



## **BOOK REVIEW**

**Ugo Fratesi**

*Regional Policy: Theory and Practice*

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Ugo Fratesi's *Regional Policy – Theory and Practice* is an interesting and well-organized treatise on the different aspects involved in regional policy, from its rationale to its assessment. It offers an effective synthesis of theory and practice, making it both an academic resource and a practical guide for policymakers. With its logical structure, comprehensive content, and use of real-world examples, the book delves deep into the dynamics of spatial development and policy interventions, offering valuable insights for anyone interested in addressing regional disparities and fostering sustainable development.

Structured across four parts, the book systematically unpacks the multifaceted nature of regional policy. It begins with a conceptual overview, moves into the complexities of policy implementation, digs into evaluation and analytical techniques, and concludes by examining applications in diverse contexts.

The first section (Part A) of the book, focuses on the characterization, aims, and rationale of regional policy. It sets the stage by outlining its logic foundations and defining key terms.

Fratesi begins by defining regions as spatial units that form the basis for sub-national development policies (Chapter 1). He highlights the unique characteristics of regions, such as their openness and lack of sovereignty, which differentiate them from nations. The chapter introduces regional policy as “*any development policy that is intentionally spatially selective, or intended to have differential spatial impacts*” (p. 20). This definition is central to the book’s argument, emphasizing the role of space in development. The author also categorizes regional policies based on their spatial scale, objectives, beneficiaries, governance structures, financing, and timespan. The chapter concludes by contrasting traditional regional policies with modern approaches, noting a shift toward context-sensitive and participatory strategies.

Subsequently, the work provides theoretical justifications for regional policy (Chapter 2). In particular, regional policies are necessary when market outcomes are spatially inequitable, standard macroeconomic policies fail to address regional disparities, and tailored regional interventions can improve outcomes. Macroeconomic policies have in fact important limitations in addressing spatially uneven challenges and, in this respect, Fratesi nicely reminds us that regions compete on absolute - rather than comparative - advantage.

An outline of the objectives of regional policy completes the first part of the book (Chapter 3). These objectives are: spatial equity and cohesion (i.e., reducing disparities between regions), economic growth and competitiveness (efficiency), environmental protection and sustainability, and quality of life. The author also introduces here functional objectives - among which structural adjustments - and importantly points out that innovation does not necessarily require a change in industry composition but the improved performance of the existing industries (e.g., by making the same products in a more efficient way, or by shifting towards higher value added phases of production).

The second section of the book (Part B) is instead devoted to the implementation of regional policy. The work discusses regional policy processes and governance (Chapter 4), emphasizing the challenges posed by imperfect and asymmetric information, the role of multilevel governance as an alternative between top-down and bottom-up approaches, and the importance of participatory strategies involving civil society. Of course, Fratesi stresses the especially relevant function of administrative capacity in determining policy success. In fact, the relationship between administrative capacity, regional policy and local development would probably deserve a whole book itself and this could be perhaps an idea for some future development in the author’s reasoning.

Moving on (Chapter 5), the author delivers a detailed overview of the tools available to policymakers (instruments of regional policy), including growth poles, special economic zones,

industrial clusters, infrastructure development, human capital investment, and place branding. He also appealingly touches on innovative strategies such as valorizing regional specificities through the promotion of culture, creativity, place-branding and tourism, while cautioning against the risks of over-tourism.

The focus then passes to an extensive and interesting analysis of the role of innovation (Chapter 6), with Fratesi discussing its uneven spatial distribution and implications for policy. He examines the relationship between innovation and employment dynamics, highlighting how compensation mechanisms rarely take place in the same places where the main events occur. The author also introduces the concept of smart specialization strategies (S3) and - while acknowledging S3's potential - he critically assesses its limitations and offers practical insights for its implementation.

Evaluation is a critical component of regional policy, and the third section (Part C) inquires its methodologies and challenges.

Therefore the book covers the purpose, object, and good practices of evaluation (Chapter 7), including ex-ante and ex-post assessments (counterfactual methods). Fratesi explains techniques like cost-benefit analysis, territorial impact assessments, and multi-criteria evaluations. He also addresses challenges like the Modifiable Areal Unit Problem (MAUP), which complicates spatial data interpretation.

The subsequent exploration involves the way in which territorial characteristics - such as city-region relationship and regional specialization - influence policy outcomes (Chapter 8). The author emphasizes the importance of tailoring policies to regional contexts and highlights issues like peripherality and the “places that don't matter” phenomenon.

The final section (Part D) synthesizes the insights from earlier chapters and explores how regional policies are applied in different situations. Fratesi concludes by reiterating the importance of regional context in policy design and implementation. He underlines the deep-rooted trade-offs in policymaking—such as equity versus efficiency—and calls for adaptive, place-specific approaches to regional development.

What makes *Regional Policy – Theory and Practice* particularly impactful is its combination of theory and real-world examples. From smart specialization to growth poles, the author illustrates abstract concepts with tangible cases, making the material accessible and engaging. The work's clear organization and pedagogical elements, such as very useful discussion boxes (for instance on SWOT analysis or gravitational model) make it a distinguished teaching resource.

The book is an important guide for academics, policymakers, and students alike. Its thorough exploration of regional disparities, policy tools, and evaluation methods provides a comprehensive framework for understanding and addressing spatial development challenges.