BOOK REVIEW


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*Regional Economics*, published by Routledge, 2006 is authored by Roberta Capello, Professor of Regional and Urban Economics at Politecnico di Milano, one of the most distinguished representatives of the world’s new generation of regional scientists. She has got her PhD from the Free University of Amsterdam (1993), with Professor Peter Nijkamp as scientific supervisor. Professor Roberto Camagni from Politecnico di Milano, another great regional scientist, has also played an important role in her career development. She has published a large number of books, articles and has been involved in many research projects in Italy and abroad. Roberta Capello is an outstanding member of the regional science international community, with key positions in the councils of Italian Regional Science Association, European Regional Science Association and Regional Science Association International. At present she is the first ever woman – president of Regional Science Association International.

Roberta Capello is, at the same time, an academic who invests lots of dedication and enthusiasm in the work with her students. The present book is a peremptory proof in this respect. It is, undoubtedly, a great textbook on regional economics, a very useful tool for students. Moreover, it is an extremely valuable book for the worldwide regional scientists, academics interested in the exchange of recent ideas, new ways of teaching regional economics. As a result of an original and inspired combination and synthesis between the traditional theories and models and the most recent, modern ones, pointing
Out new ideas and further developments in regional science, this book is a new landmark of the international literature dedicated to regional economics.

One of the most important arguments is that, starting from the basic statement “space matters in economic activities”, the book proposes and is organized around four perspectives which make it possible to take space explicitly into consideration. Each of them opens the door for addressing various theories of a special relevance to regional economics.

Thus, **Part 1** approaches the traditional location theory by means of *physical-metric space*, definable in terms of physical distance and transportation costs. The issues referring to agglomeration, accessibility and hierarchy are discussed in relation with well-known models such as those of Hotelling (for the interdependency in location choices), von Thünen (for the location of agricultural activities), Alonso (the urban location of firms), Christaller (the geographical approach to hierarchy of urban systems), Lösch (the economic approach to the same question). New models such as general equilibrium models and those describing networks are also discussed.

**Part 2** concentrates on the regional growth theories employing the conception of *uniform-abstract space*. Unlike the physical-metric space, which is continuous in its value, the uniform-abstract space is discrete and allows the geographical space to be divided into regions as “areas of limited physical-geographical size (…) considered to be internally uniform and therefore synthesizable into a vector of aggregate characteristics of a social-economic-demographic nature…” (p.5). This conception has been adopted by the neoclassical growth theory, the export-base theory, and the interregional trade theory as fertile seedbed for addressing major questions such as: stages of development and disparities, industrial structure and regional growth, interregional relations, balance of payments and local growth, factor endowment and regional growth, factor mobility, absolute versus comparative advantage in regional growth, etc.
In Part 3 the diversified-relational space conception provides the background for the distinctive elements of the local development theories, which discuss the determinants of territorial competitiveness from the viewpoint of the exogenous, respectively endogenous microeconomic factors. The “maximum cross-fertilization between location theory and development theory” (p.7) which is supported by the interpretation of space as diversified-relational points out the generative development analysis, approaching the national growth rate as the sum of the growth rates recorded by individual regions. It is opposed to the competitive development envisaged by various theories based on uniform-abstract space.

Finally, Part 4 focuses on diversified-stylized space theories of growth. These are the most recent theories and display as distinctive feature the emphasis on increasing returns in macroeconomic growth models. They refer in particular to the models of new economic geography and endogenous growth, based on the assumption that productive activities concentrate around particular ‘poles’ of development, generating inequalities in terms of level and growth rate of income within the same region.

These four distinctive perspectives create another original feature of the book: it abandons the distinction between theories of convergence and divergence and brings instead a variety of interpretations of growth, from those associating this process with employment creation to theories which consider growth in relation with individual well-being and models and theories whose policy objective is to identify the determinants of the real competitiveness of a economic system as well as its constancy in time.

In order to make this richness of concepts, theories, models accessible to the students, each of the 11 chapters structured into the four parts mentioned above contains examples from all over the world, linking theoretical approaches and models to reality, as well as very helpful conclusions and review questions, followed by selected readings on empirical findings.
With its huge number of bibliographical references, the whole book reveals a truly encyclopaedical personality, covering all significant moments in the history of regional science. It was published exactly fifty years after *Location and Space Economy* (1956) written by Walter Isard, the founding father of regional science.

The book has already got a large recognition and appreciation in the international arena: two giants of today’s regional science, Masahisa Fujita and Peter Nijkamp, who have written the foreword and, respectively, the postscript to Roberta Capello’s book, refer to it with impressive words such as “fascinating book” (M.Fujita, p.XV), “landmark in the history of regional science and regional economics” (P. Nijkamp, p.256), expressing the belief that it will exert “a great influence on the intellectual mindset of new generations of regional economists” (P.Nijkamp, p257).

I thank Roberta Capello for offering to me the privilege of writing this book review and to include it in the first issue of the Romanian Journal of Regional Science. My wholehearted congratulations for her great achievement!