

Regional Policy: Theory and Practice – A Comprehensive Framework for Understanding and Implementing Territorial Development

Ugo Fratesi (2023)
Routledge
414pp. ISBN: 9780815364085

Ugo Fratesi's "Regional Policy: Theory and Practice" represents a significant contribution to the field of regional development studies, offering what is perhaps the first comprehensive treatment of regional policy that bridges theoretical foundations with practical implementation. Published by Routledge, this ambitious volume addresses a notable gap in the literature by providing a systematic examination of regional policy's conceptual underpinnings, operational mechanisms, and evaluation frameworks.

THE SIGNIFICANCE AND SCOPE OF THE WORK

The book arrives at a crucial moment when regional policy has become increasingly central to development strategies worldwide. As Fratesi demonstrates in his introduction, regional policy now commands significant resources - approximately one-third of the European Union's budget is devoted to cohesion policy, while countries like Brazil and the United States allocate substantial funds to place-based interventions. The author makes a compelling case for the renewed importance of regional policy by highlighting how most economic and social phenomena operate at sub-national scales, despite increasing globalization.

One of the book's most distinctive contributions is its novel conceptualization of regional policy as "any development policy that is intentionally spatially selective, or intended to have differential spatial impacts." This definition elegantly captures both explicit territorial interventions and national policies with intended spatial effects, providing a framework that can accommodate the complex reality of modern regional development initiatives.

STRUCTURE AND CONTENT

The book is thoughtfully organized into four main parts, following a logical progression from theoretical foundations to practical implementation and assessment. Part A establishes the conceptual groundwork by examining definitions, justifications, and aims of regional policy. Part B focuses on implementation aspects, including governance and policy instruments. Part C addresses the critical question of policy assessment, while Part D explores how regional policy operates under different circumstances and contexts.

This structure reflects the author's commitment to providing both theoretical depth and practical utility. The progression mirrors the actual policy cycle, making the book valuable for both academic understanding and practical application. Each chapter builds on previous discussions while maintaining enough independence to be consulted individually - a feature that enhances the book's utility as both a textbook and a practitioner's reference.

KEY CONTRIBUTIONS AND INSIGHTS

Several aspects of the book deserve particular recognition for their innovative contributions to the field:

- **The Medicine Analogy:** Fratesi introduces a compelling analogy between regional policy and medicine, suggesting that like medical practice, regional policy requires both scientific knowledge and practical wisdom. This comparison effectively communicates the complexity of regional development while providing an accessible framework for understanding policy intervention.
- **Comprehensive Treatment of Policy Instruments:** The book offers an exhaustive examination of policy instruments, from traditional tools like infrastructure investment to contemporary approaches like smart specialization strategies. Chapters 5 and 6 provide particularly valuable insights into how different instruments can be deployed effectively.
- **Integration of Innovation Policy:** By dedicating an entire chapter to innovation policy (Chapter 6), the book acknowledges the central role of innovation in modern regional development while providing practical guidance on implementation.
- **Evaluation Framework:** The book makes a significant contribution by presenting a systematic approach to policy evaluation that acknowledges both quantitative and qualitative dimensions. This balanced treatment of evaluation methods reflects the complex nature of regional development outcomes.

STRENGTHS AND NOTABLE FEATURES

The book exhibits several notable strengths:

- **Pedagogical Approach:** The text is carefully structured to serve both as an advanced textbook and a practitioner's guide. The limited use of technical equations makes the content accessible while maintaining analytical rigor.
- **Practical Examples:** The inclusion of boxes with real-world examples helps bridge theory and practice, making abstract concepts more concrete and applicable.
- **Comprehensive Coverage:** The book successfully covers an impressive range of topics while maintaining depth and coherence. The treatment of both traditional and contemporary approaches provides historical context while remaining current.
- **International Perspective:** While drawing significantly on European examples due to data availability, the book maintains a global perspective that makes it relevant for diverse contexts.

AREAS FOR FURTHER DEVELOPMENT

While the book provides comprehensive coverage of regional policy, there are several areas that could benefit from expanded treatment in future editions:

- **Policy Instruments Beyond Expenditure-Based Approaches.**
- The book's strong focus on expenditure-based policies through incentives and subsidies, while reflective of European Union cohesion policy experience, could be complemented by greater attention to alternative policy instruments. While the discussion of foreign direct investment touches on tax-based approaches, including tax-free zones, this framework could be extended to other areas of regional policy. This is particularly relevant for developing countries where market mechanisms often play a crucial role in shaping regional inequalities.
- A notable example is the case of countries where growth benefits are heavily concentrated in capital cities, such as Seoul in South Korea or various South American capitals. In these contexts, tax-based policies could be powerful tools for influencing market-driven spatial

development patterns. South Korea's experience in the 1990s, where increased land-use taxation in Seoul helped promote growth in other cities, illustrates how tax policy can effectively shape private sector location decisions without direct government expenditure. This approach is particularly relevant given the declining share of government spending relative to private sector activity in many developing economies.

- The book could explore how fiscal instruments, including both taxes and subsidies, can influence relative prices and private sector investment decisions, thereby affecting spatial development patterns through market mechanisms. This would provide a valuable complement to the current focus on direct government expenditure and could be especially relevant for countries seeking to address excessive urban primacy.

DIGITAL TRANSFORMATION AND REGIONAL INEQUALITIES

The treatment of digital transformation could be expanded to address the significant regional dimension of the digital divide, particularly in light of the emerging phenomenon of "left behind places" - regions that have failed to adapt to and benefit from rapid technological change. The acceleration of digital transformation, especially following global events like the COVID-19 pandemic, has made territorial inequalities more pronounced and visible than ever before. Current evidence suggests that digital technologies are being absorbed asymmetrically across regions, creating a worrying pattern of technological haves and have-nots. More developed regions and cities are increasingly leveraging digital technologies for productivity enhancement, business innovation, and the creation of high-value jobs in the digital economy, while lagging regions often remain limited to more passive forms of digital adoption focused on entertainment and social interaction.

This widening digital divide has profound implications for regional development policies and deserves more detailed examination, particularly as it threatens to create a self-reinforcing cycle of regional inequality. The book could explore how policy interventions might address these disparities and ensure that digital transformation serves as a tool for regional convergence rather than an accelerator of spatial inequality. This could include analysis of successful initiatives to promote productive digital adoption in lagging regions, strategies for developing digital skills and infrastructure in left behind places, and discussion of policy frameworks for ensuring equitable digital development. Of particular importance would be examining how regions can avoid being trapped in a low-skill equilibrium in the digital economy, and how they can build the institutional and human capital necessary to participate fully in the opportunities presented by digital transformation.

ENVIRONMENTAL SUSTAINABILITY AND REGIONAL RESILIENCE

While environmental issues are addressed, the growing importance of climate change and environmental resilience in regional development might justify expanded treatment. This could include more detailed examination of how regional policies can support both climate mitigation and adaptation while promoting economic development.

CASE STUDIES AND IMPLEMENTATION EXAMPLES

Although the book includes numerous examples, more extended case studies might help readers better understand how different policy elements interact in specific contexts. Additional examples from non-European contexts, particularly from developing countries, could provide valuable insights into how regional policy principles can be adapted to different institutional and economic contexts.

All of these suggestions would serve to enhance what is already an excellent and comprehensive work. The growing importance of tax-based instruments, the evolving nature of the digital divide, and the need for expanded case studies from diverse global contexts represent natural areas for expansion in what will likely be a much-anticipated second edition. Given the book's significant contribution to both theoretical understanding and practical implementation of regional policy, and its unique position in bridging this gap in the literature, market demand will undoubtedly call for an updated edition that incorporates these

additional perspectives. Such additions would further cement this volume's position as the definitive reference work in the field of regional policy.

SIGNIFICANCE AND AUDIENCE

This book makes a valuable contribution to both academic literature and practical policymaking. Its comprehensive treatment of regional policy fills a significant gap in the literature, providing a much-needed bridge between theoretical understanding and practical implementation.

The work will be particularly valuable for:

- Advanced undergraduate and graduate students in economics, geography, planning, and related fields.
- Early-career policymakers seeking to understand the conceptual foundations of their work.
- Experienced practitioners looking to broaden their theoretical understanding.
- Researchers requiring a comprehensive reference on regional policy.

CONCLUSION

"Regional Policy: Theory and Practice" represents a landmark achievement in the field of regional development, offering a comprehensive synthesis of theoretical foundations and practical implementation strategies. The book's systematic organization and accessible presentation make it an invaluable resource that bridges the often-problematic gap between academic research and policy practice. Its careful balance of analytical depth with practical applicability establishes a new standard for literature in this field.

The book's distinctive contribution lies in its ability to maintain scholarly rigor while providing actionable insights for practitioners. Fratesi has crafted a work that serves both as an advanced academic text and a practical guide for policymakers. By methodically addressing theoretical principles alongside real-world implementation challenges, the author has created what will undoubtedly become the definitive reference in regional policy studies. The inclusion of carefully selected case studies and examples further strengthens the connection between theory and practice, making complex concepts accessible without sacrificing depth.

The publication's timing is particularly significant given the unprecedented challenges facing regions worldwide. The convergence of globalization pressures, accelerating technological change, and mounting environmental concerns has created a complex policy landscape that demands sophisticated responses. The emergence of "left behind places" and widening territorial inequalities, particularly in the context of digital transformation, makes the framework and insights provided in this book especially valuable for policymakers and practitioners working to address these challenges.

While future editions might benefit from expanded coverage of certain areas - particularly the regional dimensions of digital transformation, tax-based policy instruments, and environmental sustainability - these suggestions should be viewed as opportunities to build upon what is already an exceptional contribution to the field. The book's comprehensive treatment of regional policy, combined with its clear structure and practical orientation, positions it as an essential resource that will shape both academic discourse and policy practice for years to come. As regions worldwide grapple with increasingly complex development challenges, the frameworks and insights provided in this volume will prove invaluable for those tasked with crafting and implementing effective regional development strategies.

By **Patricio Aroca**
CIUDHAD, Facultad de Economía y Negocios
Universidad Andres Bello
Viña del Mar, Chile
<https://orcid.org/0000-0002-3763-933X>
patricio.aroca@unab.cl