Economics and Geography of Innovation module B
Economics, Finance and Public Policy
Lecture 1

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Who am I?

- Professor of Applied Economics (old – new)
- Dean of the SEGP Faculty
- CRENoS member
- Member of the council of the Phd in Economics and Business
- MaPE director
- Associated Editor of Regional Studies
- Co-director of RSA Europe's Socio-Spatial Dynamics Summer College
- Research interests:
  - National and regional technological systems
  - Technological externalities and spillovers
  - European innovation and production system
  - Regional economics
  - Economics of tourism

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Who are you?

- **Short presentation**
  - **At least name and surname….**
  - **But also, if you want, something about your background and your expectations about this course and the whole programme**

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Some info

- [All material available on line](#)
- [Calendar](#)
- Office hours: Thursday 12-13.
- Other meeting can be arranged via email
- Other news on the website
  - http://people.unica.it/stefanousai/

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Issues and objectives

- National and regional research and innovation programs of smart specialization (RIS3) are at the basis of the new political and economic strategy called EUROPE 2020 to support employment, productivity and social cohesion.

- Therefore, Europe is investing in integrated and land-based economic transformation programs that support policies and investments geared towards priorities, challenges and development needs based on knowledge and innovation at national and, above all, at regional level..

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Contents

- To understand the reasons for these choices and to understand if and how much they will work, the course tries to provide a basis of analytical knowledge on the Economics of innovation and technological progress after you have analysed the geography of innovation.

- This knowledge will then be used to study how the phenomena of concentration of production and innovation in the territory can determine the success or failure of regions.

- The course will have a strong orientation to applied and empirical contents that will be analyzed in a laboratory of statistical and econometric analysis techniques applied to the study of innovation/productivity in European regions.

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Contents

- The course aims at addressing some important issues of the current scientific debate on growth and economic integration with particular attention to the spatial distribution of innovative activities and processes of localization of production activities.
- The course aims to develop in the student the ability to analytically apply the concepts and principles learned in the classroom.

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Final exam

- The evaluation will consist of two parts:

1. presentation in the classroom
2. drafting of a statistical report

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THE FACTS TO BE EXPLAINED

Incipit

- *The consequences for human welfare involved in the questions about the income gap among countries are simply staggering; once one starts to think about them, it is hard to think about anything else*

Robert Lucas, Nobel prize
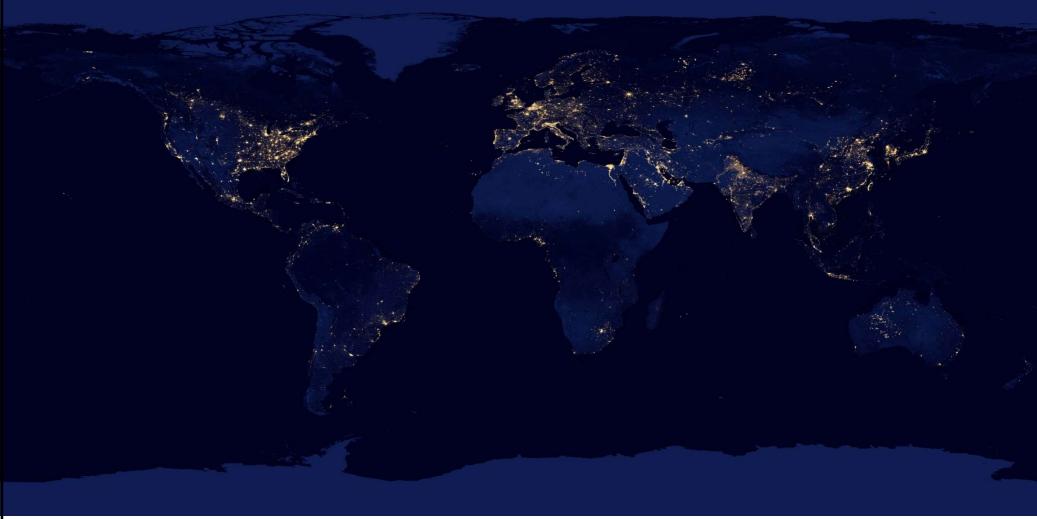
World at night

World at night
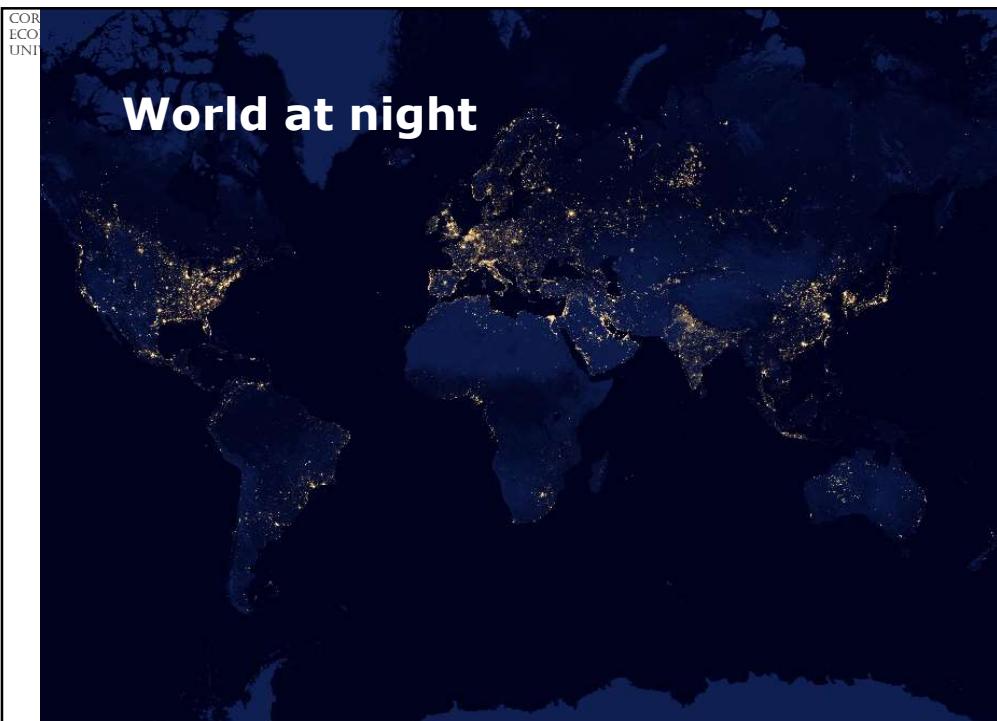
Africa

North America

Europe and Middle East

Asia

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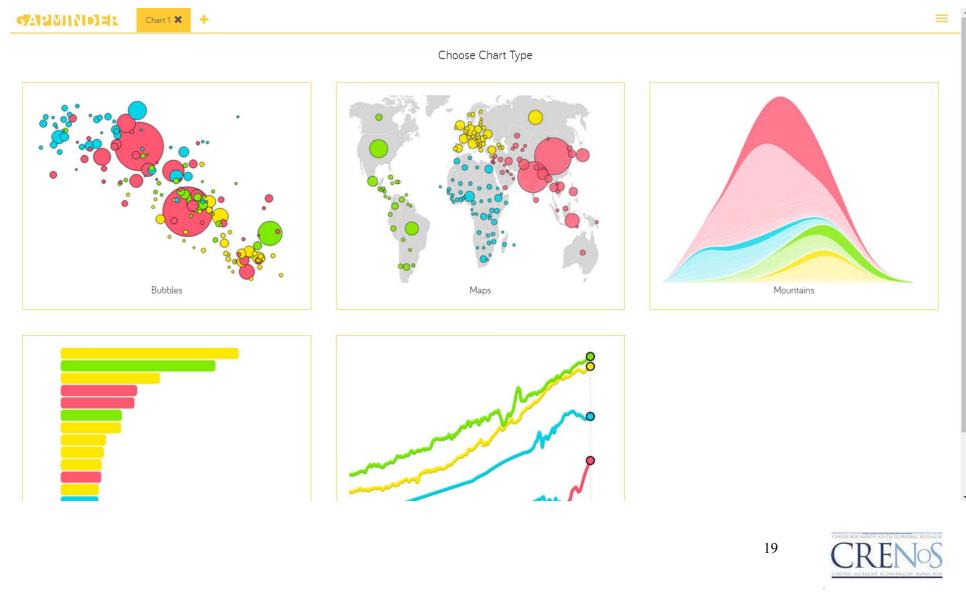
A VERY GENERAL FRAMEWORK FOR ANALYSIS

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CAUSES OF GROWTH

- Two main causes for growth
  – The accumulation of **inputs** (land, capital and human capital)

  – **Productivity**
    - Differences in technology
    - Differences in efficiency

  We can call these determinants proximate causes


Other potential causes

– It is important to distinguish between *proximate* causes and *ultimate* causes: **fundamentals**

– **Fundamentals**
  –Government and Institutions
  –Culture
  –Geography and natural resources
  and
  –Income inequality

The Production Function

Output per worker

Production function

Factors of production per worker
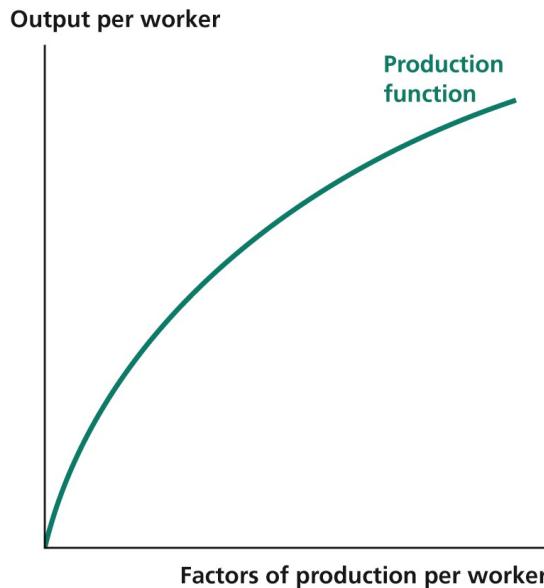
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Possible Sources of Differences in Output per Worker

(a) Differences due to factor accumulation

Output per worker

Production function in both countries

y_1

y_2

Country 2   Country 1

Factors of production per worker
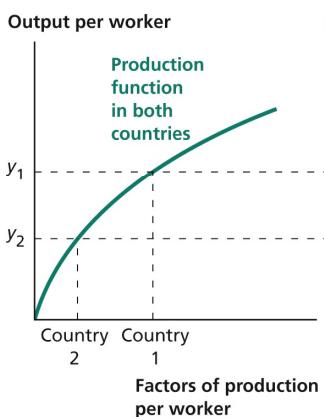
(b) Differences due to productivity

Output per worker

Production function in Country 1

Production function in Country 2

Both countries

Factors of production per worker
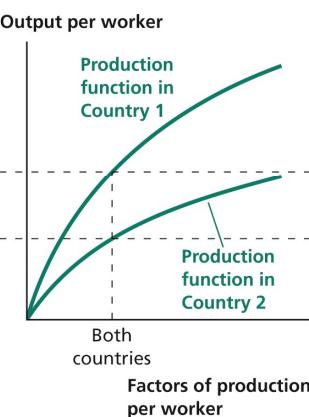
(c) Differences due both to productivity and factor accumulation
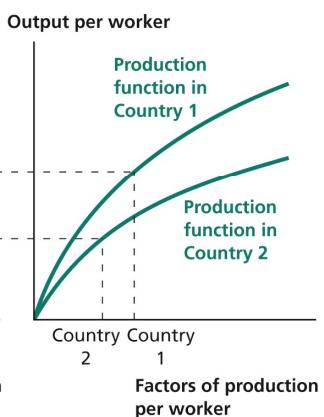
Output per worker

Production function in Country 1

Production function in Country 2

Country 2   Country 1

Factors of production per worker

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Ignorance

Gapminder.org

Dati: le principali fonti per l'analisi a livello nazionale e regionale

- Istat
  - http://dati.istat.it/Index.aspx
  - http://noi-italia.istat.it/
  - http://www.istat.it/it/strumenti/territorio-e-cartografia/sistemi-locali-del-lavoro
- Eurostat:
  - http://ec.europa.eu/eurostat/statistical-atlas/gis/viewer/?config=RYB-2018.json&
  - http://ec.europa.eu/eurostat/data/database
  - http://ec.europa.eu/europe2020/europe-2020-in-your-country/index_en.htm
- Oecd
  - http://stats.oecd.org/Index.aspx
  - http://www.oecd-ilibrary.org/urban-rural-and-regional-development/data/oecd-regional-statistics_region-data-en
- UNCTAD
  - http://unctadstat.unctad.org/EN/

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