions

In time, economic geographers begin to voice concerns over the flexible specialization / new industrial spaces perspective arguing that the analytical framework it provides is perhaps too static as the real advantages of flexible districts are dynamic. Hence, more recent or 'up-to-date' approaches focus on the institutional factors that are embedded within certain regions. Ideas of networks, cooperation, knowledge flows, institutional thickness and untraded interdependencies are central here, as are evolutionary concepts.

Readings:

Storper, M. (1997) *The Regional World*. Guilford Press (Chapter 1: The Resurgence of Regional Economies, Ten Years Later).

Morgan, K. (1997) The learning region: Institutions, innovation and regional renewal. *Regional Studies*, 31(5): 491-503.

Gertler, M. (1997) The Invention of Regional Culture. In *Geographies of Economies*, eds. R. Lee and J. Wills. London; New York: Arnold, pp.47-57.

#### Topic 8 – Untraded interdependencies and the economic geography of talent

Here we review recent case studies of innovative milieux / learning regions in Europe and take a closer look at the geography of talent and innovation in the U.S.

Readings:

Pinch, S., and Henry, N. (1999) Paul Krugman's geographical economics, industrial clustering and the British motor sport industry. *Regional Studies*, 33(9): 815-27.

Florida, R. (2002) The economic geography of talent. *Annals of the Association of American Geographers*, 92(4): 743-55.

#### Topic 9 – Neoclassical approaches II: New geographical economics

Long relegated to the status of a marginal topic within the discipline, mainstream economists are now rediscovering the importance of space. These lectures explore two different approaches to the study of space in contemporary economics: (i) Krugman's *new economic geography*, which stems from the new trade / growth theory literature and (ii) Porter's *competitive advantage*, a concept that has been widely adopted by policy makers and applied in the regional context.

Readings:

Krugman, P. (1998) What's New About the New Economic Geography? Oxford Review of Economic Policy, 14: 7-16.

Martin, R. (2011) The 'New Economic Geography': Credible Models of the Economic Landscape? In *The Sage Handbook of Economic Geography*, eds. A. Leyshon, R. Lee, P. Sunley and L. McDowell. Thousand Oaks: Sage Publications, pp. 53-71.

Porter, M. (1998) Clusters and the new economics of competition. *Harvard Business Review*, 76(6): 77-90.

#### Topic 10 – Special focus: Transnational Corporations (TNCs)

TNCs play a pivotal role in today's global economy. Here, we focus on the activities of TNCs and explore the geography of global production networks.

Readings: Dicken, P. (2007) Global Shift: Mapping the Changing Contours of the World Economy,

5<sup>th</sup> edition, New York, NY: Guilford Press. Chapter 4 (pp.106-135).

Coe, N. et al. (2004) 'Globalizing' regional development: a global production networks perspective. *Transactions of the Institute of British Geographers*, 29: 468-484

#### Topic 11 – Special focus: Regional Development Policy

Having reviewed the key theoretical approaches developed in the field of economic geography, we now turn our attention to regional development policy as it has evolved in the Canadian context and regional development interventions more broadly at the global scale.

Readings:

Savoie, D. J. (2003) *Reviewing Canada's Regional Development Efforts*. A report prepared for the Royal Commission on Renewing and Strengthening Our Place in Canada, Government of Newfoundland and Labrador.

Barca, F., McCann, P. and A. Rodriguez-Pose (2012). The case for regional development intervention: Place-based versus place-neutral approaches. *Journal of Regional Science*. 52(1): 134-152.

# Topic 12 – Special focus: Inequality and geography

Spatial inequalities are inevitable under capitalism. Here we consider various analyses of recent trends in inequality at the global scale and, within the North American context, across Canadian cities.

Readings:

Galbraith, J. K. (2002) A perfect crime: inequality in the age of globalization. *Daedalus*, 131(1): 11-25.

Breau, S. and J. Essletzbichler (2013) Contesting inequality. *Environment and Planning A*, 45: 1775-1784.

Breau, S., Kogler, D. and K. C. Bolton (Forthcoming) On the relationship between innovation and inequality: New evidence from Canadian cities. *Economic Geography*.

#### Some final thoughts

The final lecture is dedicated to wrapping-up our discussion on inequality and some final words on future research directions in economic geography.