

## Lecture 2. Regional economy

### Definition of regional economy

Regional economy refers to the economics advantage of a geographical location and human activities of greatest height to contribute maximally to the general growth and prosperity of the region.

### Why is regional economic 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 were the 3 major economic regions?

Three world's major economic regions (North America, Western Europe, and East Asia) together account for as much as 80 percent of the global economy, with the North American region clearly dominant in terms of GDP per capita.

What are the components of regional economics?

- ❖ Governance
- ❖ Local Economic Development
- ❖ Venture Capital (capital invested in a project in which there is a substantial element of risk, typically a new or expanding business.)
- ❖ Regional Development
- ❖ Geography
- ❖ Economic and Social Development
- ❖ Urbanization
- ❖ Industrial Park

### What is Venture Capital?

Venture Capital is the capital invested in a project in which there is a substantial element of risk, typically a new or expanding business.

### What is Urbanization?

Urbanization is the process through which cities grow, and higher and higher percentages of the population comes to live in the city.

### What is Industrial Park?

An industrial park is a portion of a city that is zoned for industrial use rather than residential or commercial needs. Industrial parks may contain oil refineries, ports, warehouses, distribution centers, and factories.

### What is regulating the regional economy?

“Economic regulation” refers to rules that limit who can enter a business (entry controls) and what prices they may charge (price controls).

### Why are economic regulations important?

Economic regulation provides this confidence by creating a stable and predictable environment for investment. Such independence is, and always should be, limited in its scope. For economic regulators to be effective they need statutory guidance regarding their tasks.

### What are examples of regulations?

Common examples of regulation include limits on environmental pollution, laws against child labor or other employment regulations, minimum wages laws, regulations requiring truthful labelling of the ingredients in food and drugs and so on.

### What is the purpose of regulations?

The primary regulatory purpose is defined as the achievement of quality control of a subject system, its process or its product. Quality control via regulation is achieved through one or a combination of approaches:

1. **Accountability** (the fact or condition of being accountable; responsibility)
2. **Organizational development** (a critical and science-based process that helps organizations build their capacity to change and achieve greater effectiveness by developing, improving, and reinforcing strategies, structures, and processes)
3. **Protectionism** (refers to government policies that restrict international trade to help domestic industries)

### What are the 3 protectionist policies?

Common examples of protectionism, or tools that are used to implement a policy of protectionism include tariffs, quotas, and subsidies. All of these tools are meant to promote domestic companies by making foreign goods more expensive or scarce.

### What are regional economic differences?

Regional economy is a human economic activity in a certain geographical space and the natural, social, and cultural environment of various regions has led to differences in the level of economic development, industrial structure, and layout.

### What is the connection between a region and its economy?

Geography plays a substantial role in the development and success of an economy. Historically, economies near ports and travel routes grew rapidly and were sustained by constant commerce in the area.

### How regionalism can benefit the world?

Regionalism encourages local governments to pool resources, talent and efforts. Collaborating in this way creates more effective planning that all governments, both big and small, can participate in. It also creates a larger budget to deliver stronger results.