

## **Lecture 1. Introduction to the subject**

### **What is regional economic development?**

It is the process of economic development of a region through which a region is capable to improve its economic, political, and social welfare. Nowadays in the regional science this term is often used by the academician, policy-makers and regional development agency people to indicate the growth of a region.

### **What is the meaning of social development?**

Social development is about improving the well-being of every individual in society so they can reach their full potential. The success of society is linked to the well-being of each and every citizen. Social development means investing in people.

### **What are the four main types of regional economic integration?**

There are four main types of regional economic integration:

- ❖ Free trade area. This is the most basic form of economic cooperation
- ❖ Customs union. This type provides for economic cooperation as in a free-trade zone
- ❖ Common market
- ❖ Economic union

### **What are the importance of regional development policies?**

These policies can help reduce regional inequalities, drive efficiencies in public service delivery, support quality infrastructure, boost national performance, enhance resilience and support environmentally sustainable development.

### **What is the main objective of regional development?**

Regional development aims to promote sustainable development, growth and competitiveness of the regions, the wellbeing of residents and the quality of the living environment. It is based on interaction between ministries, counties, municipalities and other operators.

### **Why is regional economics important?**

As time has moved forward, regional economies have surpassed national and state level strategies in terms of importance and impact. Regional economies offer the best environment for idea experimentation in terms of economic development.

### **What is the importance of social and economic development?**

The purpose of economic development is to improve the social and material well-being of all individuals and social institutions with the goal of achieving the highest possible level of human development. Socioeconomic development, therefore, requires the integration of economic and social development.

### **What are the 4 types of economic development?**

Economic systems can be categorized into four main types: traditional economies, command economies, mixed economies, and market economies.

### **1) Traditional economic system**

A traditional economy is a system that relies on customs, history, and time-honored beliefs. Tradition guides economic decisions such as production and distribution. Societies with traditional economies depend on agriculture, fishing, hunting, gathering, or some combination of them. They use bartering instead of money.

### **2) Command economic system**

A command economy is where a central government makes all economic decisions. Either the government or a collective owns the land and the means of production. It doesn't rely on the laws of supply and demand that operate in a market economy. A command economy also ignores the customs that guide a traditional economy.

### **3) Market economic system**

A market economy is an economic system where two forces, known as supply and demand, direct the production of goods and services. Market economies are not controlled by a central authority (like a government) and are instead based on voluntary exchange.

### **4) Mixed economic system**

A mixed economic system is a system that combines aspects of both capitalism and socialism. A mixed economic system protects private property and allows a level of economic freedom in the use of capital, but also allows for governments to interfere in economic activities in order to achieve social aims.

### **What are the factors affecting regional development?**

The physical factors like relief, climate, location, population and land use of the region affects the regional development. Regional development occurs near areas with favourable location, plain relief, sufficient rainfall, developed agriculture, transportation, industries and trade.

### **What are the components of regional development?**

- ❖ Agriculture and Water Resources
- ❖ Appropriations and Administration
- ❖ Communications and the Arts
- ❖ Employment, Education and Training
- ❖ Environment and Energy
- ❖ Health, Aged Care and Sport
- ❖ Indigenous Affairs
- ❖ Industry, Innovation, Science and Resources