Contents

Fig	urosa	nd tables		xii
_		authors		xix
		dgments		xx
	eface	agments		xxi
110	juce			
1.	The	setting a	nd introduction	1
2.	Loca	tion ana	lysis for industry and service trades:	
	comp	parative	cost and other approaches	7
				7
	2.0	Introdu	ction in interest the comparative cost	
	2.1	Industr	y location principles and the comparative cost	8
		2.1.1	Locational analysis for the iron and steel industry	10
		2.1.2	Analysis of the aluminum industry, and energy and	
			other location factors	14
	2.2	Service	e trades location principles	21
	2.3		and location measures	24
			The location quotient	24
			The coefficient of localization	26
			The localization curve	27
	2.4		aphic information systems (GIS)	31
	_		uding remarks	35
		notes		36
		erences		37

3.	Regi	onal and	l interregional input-output analysis	41
	3.0	Introdu	iction	41
	3.1	A sing	le region	43
		3.1.1	The statistical framework: input-output accounts	43
		3.1.2	Technical coefficients and the input-output model	49
		3.1.3	Input-output analysis	52
	3.2	Two or	more regions: the interregional input-output (IRIO)	
		system		70
		3.2.1	The statistical framework: interregional input-	
			output accounts	70
		3.2.2	Technical and trade coefficients in the IRIO model	74
		3.2.3	Input-output analysis with the IRIO model	76
	3.3	Two o	r more regions: the multiregional input-output	
		(MRIC)) system	81
		3.3.1	The statistical framework: multiregional input-	
			output accounts	81
		3.3.2	Input-output analysis with the MRIO model	85
	3.4	Constr	ucting models from less than perfect data sets	86
		3.4.1	Survey-based tables	86
		3.4.2	Nonsurvey-based tables	87
		3.4.3	Hybrid tables	93
		3.4.4	Interregional connections	93
		3.4.5	Empirical implementation	94
	3.5	Fusior	of comparative cost and input-output: editorial	
		remarl	KS	95
	App	endix 3.	1 The commodity-industry approach in input-output	
		model	S	98
	App	endix 3.	2 Additional linkage measures from input-output	
		data		102
	-		3 Data for the two-region IRIO numerical example	104
	App	endix 3.	4 The RAS approach to updating or regionalization of	
		input-	output tables	104
	End	notes		109
	ALTER DESCRIPTION	erences		120
	Mat	hematica	al appendix. Elements of matrix algebra	125
4.	Reg	ional an	nd spatial econometric analysis	135
	4.0	Introd	luction	135

Co	ontents		vii
	4.1	Econometric models and their uses	138
		4.1.1 The basic structure	138
		4.1.2 Three typical applications	139
	4.2	Some underlying statistical theory	144
		4.2.1 Desirable properties of estimators	144
		4.2.2 Ordinary least squares (OLS) estimators	148
		4.2.3 Assumptions of OLS estimators	151
		4.2.4 Other estimators	154
	4.3	Some problems of estimation	157
		4.3.1 Specification errors	157
		4.3.2 The expected value of the error term is not equal to	
		zero	167
		4.3.3 The variance of the error term is not constant	169
		4.3.4 Correlated error terms	173
		4.3.5 Stochastic explanatory variables, multicollinearity,	
		and measurement errors	180
	4.4	Other relevant econometric models	183
		4.4.1 The use of dummy variables	183
		4.4.2 Discrete choice models	185
		4.4.3 Pooled time-series and cross-section models	187
		4.4.4 Simultaneous equations models	191
	4.5	Spatial econometrics	196
		4.5.1 Spatial dependence	197
		4.5.2 Spatial heterogeneity	198
	4.6	The 'art' of econometric model building	199
	4.7	Fusion of econometrics and input-output: some editorial	
Eg		remarks	201
	Endne	otes	203
	Refer	ences	208
5.	Progr	camming and industrial and urban complex analysis	211
	5.0	Introduction	211
	5.1	A simple linear programming problem: a graphic solution	213
	5.2	Basic aspects of nonlinear programming	220
		5.2.1 Introduction of multiple types of constraints	222
80	5.3	Industrial complex analysis as interregional programming	225
	5.4	Urban and other complexes	235
	5.5	Concluding remarks	238
	Endne		239

ν	l	l	l	

Methods of Interregional and Regional Analysis

	Refe	rences		240
6.	Grav	vity and	spatial interaction models	243
	6.0	Introdu	action	243
	6.1	A simp	ole probability point of view	244
	6.2	Definit	tion and measurement of mass	250
	6.3	Definit	tions and measures of distance	253
	6.4	Function	onal forms for spatial separation	253
	6.5		ained gravity (spatial interaction) models	257
	6.6	Calibra	ation, tests and applications of spatial interaction	263
		6.6.1	The use of OLS (ordinary least squares) to test the effect of distance, cooperation and hostility upon	
			trade of nations	264
		6.6.2	The use of maximum likelihood in a policy	
			oriented application with particular attention to	
			characteristics of origins, destinations and types of	
			distance (separation) measures	269
	6.7	Conclu	ision	272
	Endr	otes		273
	Refe	rences		277
7.	Soci	al accou	nting matrices and social accounting analysis	281
	7.0	Introdu	uction	281
	7.1	The ov	verall conceptual framework	283
	7.2	Classif	fication and disaggregation of accounts	293
		7.2.1	Production activities cum commodities	294
		7.2.2	Institutions	294
		7.2.3	Factors of production	296
	7.3	Data re	equirements in the construction of a SAM	298
	7.4	SAM ₁	multiplier analysis and extensions	300
		7.4.1	Unconstrained multipliers	300
		7.4.2	Constrained multipliers	306
		7.4.3	Structural path analysis and transmission of	
			economic influence within the SAM framework	308
		7.4.4	SAM as the foundation of computable general	
			equilibrium models	316
	7.5	Studie	s and applications based on the SAM	317

Co	ontents	5		ix
		7.5.1	General overview	317
		7.5.2	National applications	318
		7.5.3	A regional-interregional application: the two-	
			region Indonesian SAM for 1980	323
		7.5.4	A village application: impact of rural	
			industrialization on village life and economy: a	
			comparison of two Indian village SAMs	325
	End	notes		326
	Refe	rences		328
8.	App	lied gen	eral interregional equilibrium	333
	8.0	Introdu	action	333
	8.1	A high	ly simplified model introducing distance and	
			ort inputs as basic variables	336
		8.1.1	The consumption subsystem	337
		8.1.2	The production subsystem	337
		8.1.3	The transport subsystem	338
		8.1.4	The market subsystem	339
	8.2	Transp	ort inputs, location and trade in a two-country world	343
		8.2.1	The consumption subsystem	345
		8.2.2	The production system	345
		8.2.3	The transport subsystem	346
		8.2.4	The market subsystem	346
		8.2.5	The location problem in an applied general	
			interregional equilibrium framework	349
		8.2.6		351
	8.3		affolding of a core social accounting matrix for an	
		applied	l general interregional equilibrium (AGIE) model	351
		8.3.1	Trade in a two country/three region world: the	
			scaffolding of an interregional (international)	
			input-output core	351
		8.3.2	Extensions to obtain the scaffolding of a core	
			social accounting frame: a top-down approach	359
		8.3.3	Extensions and generalizations to a multi-region,	
			multi-country world	366
		8.3.4	Extensions with a bottoms-up approach to AGIE	
			models	367
		8.3.5	The exploration of a Financial SAM and its fusion	
			with a Real SAM	369

	8.4	assumptions of s	tandard applied general equilibrium	272
		models 8.4.1 Problem	as in representing the consumption	373
		subsyste		373
			nable character of the production	0.0
		subsyste		376
			ns regarding scale economies in the	
		transpor	rt and production subsystems, externalities,	
		and mar	rket imperfections	378
		8.4.4 Questio	nable character of intertemporal analysis	379
		8.4.5 Problem	ns of capturing behavior of governments,	
			t of the World and feedback sequences	380
		8.4.6 Non-eco	onomic factors and other structural	
		shortco		381
	8.5		ontributions by regional scientists to the	
			an applied general interregional (AGIE)	
		•	e space economy	383
	8.6	Concluding rem		386
	Appe		ic functions, exogenous magnitudes,	
			uations of the two nation/three region	207
		model		387
	Endr			390
	Refe	rences		397
9.	Inte	regional and spa	atial microsimulation	401
	9.0	Introduction		401
	9.1	Basic features o	f microsimulation	402
	9.2	Likely extension	ns, costs, and other limiting factors in	
		microsimulation	1	405
	9.3	Applications		407
			in the United States: family stock	
			hip and accumulation, 1960–1995	407
			tential of microsimulation for urban models	410
	9.4	Concluding rem	arks	415
		otes		415
	Refe	rences		417

Contonto						
Contents		TI.				xi

10.		channels of synthesis: the fusion of regional science			
	meth	loas	419		
	10.0	Introduction	419		
	10.1	Location analysis for industry and service trades and its			
		fusion with input-output, econometrics and programming	420		
	10.2	Channel II. Social accounting analysis and its fusion with			
		applied general interregional equilibrium analysis and other			
		methods	425		
	10.3	Channel III. Methods for analyzing urban and metropolitan			
		processes	433		
		10.3.1 Fusion centering around gravity and gravity-type			
		models	434		
		10.3.2 Fusion centering around urban complex analysis	438		
	10.4	Channel IV. On comprehensive syntheses and conflict			
		management	441		
	10.5	Conclusion	457		
	Appe	ndix: Tables of pairwise comparison and relative weights	458		
	Endnotes References				
Ind	ex		465		