

What drives which region?

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Abstract

Regions are conceptually different than cities.

Keywords

Regional science — spatial heterogeneity — conditional robustness

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What is the problem

Regions are conceptually different than cities, as they contain urban, suburban and rural areas simultaneously. Whilst smaller regions can still be seen as the total influence radius of metropolitan areas—such as measured by the concept of local labor markets and the NUTS-2 regions in Europe—, larger regions can typically contain a multiple of cities in combinations with their various hinterlands—such as the Dutch Randstad, the Belgian Flemish Diamond, and the German Ruhr areas.

In recent years, the urban economics literature witnessed large growth; not only noticed by a wider acceptance in mainstream economics, but as well by larger scientific rigor and increased robustness of empirical findings. Remarkably, the empirical regional economics (or regional science in general for that matter) literature lagged behind, although many concepts and challenges in both disciplines are conceptually similar and are derived from similar theoretical backgrounds.

Similar to urban economics¹, there is not yet a clear (consensus in) understanding in which policy instruments are actually (cost-)effective in promoting regional growth.

To do so, I first review the previous literature in section 1. This section focuses mainly on regional economics as it

has a larger emphasis on *causal* effects. To a lesser extent we deal with the (economic geography) literature. Based on this literature review Section 2 deals with the research gaps that can be identified.

1. Previous findings

- housing & population;
- amenities;
- connectivity & accessibility
- networks;
- social & human capital

2. Research gaps

3. Research Agenda

3.1 Regional heterogeneity

(Thissen et al., 2016; de Graaff et al., 2012b,a)

3.2 Conditional robustness

In regional science in general and in regional economics in specific, remarkably little attention has been given to reproducibility and robustness of results (with some exceptions as, amongst some others, by Rey, 2014; Arribas-Bel and de Graaff, 2015; Arribas-Bel et al., *Forthcoming*).

3.3 Regional sorting models

As in Bayer et al. (2004) and Bayer and Timmins (2007) and recently by Zhiling et al. (2016) and Bernasco et al. (*Forthcoming*).

References

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¹For this reason, in the UK in 2013 a new centre called “What Works Centre for Local Economic Growth” led by Professor Henry Overman at the London School of Economics (LSE) has been established. This centre focuses mainly on the causal impact (impact evaluation) of investments at the city level.

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