



Iwan J. Azis

REGIONAL ECONOMICS

Fundamental Concepts, Policies, and Institutions

 **World Scientific**

Contents

<i>Preface</i>	v
<i>About the Author</i>	ix
<i>List of Figures</i>	xv
<i>List of Tables</i>	xvii
1. Introduction	1
2. Regional Economics: Regional Science–Spatial Economics	9
2.1 Introduction	9
2.2 Treatment of ‘Space’: From Partial to General Equilibrium	10
2.3 Interregional Inequality and Emergence of Cities	14
2.4 Infrastructure Development	18
2.5 Regional Science and Contemporary Development Issues	22
2.6 Summary	26
Appendix	27
References	28
3. Model Comparisons	31
3.1 Introduction	31
3.2 Space-Less Model	32
3.3 Introducing ‘Space’	35
3.4 Improvements and Extension	47

Appendix A	52
Appendix B	53
References	57
4. Regional Growth and Productivity	59
4.1 Introduction	59
4.2 Demand-Driven Regional Growth	60
4.3 Supply-Driven: Interregional Capital Movement	64
4.4 Supply-Driven: Regional Investment Allocation	71
4.5 Regional Productivity	76
Appendix A	83
Appendix B	84
Appendix C	87
Appendix D	88
References	89
5. Regional Development and Policies	91
5.1 Introduction	91
5.2 Regional Incentives to Promote Growth	93
5.3 Reducing Inequality and Improving Productivity	96
5.4 Assessing Sustainable Development	100
References	103
6. Institutions in Regional Development and Decentralization	105
6.1 Introduction	105
6.2 Institutions and Culture	106
6.3 Decentralization	111
6.4 Coordination Game with Multiple Players: Theory of Endogenous Institutional Change	114
6.5 Institutional Model of Decentralization: How Local Capture Influences Welfare	120
Appendix A. Specific Form of Welfare Function and Sensitivity Analysis	126
References	132
7. Summary and Implications	135
7.1 Introduction	135
7.2 What We Have Learned	136

7.3	Implications	142
7.3.1	Concepts	142
7.3.2	Policies	147
7.4	Big Data, ICT, and GIS	151
	References	156
	<i>Author Index</i>	159
	<i>Subject Index</i>	161