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BOOK REVIEWS

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Bryson, John R., Kalafsky, Ronald V, and Vanchan, Vida (2021) *Ordinary Cities, Extraordinary Geographies*. Edward Elgar Publishing. ISBN: 9781789908015, 246 pp., \$135 (hardcover).

Reviewed by *David Nason*, West Virginia University

Ordinary Cities, Extraordinary Geographies by John R. Bryson, Ronald V. Kalafsky, and Vida Vanchan highlights the diverse nature of urban areas and the need for a more inclusive approach towards urban research. The main thesis of the book is that urban studies and theories focus far too much on cities that are considered “extraordinary.” These are cities that are very large, often global, and widely thought of as command-and-control centers of the global economy. While research on these places is important, the editors contend that urban research focused on “ordinary” cities is crucial to better understanding how place and economy interact. Several reasons lead to this conclusion. First, most people live in small to medium sized cities. Despite this, research on these cities is miniscule when compared to global or very large cities. Second, while much of the literature contends that economies in smaller cities are mostly linked to local consumption, several cities (such as Rochester, Minnesota) could be used to disprove this claim. A paradox within the ordinary versus extraordinary classification is also identified – many extraordinary things occur in ordinary cities, and many ordinary as well as mundane activities occur in extraordinary cities. This is a common theme throughout the book. Each chapter (excluding the first and last chapters) presents different perspectives on how a variety of ordinary cities combine the ordinary with the extraordinary to shape the lives of their residents. This variety underscores the heterogeneity of smaller to medium sized cities and the ways that they can be viewed. It also calls attention to the need for a more inclusive approach in urban research that considers ordinary places. The book explores several different approaches to paint a picture of these ordinary cities, and the analysis of these cities takes place at several different geographical scales.

To illustrate the need for this more inclusive approach, a variety of case studies concerning small to medium sized cities are presented. First, analyses at the regional level will be considered. Among the analyses at the regional level, chapter three, by Jonathan Kozar and William Graves, examines the relationship between job growth and population growth

for cities in the U.S. South under one million people. Efficient labor markets suggest that population growth is driven by economic opportunity, but the authors show that this is often not the case for small metropolitan areas in the U.S. South. In this region, place promotion and amenity development seem to be as important as job creation in driving economic growth. This differs from the patterns seen in large cities that conform to theoretical expectations. The authors also identify three types of small cities in this region. First, there are cities that are home to large anchor institutions such as universities or military installations. Next, there are cities with a positive reputation for opportunity. Finally, there are cities with a negative reputation for opportunity. While the evidence presented in this chapter is largely descriptive, it provides convincing evidence on the significant heterogeneity across these ordinary cities. In the next chapter, Ronald V. Kalafsky examines how smaller cities in the U.S. South interact with their region and the global economy through the context of trade relationships. They show that small cities in the South have relatively high levels of exports. Smaller Southern cities tend to have higher export levels than larger Southern cities, and most of these exports come from manufactured goods. Kalafsky argues that this is not a result of smaller cities borrowing size from larger urban agglomerations, as small cities outside the orbit of larger metropolitan areas do not appear to be at a disadvantage. While evidence in this chapter is again largely descriptive, it provides an interesting focus on industrial development paths in these smaller cities. It is surprising that these small cities have been able to rely on exporting manufactured goods to keep their economies afloat; however, it would be interesting to determine if these relationships have held across time. Finally, Stephen Williams and John R. Bryson explore the relationships between marketing and public relations firms in small cities in the West Midlands, UK. They do so by describing networks that bind these firms together in the region and allow firms in these creative services to locate in smaller cities. While creative expertise is often thought to reside mainly in urban agglomerations, the networks considered can connect these firms to the hinterlands and to larger urban areas. This has led to a dispersed geography of marketing and public relations firms across the region and the urban hierarchy.

Other chapters focus on individual cities. In chapter 5, Louise C. Johnson, Sally Weller, and Tom Barnes examine how ordinary cities can flourish in the face of economic hardship. They focus on the case of Geelong, Victoria, Australia. Geelong is a city located approximately 70 kilometers from Melbourne that has historically been an active port city and manufacturing center. Federal policies in Australia and other exogenous forces led to the downfall of manufacturing in Geelong during the 1980s. While federal policies hurt economic outcomes in the city for the next two decades, state-led development near the beginning of the twenty-first century was able to reverse these fortunes. The Australian government invested in health, education, and social services in the city. Employment gains in these industries followed. This shows that lobbying and receiving public funds can influence the outcomes in ordinary cities. However, it must be noted that it is likely that Geelong is borrowing size from Melbourne and that this formula may be dependent on this proximity. Public investments into ordinary cities are also considered by Jacob Salder in chapter 10. Considering the coastal cities of Poole and Worthing in the UK, this chapter illustrates how public investments in cities can be used in different ways to aid economic outcomes. The next two chapters consider cities in developing countries. Chapter 7 by Vida Vanchan ex-

amines how Siem Reap Angkor in Cambodia has helped promote culture and the economy in Cambodia. Cambodia has seen tremendous economic growth in the past two decades, and Siem Reap is a major tourist destination that has contributed to the country's growing tourism industry. The unique geographic location and history that provide environmental and cultural amenities make Siem Reap an extraordinary place. The following chapter by Suparna Soni presents a similar case study on Dholpur, Rajasthan, India. In this case, the focus is on the city's development and resilience. It is in a highly undeveloped state that lacks significant water resources and economic opportunity. However, the city of Dholpur has exhibited resilience to the economic challenges that it faces. This resilience was especially highlighted by the community's response to the COVID-19 pandemic.

The remaining two chapters examine cities at the neighborhood scale. The impact of race and class interests on policy and city planning in Ithaca, New York is explored in chapter two by George Frantz. Ithaca is often thought of as a progressive city and has given residents some degree of regulatory control over redevelopment in the city. This chapter shows how planning takes a personal context in Ithaca as residents have sought to preserve neighborhood character. Frantz argues that this provides opportunities for disadvantaged groups to organize more effectively and influence planning discourse. This highlights the differences between large and small cities, as planning in large cities affects more people given less weight to those who are disadvantaged. Finally, the connection between ethnic enclaves and globalization in Yeongcheon, South Korea is examined by Kamyong Kim and Ju-Hyun Bae in chapter 9. While the authors consider these relationships at several scales, most of the emphasis is placed on the impact on ethnic enclaves at the neighborhood level. Class disparities, economic development, and increased globalization in South Korea have led to large immigrant populations working in low-income industries. The focus of this chapter is on characterizing the neighborhoods where these immigrants reside. The central idea in this chapter is that globalization can impact cities of any size depending on the national, regional, and local contexts.

The case studies presented in this book convincingly illustrate how the extraordinary occurs in small to medium sized cities. They offer useful examples of research on these cities that show the importance of heterogeneity across these places. These examples could motivate researchers focusing on cities and economic development to further study these more ordinary areas. There are, however, several areas that may leave the reader desiring more. While the case studies at the regional level provide evidence across cities on the distribution of "ordinary," it could be argued that the city and neighborhood level studies do not. Each city considered in the city-level analysis could be considered extraordinary to a reader without context. Siem Reap Angkor is a World Heritage Site, Dholpur is near the Taj Mahal, and Geelong, Poole, and Worthing are all coastal cities that provide numerous amenities solely from their geographical location. The same could be argued for the neighborhood studies – Ithaca is home to a world-class university, and the rapid economic growth of South Korea led to a unique context which led to the growth of immigration in Yeongcheon. While the tension between the ordinary and the extraordinary was a major theme in the book, it was not always clear that these places would be considered ordinary by researchers interested in this topic or the general population. Additionally, some of the studies could have benefitted from a more rigorous empirical approach. Overall, however, this book does achieve its goal

of providing a convincing argument on why researchers must take a more inclusive approach towards studying cities.

Bryson, John R., Billing, Chloe, Graves, William and Yeung, Godfrey (2022) *A Research Agenda for Manufacturing Industries in the Global Economy*. Edward Elgar Publishing: Cheltenham, UK and Northampton, MA, USA. ISBN: 9781789908503, 257 pp., \$140 (hardcover).

Reviewed by *Benjamin Swanson*, Indiana University of Pennsylvania

In *A Research Agenda for Manufacturing Industries in the Global Economy* provides a comprehensive and useful guide to prepare manufacturing industries for three monumental changes in this decade: the decarbonization of production ecosystems, technological sovereignty between nations or intergovernmental organizations, and the digitalization of manufacturing and increased usage of artificial intelligence. John R. Bryson, Chloe Billing, William Graves, and Godfrey Yeung edited an engaging collection of eleven chapters written by academic experts in their respective fields with topics centered around these transitions in manufacturing sectors. Each chapter is fully fleshed out with background information and supported by relevant prior research, which then provides useful insight on every issue.

The first section of the initial chapter explains why it is important to study manufacturing, and one of the given reasons is that our planet is currently experiencing a climate crisis arising from increases in greenhouse gases in our atmosphere and pollution, causing disastrous global consequences. One of the leading causes of this problem is manufacturing. Just as efforts began to curb the harm that manufacturing industries have caused our planet, the Covid-19 pandemic provided another rude awakening to the global market as it revealed vulnerabilities within essentially all global production networks. Disequilibrium in markets for basic production inputs led to shortages across the globe for a wide array of products. The past decade has provided substantial evidence that there is a clear need for a redesign of the way global manufacturing is conducted, which requires significantly more research (Bryson et al., 2022). By studying manufacturing industries around the globe, we can work towards building efficient global production networks while remaining environmentally friendly and not dependent upon fragile supply lines. This book establishes a comprehensive agenda for future research to address these issues.

The volume does an excellent job of avoiding redundancies. Across eleven different topics all centered around manufacturing industries, it may be easy to assume that there is overlap between topics; however, the subjects vary greatly from recent innovations in the automotive industry to issues that can arise from corporate interviewing and how to best perform a corporate interview. Each chapter provides a novel and interesting discussion that connects back to the main goal of this book: preparing research for coming changes to manufacturing industries.

This publication can provide value to economists of all experience levels. For example, I found the chapter “Theoretical and Methodological Approaches to Understanding Emerging Industries” by Chloe Billing and John R. Bryson to be a fairly easy read for even those without an extensive background in economics, while the chapter “How to Increase the Usefulness and Relevance of Operations and Supply Chain Management Research?” by Donato

Masi and Jan Godsell appears to be targeted towards those with more experience in the field. Both papers fit well within the book as together they add relevant insight to what would otherwise be overlooked areas of study. The inclusion of multiple levels of readability creates value for less experienced economists and seasoned experts alike.

A clear advantage of *A Research Agenda for Manufacturing Industries in the Global Economy* is that it does not need to be read linearly. Readers interested in a particular subject can skip directly to it. The preface of the book provides general background information that may be useful to read before anything else, but this is not necessary. Another strength is the presentation of content within the book. The use of tables and figures provides necessary and useful information to clarify the points being made. Overall, *A Research Agenda for Manufacturing Industries in the Global Economy* is a worthwhile and important read. As mentioned, global manufacturing will experience major changes in the coming decade, and this book provides a structured and thorough agenda for particular areas of research that should receive more attention. Economists across the spectrum will find great value in this book, and I highly recommend it to those interested in the study of manufacturing industries.

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Capello, Roberta and Nijkamp, Peter (eds), 2019 *Handbook of Regional Growth and Development Theories Revised and Extended Second Edition*, Edward Elgar Publishing Inc, Cheltenham, UK. ISBN 9781788970013, 674 pp., \$249.98 (hardcover).

Reviewed by *Brian W. Sloboda*, University of Maryland, Global Campus

Handbook of Regional Growth and Development Theories by Roberta Capello and Peter Nijkamp was first published in 2009, which provided a comprehensive overview of regional growth and development. However, the study of regional growth and development continues to grow which led to the expansion of the knowledge horizon of scholars in regional growth and development. This fully updated, revised, and expanded Second Edition includes ten new chapters examining regional growth and development studies. This volume now has 30 chapters from eminent researchers and looks at the latest in regional economics. Also, five chapters from the first edition were not present in the second edition. The second edition thoroughly examines recent advances in theories, the normative potentialities that they have,

and the cross-fertilization of ideas between regional and mainstream economists. Given the expansion of this volume, it will serve as a preeminent source for scholars. Likewise, it will be an essential source of reference and information for researchers and practitioners who are studying advanced regional science as well as for policymakers at international institutions that devote their research to regional growth. This revised volume contains 30 chapters divided into five sections organized around some associated theme with regional economics. Given this revised volume, two themes stand out: agglomeration and the role of knowledge and information in affecting regional growth. The latter two themes emphasize the important view of Roberta Capello and Peter Nijkamp because they are consistent with their views on important regional growth and development analysis trends. The remaining review will present the chapters presented by the five themes of this second edition.

Part I: Growth Theories and Space. The first part contains Chapters 1–5. The first chapter, “Theories of Agglomeration and Regional Economic Growth: A Historical Review,” is by Philip McCann and Frank van Oort. They review recent work on regional convergence and reiterate its role in re-invigorating interest in regional analysis. Additionally, they provide a summary of classical and neo-classical work, including the foundation of location theory as established by Weber, Christaller, and Lösch, as well as its extensions into regional science by Isard, especially, et al. such as Chinitz and Vernon. Then, they delve into the impact of the NEG and endogenous growth theory on regional analysis. With respect to the former, the emphasis is on the attractiveness of its increasing returns models and its alternative evaluation of agglomeration effects as arising primarily from internal economies of scale achieved by firms concentrated in places where market potential is maximized. For the latter, the spillover effects of technological and human capital investment derived from endogenous processes are argued to provide an alternative approach to modeling increasing returns in a spatial context. “Space, Growth and Development” is the second chapter by Roberta Capello. This chapter focuses on the role of space in the real economy and also concerns models developed for regional analysis. She argues that location theory, in which metric space plays a fundamental role, is a necessary precursor to useful regional economics and that growth theory with a territorial context (simple space) completes the discipline. Capello raises some concerns in this chapter about the oversimplification of space in NEG models, which may be a step backward in treating geography and would impact solving of regional problems. Chapter 3, entitled “Location/ Allocation of Regional Growth” and written by Gunther Maier and Michaela Trippel, has a more analytical focus. They begin with a Cobb–Douglas production function constrained to exhibit decreasing returns but with a dynamic technical augmentation term and linked dynamic capital accumulation as well. The neoclassical system contained in the functions allows regional convergence between rich and poor, even without interaction. The illustration is designed to illustrate that if neoclassical rules are in effect, policy is pointless. The more realistic conditions, they argue, are that increasing returns to favored regions occur at the expense of less favored ones. They acknowledged that externalities often lead to nonlinearities and chaotic systems that defy effective policy formation. Chapter 4, entitled “Regional Growth and Trade in the New Economic Geography and Other Recent Theories” and written by Kieran P. Donaghy, differs from the earlier chapters as it presents a literature review. The literature review focuses on theoretical insights into the trade–growth relation. However, the author emphasizes

that empirical work is necessary to answer relevant policy-oriented questions. The final chapter of this section is by Roger Stough and is entitled “Leadership Institutions and Regional Economic Development and Growth.” This chapter explores the ideas of leadership institutions and regional economic development and growth. The role of leadership becomes important in the promotion of regional economic development and growth. More specifically, regional economic growth would be influenced by history, governance, culture, era and other variables. This chapter is rather generalized and relied on earlier work of the author and his colleagues of this topic. There needs to be a formalization of the role of leadership in the promotion of regional economic development and growth. Much of the work in this research is influenced by Stimson and Stough (2009) and Stimson et al., (2005).

Part II: Development Theories: Regional Production Factors. “Agglomeration, Productivity and Regional Growth: Production Theory Approaches” is the first chapter or chapter 6 in the second part of the book written by Jeffrey P. Cohen, Cletus Coughlin, and Catherine J. Morrison Paul. This chapter investigates the use of production functions to assess the effects of agglomeration. The authors start their discussion by defining the distinction between localization economies and urbanization economies, which is rather standard, but they also discuss “natural advantage” factors (resource endowments, etc.), which are often neglected in the analysis of causes of agglomeration. They also review the variety of modeling strategies employed in agglomeration analysis, including those focused on labor demand shifts, capital shifts, and the recent emphasis in the literature on measuring the spatial extent of externality effects. Roberto Camagni’s “Territorial Capital and Regional Development” is the next chapter in this section. Given recent events, this chapter dismisses the Keynesian demand-side models and the declaration of the superiority of supply-side models in forecasting regional growth. The logic of his argument is that globalization made local demand irrelevant in determining the development of regional economies. To substantiate his points, he provides good examples of cases such as the global auto and textile industries.

Alessandra Faggian and Philip McCann wrote the chapter “Human Capital and Regional Development.” The chapter reviews the related endogenous growth theory and Lucas’ (1988) growth model, which explicitly incorporates human capital effects. Of course, there is no spatial analysis in those models, and the authors make the important point that the contributions of variations in human capital to regional growth in a spatial economy must be considered a function of immigration (flow) as well as an endowment (stock). They also describe the agglomeration effects of increasing returns that result from the higher migration propensity of individuals with high levels of personal human capital. The fourth chapter in this section is “Infrastructure and Regional Development,” which is written by Johannes Bröcker and Piet Rietveld. The authors begin by describing some of the issues of defining and measuring infrastructure and carefully examining the differences in public capital attributed to the differences across countries. More specifically, the authors review the literature on measuring infrastructure’s impact on national and regional economies. They also assess the relevant optimization literature, which carefully examines the implications of land use and the effects of infrastructure as estimated by the spatial computable general equilibrium models. Chapter 10, which is written by Manfred M. Fischer and Peter Nijkamp, is entitled “The Nexus of Entrepreneurship and Regional Development.” There seems to be agreement that entrepreneurship is important in economic growth, but there is no consensus

on the measurement of entrepreneurship. The authors review the literature concerning the broad environmental characteristics (e.g., social, political, economics) that are conducive in the development of entrepreneurship. They also stress the importance of the role of social and ethnic networks in fostering entrepreneurship. The last chapter by Laura Resmini is entitled “Foreign Direct Investments. Global Chain Values and Regional Development.” This chapter develops a framework of the FDI-induced effects that account for the multilevel and manifestations of the foreign direct investments. There has been a rapid increase in foreign direct investments in the past several years and their potential role in technology transfer and the management of know-how, etc. The author presents a comprehensive review of the literature and acknowledges that the issues surrounding foreign direct investments and their implications require deeper research and policy implications.

Part III: Development Theories: Innovation, Knowledge, and Space. The first chapter of this section is entitled “Theories of Innovation in Space: Pathbreaking Achievements in Regional Science” and is written by Roberta Capello. The author explores the theme that there are different conceptualizations of space in innovation and knowledge-creation theories that represent the real path-breaking achievements in understanding local determinants, conditions, and actors involved in processes of knowledge and innovation creation that could have an impact on regional development. The author investigates the main theories developed in the field of innovation and knowledge creation in regional science in a diachronic way, grouping them according to how space is conceived. In the final section of this chapter, future research directions are provided. The chapter by Camilla Lenzi, entitled “Innovations and Space: Achievements and Prospects,” presents a critical review of alternative stylized conceptualizations of regional innovation processes developed in the past three decades. The survey reviews them according to two main perspectives. First, the different approaches are analyzed regarding the relevance and/or balance attached to the cognitive and functional components characterizing innovation processes. Second, the different approaches are analyzed in terms of their capacities to offer conceptual tools to analyze the evolution of regional innovation modes. Finally, the chapter concludes with future research directions and applications. The chapter entitled “R D Spillovers and Regional Development/Growth” by Daria Denti is geared toward the national rather than regional because the spatial extent of the spillovers is described as occurring internationally. Because externality provides the framework, translation to the regional scale is straightforward. More importantly, Denti raises interesting points about RD spillovers and sustainable growth, particularly in the coverage that encourages private sector research on pollution abatement, which is important to regional economics. “Knowledge and Regional Development” was written by Börje Johansson and Charlie Karlsson. This chapter provides an understanding of how knowledge can be localized and how localized knowledge can undergo spatial diffusion. They define the region as a territory where face-to-face communication is the primary source of knowledge externalities. However, the potential for face-to-face communication decreases with distance, so the territorial extent of such regions is becoming limited. More importantly, long-distance diffusion of knowledge occurs slowly because of trade and other external connections. However, those regions which are more adept at knowledge creation will enjoy benefits longer, experience stronger rates of growth, and the clustering of industries. The chapter “Territorial Development and Proximity Relationships” was written by Andre Torre. The notion

of proximity is increasing in popularity in economic and geographic literature. Now, it is commonly used by scholars in regional science and spatial economics. On the other hand, there is little research that explored the link between regional development and proximity relations. This chapter redresses the balance with assessing the role of, and obstacles caused by, proximity relations in regional development processes. “Sustainable Development and Regional Growth” was written by Amitrajeet A. Batabyal and Peter Nijkamp. The chapter is divided into five sections: the role of the environment in regional economic development, natural resources, environmental regulation, GIS, and regional climate change. A traditional approach has, in fact, been natural resource focused and dealt with the possible exhaustion of localized factors as well as the effect on industrial location. They also raise the prospect of regional sustainability analysis, which is becoming an important part of regional science. The final chapter in this section, “Spatial Clusters and Regional Development,” was written by Katrina Kourtit and Peter Gordon. This chapter elaborates on the popular concept of spatial clusters in a regional development by providing a comprehensive review of the literature regarding this topic. The authors attempt to answer the following questions: Are regional clusters natural and emergent? Do we understand how and why? Does the concept necessarily imply nearness? How much? How little? Is there a role for policy makers?

Part IV: Regional Growth and Development Measurement Methods. The first chapter in Part IV is “Measuring Agglomeration,” which was written by Ryohei Nakamura and Catherine J. Morrison Paul. The chapter provides numerous measures that have been used to describe concentration levels with industries and across as well as within regions. The chapter delves into the descriptive statistics that measure agglomeration and clustering (e.g., simple percentage of national economic activity that occurs at a place and location quotients). After the presentation of the descriptive measures, they discuss the potential implications of scale effects and the practical impact of political boundaries in forming economic data bins in evaluating the statistics they describe and the policy implications of these measures in regional growth. The next chapter, “Investigating Endogenous Regional Performance,” was written by Robert J. Stimson, William Mitchell, Michael Flanagan, and Alistar Robson. The motif of this chapter is to provide an overview of endogenous growth theories as applied to regional growth and development as proposed by Stimson et al. (2005) and Stimson and Stough (2009). This chapter explores the reasons for regional growth through endogenous factors and the spatial factors that can explain the increase or decrease in regional development. The next chapter by Stilianos Alexiadis, which is entitled “Spatial Economic Disparities and Convergence,” investigates the ideas of regional convergence. As most regional economists know, regional convergence is one of the most controversial issues. The main question is: Why do regional inequalities persist over time, despite some movements towards convergence? The latter question and related questions led to the extensive empirical literature. The empirical results often show the results of regional convergence; there is no overall policy framework. The author provides an explicit policy-model of regional development in this chapter that hopefully provides an overall policy framework along with empirical results. Spatial issues in regression analysis are addressed in the next chapter entitled “Heterogeneous Reaction versus Interaction in Spatial Econometric Regional Growth and Convergence Models” by Cem Ertur and Julie Le Gallo. They discuss the econometric specifications capturing spatial heterogeneity, or models of absolute locations, and examine

how these specifications can be extended to further allow for spatial autocorrelation models of heterogeneous reaction by emphasizing the complex links between spatial heterogeneity and spatial autocorrelation. Because of the controversies surrounding the measurement of regional convergence, they discuss some of these issues in the growth and convergence context by presenting the specifications allowing for discrete heterogeneity. That is, when different parameters are estimated following spatial regimes, including a focus on recent papers dealing with the endogenous detection of convergence in the presence of spatial autocorrelation. The final part of the chapter delves into the continuous spatial heterogeneity models: geographically weighted regressions and models allowing for both continuous spatial heterogeneity and spatial autocorrelation. They conclude their chapter with some additional research directions. The next chapter by Kieran P. Donaghy, which is entitled “CGE Modeling in Space: A Survey,” surveys numerous studies in the recent literature on spatial computable general equilibrium (SCGE) modelling and provides how these models are being used. Numerous empirical studies conducted with computable general equilibrium (CGE) models have suggested categorical schemes that might be used to compare models and uses to which they have been put. Since SCGE models are being constructed and simulated for diverse reasons, there is no general theme or approach to cover these studies. Thus, the authors focus on what is distinctive about the studies and what these researchers learned from their research. At the end of the chapter, the authors present new ideas for research that could be undertaken with SCGE modeling. The final part of this section is a chapter entitled “Modern Regional Input–Output and Impact Analysis” written by Jan Oosterhaven, Karen R. Polenske, and Geoffrey J.D. Hewings. The authors present the Type I, II, and III demand-driven regional and interregional input–output (IO) models as well its micro-foundations. Moreover, they discuss why realistic multipliers probably lay halfway between the Type I and Type II multipliers and how they can be used in impact analyses. The analytical part of the chapter ends with the micro foundation of the entirely implausible supply-driven IO model (e.g., cars may drive without gas and factories may work without labor). Its dual price model is argued to be less implausible and suited for demand-pull price/wage inflation analysis. The second part of this chapter presents an overview of the development of the input-output data construction methods and commercial input-output-based models used for regional and interregional impact analysis, especially as they are used frequently in the United States. For the last two chapters in this section, regional applications of both SCGE modeling and input–output modeling are influenced by the increasing openness of once-localized economies because the challenge is to capture the global effects in these models to provide meaningful empirical results that explain regional growth and development.

Part V: Regional Growth and Development Policies. The first chapter of the final section of this volume is by T.R. Lakshmanan and Ken J. Button and is entitled “Institutions and Regional Development.” The eighteenth-century moral philosopher Adam Smith highlighted the importance of institutions in economic development. The Nobel Prize economist Ronald Coase re-echoed this in terms of the role of institutions in establishing successful markets. Over the years, socio-economic analysts have concerned themselves with the nature of institutions and their continually changing role in the development process. However, the incorporation of institutions into regional economic development has not received much attention. The authors explore the nature of some of these formal and informal institu-

tional networks as well as examine their roles in regional economic growth. The notion of an institution is that it is considered commonly found in the new institutional economics literature that embodies informal institutions as well as legal institutions. The chapter entitled “Regional Policy: Rationale, Foundations and Measurement of Effects,” which was written by Jouke van Dijk, Henk Folmer, and Jan Oosterhaven, starts with the two dilemmas determining regional policy’s rationale: place prosperity versus people prosperity and interregional equity versus national efficiency. Second, it gives an overview of eight theories of regional development on which regional policy may be based: neoclassical growth, endogenous growth, post-Fordism, social capital, new economic geography, evolutionary geography, demand-driven export competition, and learning regions. Thirdly, the choice of policy instruments is discussed, the most strategic being moving workers to work versus moving work to the workers. Instruments to do the latter are either of a redistributive or endogenous growth type. This chapter concludes by evaluating the micro and regional approaches to measure the impacts of regional policy instruments. Ana M.B. Barufi and Eduardo A. Haddad wrote the chapter “Regional Policy Models: A Review.” Regional policies aim to deal with these persistent regional imbalances throughout the regions of the world by targeting local development with the varying policy instruments available. More importantly, other dimensions may guide policy design and implementation (e.g., sectoral and social) under a broader perspective of the development of a country and by looking at the secondary impacts to assess regional inequalities. The authors provide an overview of the theoretical background underlying the definition of priorities and strategies of these regional policies. A unique feature of this chapter describes the main regional policies adopted worldwide, and the authors provide a tentative framework to classify these policies. The chapter entitled “Quantitative Evaluation Techniques for Regional Policies” was written by Augusto Cergua and Guido Pellegrini. In recent years, the use of counterfactual techniques for evaluating regional policies has greatly expanded, mainly owing to the availability of higher-quality geographical locations, the characteristics of the subjects involved, and temporal and spatial coherence. As a result, more advanced econometric methods were used to estimate regional policy impacts. The authors acknowledge that the greatest difficulty is in the inherent endogeneity of place-based policies: the lower the development of a region, the greater the public intervention. In addition, the presence of interferences between treated subjects, untreated subjects, and between both leads to the need to adapt the Rubin causal model to the case of potential interference between units. Furthermore, the presence of spillovers owing to interference creates the need to define various measures of policy impact that consider the direct, indirect, and total effects. The chapter “The Regional Adjustment Model: An Instrument of Evidence-Based Policy” was written by John I. Carruthers and Gordon F. Mulligan. Their chapter presents the following issue in regional economics: lack of scientific evidence in urban and regional policymaking is problematic. As a means to have a robust policy, the policy must be credible and guided by evidence, not ideology. Cost-benefit analysis has long been the staple of policy prescription, but these methods require other methods to substantiate these benefits and costs. The authors propose one method: the regional adjustment model. The latter model explains how it has been applied within and among regions. They also provide an empirical assessment using the various metropolitan regions throughout the United States. The chapter concludes that regional adjustment models should be used as an instrument of evidence-based policy to address questions related to climate change. The

book's last chapter is "Economic Decline and Public Intervention: Do Special Economic Zones Matter?" by Peter Friedrich and Chang Woon Nam. They start this chapter with a brief assessment concerning how economic theories explain the decline of a nation, a region, and a city. The authors stress the urgent need for more intensive research related to the regional and urban decline process. Backed by the theory of development stages and considering the economic and structural situation and infrastructure endowment, establishing a free economic area (FEA) equipped with an appropriate economic policy-mix appears to be an effective approach. The authors used the example of North Korea. The use of the North Korean experience demonstrates that its success can also strongly depend on additional factors such as institutional framework, political control, freedom of decision-making and negotiation, geographic location, and competitive environment of the FEA.

Conclusion. The second edition of the *Handbook of Regional Growth and Development Theories* provides a broad collection of contributions that review the recent literature in regional economics, regional science, and economic geography. The editors selected outstanding contributors that enhanced the quality of this volume and provided the reader or the selective reader with some understanding of the state of the art of regional growth and development. The primary focus of this volume is to include NEG modeling as introduced in the 2009 edition of this volume. The literature on agglomeration, especially about knowledge spillover effects, is presented well and provides the reader with current literature that can apply to his or her research. Like the first edition, this second edition shows the extent of growth of regional economics in the past decade and the growth of regional economics that will most likely continue for the next decade. The main drawback of regional economics is the emphasis on supply-side production, but regional economics must move away from this theme and examine a broader set of factors that impact regional economics. Some of these themes were covered in this second edition. Though this volume is comprehensive, it is not advised to read it from cover to cover. A reader most likely would be interested in some of the topics. Such an approach is acceptable as the reader would likely desire to gear his or her reading to his or her research interests.

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