

# State, Regional and Urban Economic Development: Policy and Administration

Wayne State University  
Department of Urban Studies and Planning  
UP 6550/ ECO 6650 / PS 6440  
Winter 2023

**Instructor:** Professor Andrew Guinn  
3213 FAB  
arguinn@wayne.edu  
919-577-8711

**Class meetings:** Tu 5:30pm-8:00pm  
State Hall 4118  
**Office hours:** Thurs by appointment  
or by appointment

## **Course description:**

This course examines fundamental theories and concepts of economic development, traces how policy thinking about the development process has changed over time, and highlights issues of emerging relevance in the field. In the last four decades, shifting global economic trends (as well as new empirical findings from extensive research across the globe) have posed new challenges to our understanding of how and why regions grow, develop, and change – and what to do about it. In the course, we will use directed readings, policy debates, and case materials to examine how our current thinking about key development problems—such as economic growth, employment, competitiveness, industrial upgrading, skill formation, the organization of work, and institutional arrangements that sustain innovative development processes—has changed in light of the new global challenges. We will frame this evolution in the context of narratives about the regulatory transition from the first industrial revolution, through the second, to the third and on to current debates about the so-called fourth industrial revolution. What these frameworks mean for planners and citizens interested in equitable and inclusive local economies?

The overall goal of the course is to build up our ability to peel back the layers of development theories, i.e. conceptual frameworks that posit the causes of places' economic flourishing (or poverty), and the ways that these can inform policy. The goal here is to shine a light on the assumptions that undergird these approaches, and to compare them with on-the-ground situations as well as the (often) hidden workings of real-world economic development projects and policies. We will ask: what works well and why, what does not work and why not, in order to move beyond binaries of good vs. bad performance, bottom-up vs. top-down development, centralized vs. decentralized development, and states vs. markets. Instead, we will develop tools to build frameworks that help us understand development as a more malleable and contingent process, with multiple, often contradictory, dimensions.

This course has two modules. The first introduces students to prominent theories (and their assumptions) through the lens of historical debates related to processes of economic development and industrial change. The second considers how debates about development, especially at the regional level, have evolved in recent years in light of new problems such as globalization, outsourcing, rising inequality, and the deindustrialization of once-prosperous legacy cities. We also examine current-day approaches and models of economic development that cities and regions in the US and elsewhere are experimenting with as they navigate contemporary uncertainties.

## **Learning objectives:**

Students who successfully complete the class will be able to:

- identify prominent concepts and theories of economic development, including underlying assumptions.
- understand on-the-ground contexts, dilemmas, goals and practices in economic development planning.
- engage with current debates in economic development planning and policy.
- analyze proposed approaches to improving economic development outcomes, including possible effects and the challenges of implementation.
- assess the economic development performance of a local administrative unit and strategic considerations for future action.

## **Readings:**

Reading assignments are detailed in the attached syllabus. There is no required textbook for the course; readings will be available on the course Canvas page. All readings are required and should be completed *before* the assigned session unless otherwise noted.

## **Requirements and Grading:**

- Reading reflections x 3 (15%)  
300-500 word reflections about a week's readings. Your reflections should do more than summarize the content of the readings. E.g., you may critically assess the arguments of one or more of the readings, compare authors' claims, relate the readings to current issues, etc. Your readings should be posted to relevant Canvas module *before* class that day.
- Chase-a-planner paper (20%) – Due 2/13  
5-page paper about the job context, day-to-day activities, challenges, and surprises of being an economic development planner, based on an in-depth interview with a practitioner.
- Final paper (25%) – Due 4/16  
County economic development assessment: 8-10 page paper that analyzes the economic development of a county in Michigan (or, with permission, elsewhere) and identifies strategic considerations for local planners/policymakers/businesses/citizens. We will have periodic in-class modules to learn relevant approaches and methods.
- Final exam (20%)  
Multiple choice, short answer and essay questions. This is tentatively planned to be an “open note”, take-home exam.
- Class participation (15%)  
Full participation is constituted by completing all assigned readings prior to class; engaging in discussions through thoughtful questions and comments; taking notes on readings, lectures, and class discussions. More than two unexcused absences will negatively impact your participation grade.

The grading scale is as follows: A: 93-100, A-: 90-93, B+: 87-90, B: 83-87, B-: 80-83, C+: 77-80, C: 73-77, C-: 70-73, D+: 66-69, D: 63-66, D-: 60-63, F: 0-60

A course grade of "Incomplete" will be granted only in exceptional circumstances and must be arranged, in writing, before the last class session.

### **Disability:**

If you have a documented disability that requires accommodations, you will need to register with Student Disability Services for coordination of your academic accommodations. The Student Disability Services (SDS) office is located at 1600 David Adamany Undergraduate Library in the Student Academic Success Services department. SDS telephone number is 313-577-1851 or 313-577-3365 (TTY). Once you have your accommodations in place, I will be glad to meet with you privately during my office hours to discuss your special needs. Accommodations cannot be retroactively applied so please make arrangements as soon as possible.

### **Course Policies on Academic Dishonesty:**

Academic work, like the practice of professional planning, is governed by standards of ethical conduct. **All written work that carries your name is to be your individual, original work.** Plagiarism of any kind will result in a failing grade on the assignment in question and, depending on the severity of the situation, may lead to a grade of F in the course. If you are uncertain about what constitutes plagiarism, ask the instructor before engaging in the questionable behavior and/or consult the guidance provided in the University's policy statement on academic integrity at: <https://doso.wayne.edu/conduct/academic-misconduct>. This website includes a link to the Student Code of Conduct.

It will often be useful for you to incorporate the ideas of others in your work, and you may sometimes even choose to use their words, but you should do so only with proper attribution. Cite all sources (including internet) for facts and ideas used in papers at the point in the text where information is used (not simply at the end in "references"). Exact passages extracted from the work of others must appear in quotation marks, and your reference should include the page number on which the quotation or the specific facts referenced appears. If you are not familiar with the proper way to cite the works of others, you should consult a good style guide. *A Manual for Writers of Research Papers, Theses, and Dissertations, Ninth Edition: Chicago Style for Students and Researchers* by Kate L. Turabian, et al., 2018 is a very good one that is inexpensive. A "quick guide" version of this manual can be found at: [http://www.press.uchicago.edu/books/turabian/turabian\\_citationguide.html](http://www.press.uchicago.edu/books/turabian/turabian_citationguide.html). The university library also provides electronic access to several style guides. The portal is <https://guides.lib.wayne.edu/c.php?g=174854&p=1151447>; use the American Psychological Association (APA) rather than the MLA format since it is closer to the formatting commonly used in urban planning publications.

### Schedule of Readings:

You will generally be responsible for three readings per class. You should come to class prepared to discuss the core arguments of the assigned readings. If the session has a larger number of readings, I will split them between members of the class (sometimes in groups) so that you will read some but not all articles. You are still responsible for understanding the core arguments presented by others in class. Additionally, we may be making adjustments to the during the semester based on student interest or other reasons. In particular I will probably adjust the material for the second module after our first meeting.

#### ***MODULE A – Economic development: Antecedents and understandings***

##### **Week 1 – January 9 – Course introduction and overview; Goals of development; Growth vs. development; Means and ends**

- Flammang, Robert. 1979. "Economic growth and economic development: counterparts or competitors?" *Economic Development and Cultural Change*, 28. Pp. 47-62.
- Sen, Amartya. 1999. "Introduction" *Development as Freedom*. New York: Anchor Books. Pp. 3-11 (pp. 11-34 optional).
- Campbell, Scott. 1996. "Green cities, growing cities, just cities?: Urban planning and the contradictions of sustainable development." *Journal of the American Planning Association*, 62(3), 296-312.

##### **Week 2 – January 16 – The First Industrial Revolution, The division of labor**

- Jacobs, Jane. "Chapter 2: How New Work Begins." *The economy of cities*. Vintage, 2016. Pp.49-84.
- Smith, Adam. [1776] 1976. "Of The Division of Labour," "Of the Principle which gives Occasion to the Division of Labour," "The Division of Labour is Limited by the Extent of the Market" In Book I: 'Of the Causes of Improvement in the productive Powers of Labour, and of the Order according to which its Produce is naturally distributed among the different Ranks of the People,' *The Wealth of Nations*. Edited by Edwin Cannan. Chicago: University of Chicago Press. Pp. 3-21.
- Marx, Karl. 1932. "How Capital Revolutionizes the Mode of Production: 'Cooperation,' 'Division of Labour and Manufacture,' 'Machinery and Modern Industry'" and "What Capital Accumulation Leads to." In *Capital*, Volume I. New York: The Modern Library. Pp 63-99, 202-205.

##### **Week 3 – January 23 – The Second Industrial Revolution, Mass Production-Mass Distribution Economies**

- Chandler, Alfred. 1992. "The Emergence of Managerial Capitalism." *The Sociology of Economic Life*. Edited by M. Granovetter and R. Swedberg. Boulder CO: Westview Press. Pp. 131-158.
- Malizia and Feser. 1999. "Chapter 3: Economic Base Theory." *Understanding Local Economic Development*. New Brunswick: Center for Urban Policy Research Press. Pp. 50-68 (pages 69-80 optional).

- Rostow, Walt Whitman. 1960. “Ch. 2: The Five Stages of Growth, A Summary”. *The Stages of Economic Growth: A Non-Communist Manifesto*.
- Ford, Henry. 1909. “System the Secret to Ford’s Success: Building in Large Quantities Reduces Original Cost, Which Is Prohibitive.” *The New York Times*. January 3, 1909.
- Optional: Piore, Michael and Charles Sabel. 1984. “Ch. 3 The Corporation”, “Ch. 8 Stabilizing the Economy.” *The Second Industrial Divide: Possibilities for Prosperity*. New York: Basic Books.
- Optional: Osterman, P., 1987. “Choice of employment systems in internal labor markets”. *Industrial Relations: A Journal of Economy and Society*, 26(1), pp.46-67. [skim]
- Optional: Krikelas, A. C. 1992. “Why regions grow: A review of research on the economic base model.” Federal Reserve Bank of Atlanta *Economic Review*, 77 (4), 16-29.

#### **Week 4 – January 30 – The Crisis of Mass Production and the Rise of the New Competition**

- Piore, Michael and Charles Sabel. 1984. “Ch. 7 The Mass Production Economy in Crisis”, “Ch. 8 Corporate Responses to the Crisis.” *The Second Industrial Divide: Possibilities for Prosperity*. New York: Basic Books. Pp. 165-220.
- Best, Michael. 1990. “Introduction.” *The New Competition: Institutions of Industrial Restructuring*. Pp. 1-26 only, rest optional. Cambridge: Harvard University Press.
- Optional: Scott, A.J., 1988. Flexible production systems and regional development: the rise of new industrial spaces in North America and Western Europe. *International Journal of Urban and Regional Research*, 12(2), pp.171-186
- NB: We will have a workshop session for the final paper in class. Before we meet, please select a county that you would like to analyze. We will practice pulling down data, so it will be helpful to have a laptop with you.

#### **Week 5 – February 6 – Legacy cities, legacy industries, and the weight of history: Transitioning along the high road or the low road?**

- Bluestone, Barry and Harrison, Bennett 1986. “Chapter 1, Chapter 4.” *The Deindustrialization of America: Plant Closings, Community Abandonment, and the Dismantling of Basic Industry*. New York: Basic Books.
- Safford, S., 2009. “Chapter 5 How Allentown Got Its Groove Back”. *Why the Garden Club Couldn't Save Youngstown: The Transformation of the Rust Belt*. Cambridge: Harvard University Press.
- Tighe, J. Rosie and Stephanie Ryberg-Webster. 2019. *Legacy Cities: Continuity and Change Amid Decline and Revival*. (2019). University of Pittsburgh Press. (Selections)
- Optional: Thomas, J.M., 1990. Planning and industrial decline lessons from postwar Detroit. *Journal of the American Planning Association*, 56(3), pp.297-310.
- Optional: Neill, W.J., 1991. Industrial policy in Detroit: The search for a new regional development model in the home of Fordism. *Local Economy*, 6(3), pp.250-270.
- Optional: Piore, Michael and Charles Sabel. 1984. “Ch. 9 History, Practice and National Strategies.” *The Second Industrial Divide: Possibilities for Prosperity*. New York: Basic Books. Pp. 221-250.
- Optional: Sheldon, Peter, Raja Junankar and Anthony De Rosa Pontello. 2018. “The Ruhr or Appalachia? Deciding the future of Australia’s coal power workers and communities”

## Week 6 – February 13 – Firms: Large and small

### \*\*\*Chase-a-planner assignment due in class\*\*\*

- Brown, Charles, James Hamilton, and James Medoff. 1990. *Employers Large and Small*. Cambridge, MA: Harvard University Press. Chapter 1.
- Ed Bee. 2009. "Coming Full Circle: The End of the Small Business Era?" *Economic Development Journal*. Vol. 8, no. 1. Pp. 5-13.
- Mazerov, Michael, and Michael Leachman. "State job creation strategies often off base." *Washington DC: Center on Budget and Policy Priorities*. <http://www.cbpp.org/sites/default/files/atoms/files/2-3-16sfj.pdf> (2016).
- Choice A: Harrison, Bennett. 1994. "Big Firms, Small Firms, Network Firms." *Lean and Mean*. New York: Guilford. Chapter 1 and 4.
- Choice B: Tendler, Judith. 2002. "Small Firms, the Informal Sector, and the Devil's Deal." *IDS Bulletin*.
- Optional: Haltiwanger, J., Jarmin, R.S. and Miranda, J., 2013. Who creates jobs? Small versus large versus young. *Review of Economics and Statistics*, 95(2), pp.347-361.
- *We will set aside half of the meeting to share and discuss findings from your chase-a-planner papers.*

## Week 7 – February 20 – Labor: job quality and the organization of work

- Kalleberg, Arne. 2012. Chapter 2 Economic Transformations and the Decline of Institutional Protections and Chapter 3 New Workers New Differences. *Good Jobs, Bad Jobs*. New York: Russell Sage Foundation. (pp. 21-58). (skim)
- This American Life. "NUMMI." 17 July 2015. Available online: <https://www.thisamericanlife.org/561/nummi-2015>
- Murnane, Richard and Frank Levy. 2005. *Teaching the New Basic Skills*. Chapter 3.
- Osterman, Paul. 2014. Career Ladders in the Low-Wage Labor Market. What Works for Workers. Ed. Luce et al. Russell Sage Foundation.
- Optional: Vallas, Steve. 2012. Chapter 3: From Fordism to Flexibility. *Work: A Critique*. Malden, MA: Polity. (pp. 60-85).
- *We will complete any remaining chase-a-planner presentations. We will also have a workshop for your final papers during this meeting.*

## MODULE B: Contemporary Issues in Economic Development

### Week 8 – February 27 – Cluster-based approaches

- Porter, M. E. (2000). Location, Competition, and Economic Development: Local Clusters in a Global Economy. *Economic Development Quarterly*, 14(1), 15-34.
- Wolman, Hal and Dianna Hincapie. 2015. Clusters and Cluster-Based Development Policy. *Economic Development Quarterly*, 29(2), pp. 135-149.
- Lowe, N.J., 2014. Beyond the deal: Using industrial recruitment as a strategic tool for manufacturing development. *Economic Development Quarterly*, 28(4), pp.287-299.

- Recommended: Rosenfeld, S.A., 1997. Bringing business clusters into the mainstream of economic development. *European planning studies*, 5(1), pp.3-23.
- Optional: Saxenian, Annalee. 1996. "Beyond Boundaries: Open Labor Markets and Learning in Silicon Valley." in M. Arthur and D. Rousseau, eds. *Boundaryless Careers: Work, Mobility, and Learning in the New Organizational Era*. New York: Oxford University Press.
- Optional: Barzelay, M., 1991. Managing local development: lessons from Spain. *Policy Sciences*, 24(3), pp. 271-290.
- Optional: Coslovsky, S.V., 2014. Economic development without pre-requisites: How Bolivian producers met strict food safety standards and dominated the global Brazil-nut market. *World Development*, 54, pp.32-45.
- Optional: Feser, E. J., and M. I. Luger. 2003. "Cluster analysis as a mode of inquiry: Its use in science and technology policymaking in North Carolina." Vol. 11. *European Planning Studies*.
- Optional: Pyke, F. and Sengenberger, W. 1992. "Introduction: Research and Policy Issues." *Industrial Districts and Local Economic Regeneration*. Geneva: International Labour Organisation. Pp. 3-29.

### **Week 9 – March 5 – Globalization and the rise of supply chains: Regional impacts and strategic considerations**

- Gereffi, G. and Fernandez-Stark, K., 2011. Global value chain analysis: a primer. *Center on Globalization, Governance & Competitiveness (CGGC), Duke University, North Carolina, USA*.
- Choice A: (nutrition and value chains): Gereffi, G., Lee, J. and Christian, M., 2009. US-based food and agricultural value chains and their relevance to healthy diets. *Journal of hunger & environmental nutrition*, 4(3-4), pp.357-374.
- Choice B: (industry study): Sturgeon, T., Van Biesebroeck, J. and Gereffi, G., 2008. Value chains, networks and clusters: reframing the global automotive industry. *Journal of economic geography*, 8(3), pp.297-321.
- Recommended: Magaziner, Ira and Mark Patinkin. 1989. "Korea: Winning with Microwaves" *The Silent War: Inside the Global Business Battles Shaping America's Future*. Pp. 21-44.
- Optional: Humphrey, J. and Schmitz, H., 2002. How does insertion in global value chains affect upgrading in industrial clusters?. *Regional studies*, 36(9), pp.1017-1027.
- Optional: Bacchetta, M. and Stolzenburg, V. 2019. "Trade, value chains and labor markets in advanced economies", in Global Value Chain Development Report 2019, Technological innovation, supply chain trade, and workers in a globalized world, Geneva: WTO, IDE-JETRO, OECD
- Optional: Gereffi, G., 1999. International trade and industrial upgrading in the apparel commodity chain. *Journal of international economics*, 48(1), pp.37-70.
- Optional: Whitford, Josh. 2005. "Chapter 3 The Decentralization of American Manufacturing". *The new old economy: Networks, institutions, and the organizational transformation of American manufacturing*. Oxford University Press.
- *We will have a workshop for your final papers during this meeting.*

### **Spring Break – March 12 – No class**

## **Week 10 – March 19 – Workforce Development and Labor Market Intermediation: From “manpower development” to demand-driven training**

- Howell, David. 2001. “The Skills Myth.” *The American Prospect*. Dec. 19, 2001.
- Giloth, Robert P. 2004. “Introduction: A Case for Workforce Intermediaries”. In *Workforce Intermediaries for the 21<sup>st</sup> Century* (Ed. Robert Giloth). Philadelphia: Temple University Press.
- Lowe, Nichola. 2021. “Chapter 2 (Re)placing Skill in the Workplace” and “Chapter 4 Skilling the Next Generation”. *Putting Skill to Work: How to Create Good Jobs in Uncertain Times*. Cambridge: MIT Press.
- Optional: Osterman, Paul and Rosemary Batt. 1993. “Employer Centered Training for International Competitiveness: Lessons from State Programs.” *Journal of Policy Analysis and Management*. Vol. 12, No. 3, pp 456-477.

## **Week 11 – March 26 – Real estate, economic development and prospects for property-led growth**

- Wilder, M.G. and Rubin, B.M., 1996. Rhetoric versus reality: A review of studies on state enterprise zone programs. *Journal of the American Planning Association*, 62(4), pp.473-491.
- Lester, T.W., 2014. Does Chicago’s tax increment financing (TIF) programme pass the ‘but-for’ test? Job creation and economic development impacts using time-series data. *Urban Studies*, 51(4), pp.655-674.
- Wolf-Powers, L., 2005. Up-zoning New York City's mixed-use neighborhoods: Property-led economic development and the anatomy of a planning dilemma. *Journal of Planning Education and Research*, 24(4), pp.379-393.
- Optional: Katz, B. and Wagner, J., 2014. *The rise of innovation districts: A new geography of innovation in America*. Washington: Brookings Institution.
- Optional: Vidal, A.C., 2013. Anchor-driven redevelopment in a very weak market. *Schools and urban revitalization: Rethinking institutions and community development*, p.54.

## **Week 12 – April 2 – Creative class approaches**

- Florida, Richard. 2003. “Cities and the Creative Class.” *City & Community* 2, no. 1 (March 2003): 3–19.
- Florida, Richard. 2014. The creative class and economic development. *Economic development quarterly*, 28(3), 196-205.
- Florida, Richard. 2016. The Creative City. Chapter 1 and Conclusions. [Skim]
- Markusen, Ann. "Urban development and the politics of a creative class: evidence from a study of artists." *Environment and planning A* 38, no. 10 (2006): 1921-1940.
- Optional: Peck, Jamie. “Struggling with the Creative Class.” Peck, J., 2005. Struggling with the creative class. *International journal of urban and regional research*, 29(4), pp.740-770.
- Optional: Donegan, Mary, Joshua Drucker, Harvey Goldstein, Nichola Lowe, and Emil Malizia. "Which indicators explain metropolitan economic performance best? Traditional or creative class." *Journal of the American Planning Association* 74, no. 2 (2008): 180-195.



### **Week 13 – April 9 – Food Systems**

- Day-Farnsworth, L., & Morales, A. (2011). Satiating the demand: Planning for alternative models of regional food distribution. *Journal of Agriculture, Food Systems, and Community Development*, 2(1), 227-247.
- Wolf-Powers, L. (2017). Food deserts and real-estate-led social policy. *International Journal of Urban and Regional Research*, 41(3), 414-425.
- Pothukuchi, K. (2016). Bringing fresh produce to corner stores in declining neighborhoods: Reflections from Detroit FRESH. *Journal of Agriculture, Food Systems, and Community Development*, 7(1), 113-134.
- Optional: Tewari, M., Kelmenson, S., Guinn, A., Cumming, G., & Colloredo-Mansfeld, R. 2018. Mission-Driven Intermediaries as Anchors of the Middle Ground in the American Food System: Evidence from Warrenton, NC. *Culture, Agriculture, Food and Environment*, 40(2), 114-123.

### **Week 14 – April 16 – In search of broad-based local economic development**

#### **\*\*\*Final paper due in class\*\*\***

- *We will have short presentations of participants' final papers during this meeting.*
- Giloth, R. 2018. The Opportunity Challenge: Jobs and Economic Development. In Krumholz N. & Hexter K. (Eds.), *Advancing Equity Planning Now* (pp. 149-168). Ithaca: Cornell University Press.
- Berglund, L. (2021). Early lessons from Detroit's community benefits ordinance. *Journal of the American Planning Association*, 87(2), 254-265.