

The Economics of European Regions: Theory, Empirics, and Policy

Dipartimento di Economia e Management

Co-funded by the
Erasmus+ Programme
of the European Union



Project funded by
European Commission Erasmus + Programme – Jean Monnet Action
Project number 553280-EPP-1-2015-1-IT-EPPJMO-MODULE

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24th of September, 2018

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Plan of the Course

Part 1: Growth and con(di)vergence among European regions (Fiaschi, Parenti, Girolimetto, Magrini, Rios)

Theoretical models for the analysis of growth and con(di)vergence among European regions based on neoclassical theory and New Economic Geography.

Evidence on the dynamics of output per capita, labour productivity, unemployment, and, in general, of living standards by advanced parametric and nonparametric techniques.

Roots of the EU disparities as technological spillovers, (re)allocation of factors, and differences in institutions and policies through spatial econometrics models (Fiaschi).

Plan of the Course ...

Part 2: EU Regional Policy (Fiaschi, Parenti and Rios)

Evolution of EU Regional Policy and how is financed through the EU budget. Special attention will be paid to European Structural Funds as support to regional growth and competitiveness.

Theoretical framework to identify how regional development policies can affect convergence among European regions.

Quantitative evaluation of regional policy discussing the pros and cons of spatial econometric techniques vs counterfactual methods (e.g. regression discontinuity design and synthetic control methods).

Plan of the Course ...

Part 3: Taxation in EU (Paty and Parenti)

Economic background of taxation in EU in terms of both national and EU policy, distinguishing different types of taxes, taxation system, and their implications in terms of labour mobility, spatial location of activities, and household residential decisions.

Coordination and competition of EU fiscal policies in the light of spatial interactions among the countries/regions decisions on taxation.

Plan of the Course ...

Part 4: Geographical mobility within and across EU countries (Fiaschi, Parenti, Magrini, Girolimetto, Tealdi)

Geographical mobility (commuting and migration) within and across EU countries and its potential for reducing regional disparities.

The effect of migration on productivity of recipient regions and how labour market flexibility affects the departure of skilled workers.

Evolution of EU policy on the movement of persons and present an evaluation of its impact on cross-border mobility within EU.

Teaching staff

- Davide Fiaschi (University of Pisa)
- Angela Parenti (University of Pisa)
- Sonia Paty (University Lyon)
- Stefano Magrini (Ca' Foscari University of Venice)
- Margherita Gerolimetto (Ca' Foscari University of Venice)
- Cristina Tealdi (Heriot-Watt University)
- Vicente Rios (University of Pamplona)

Resources and Materials for the Course

- Some books' chapters and papers indicated along the course
- Some handouts on R (<https://www.r-project.org/>)
- Website of the course: <http://eer.ec.unipi.it/>
- Web resources for the EU Regional Policy:
http://ec.europa.eu/regional_policy/en/,
<https://cohesiondata.ec.europa.eu/>

Methods of evaluation

Two homeworks for each couple of students (randomly formed)

- First homework: at the end of the course on Parts 1 and 4
- Second homework: at the end of the course on Parts 2 and 3

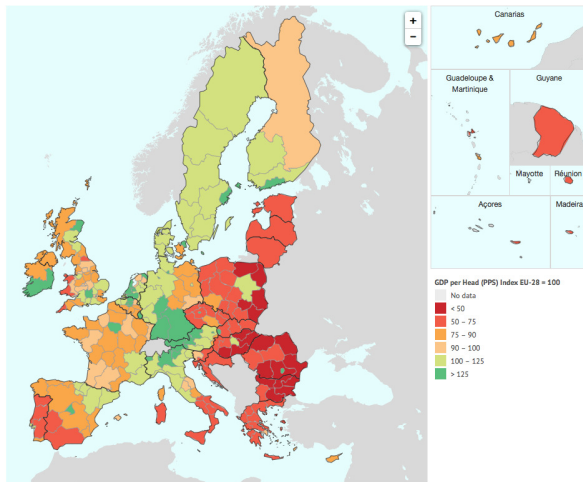
Main Questions of the Course

- How is the inequality across European regions and how is evolving?
- Which type of inequality we are interested in? (income, health, happiness, unemployment, productivity, concentration of economic activities, etc.)
- Is there a theoretical model able to explain such types of inequality?
- Which are the main goals of European Regional Policy?
- How are they effectively pursued?
- Macro and micro issues of European Regions.
- Which are the effect of migration in EU?

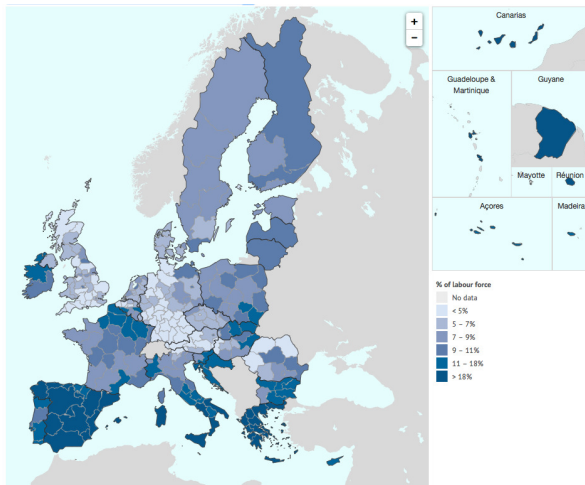
Why NUTS2 Regions?



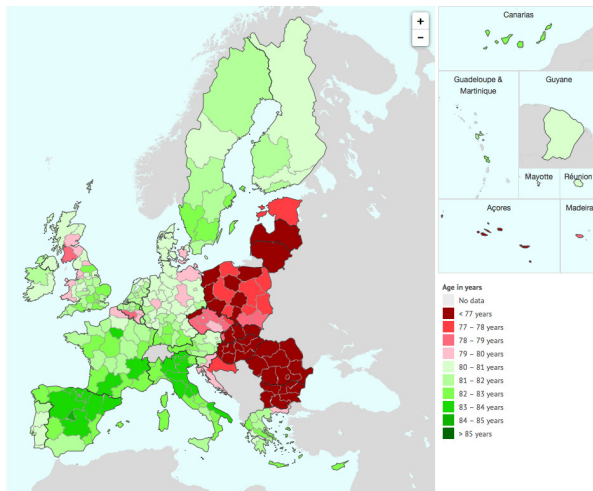
Regional GDP per Head, 2013(PPS)



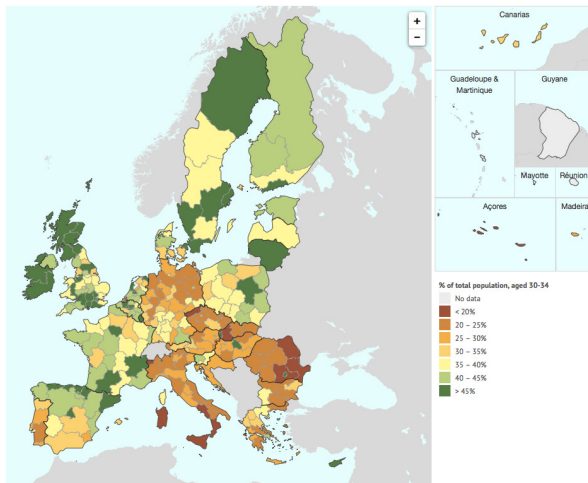
Regional Unemployment Rate, (2014)



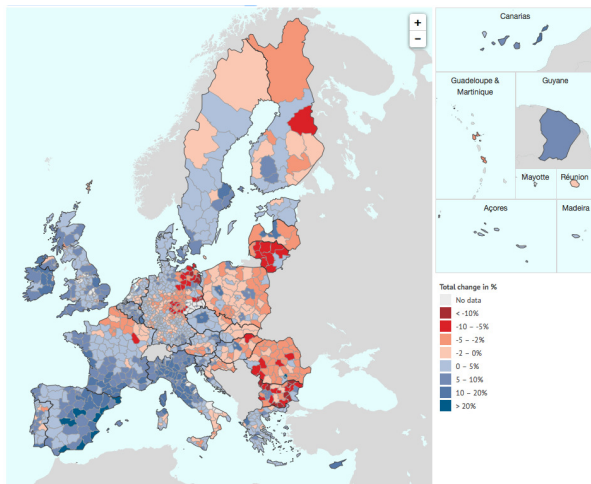
Regional Life Expectancy, (2013)



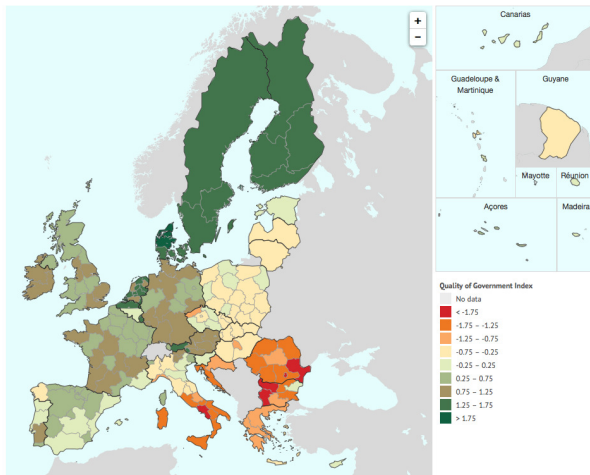
Regional Population with Tertiary Education (2012-2014)



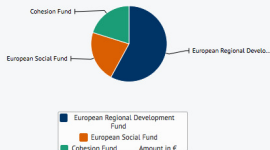
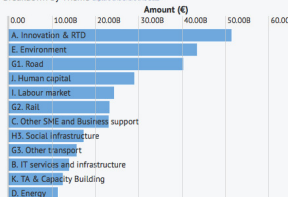
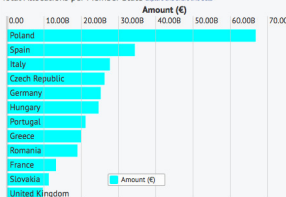
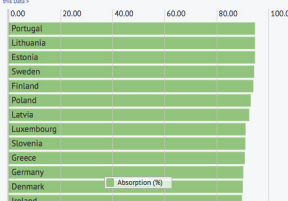
Regional Net Migration (2001-2011)



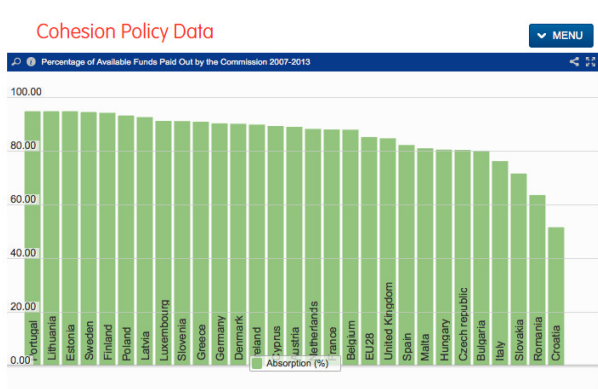
Regional Quality of Government Index (2013)



EU Regional Policy 2007-2013

Breakdown by Fund [Explore and Share this Data >](#)Breakdown by Theme [Explore and Share this Data >](#)Total Allocations per Member State [Explore and Share this Data >](#)Percentage of Available Funds Paid Out by the Commission [Explore and Share this Data >](#)

EU Regional Policy 2007-2013



Theoretical Models

- Solow's model (augmented by human capital)
- Solow's model with factors mobility
- Solow's model with poverty traps
- Two-sector growth models: Core-periphery models (increasing returns, home-market effects, intermediate goods)