

## **BOOK REVIEWS**

### **REGIONAL DEVELOPMENT AGENCIES AND BUSINESS CHANGE**

Gill Bentley, & John Gibney, Ashgate Publishing Ltd, 2000, ISBN 0 7546 1271 6, RRP £39.95 – Hardback – 264 pp.

#### **Steve Garlick**

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The book edited by Bentley and Gibney is in two parts. The first part is basically procedural and only a little insightful in the way it describes the organisational and performance related aspects of the regional economic development arrangements in England and Wales put in place by New Labour. The second part of the book conveys the experiences of four West Midland region industries, although in this there is only tangential connection to the discussion in part one.

Part one (chapters two to five) outlines the new regional development agenda through the establishment of an extensive institutional infrastructure to formalise regional community involvement with government in the economic development decision making process. Its implementation was a partial response to the call from regions, which had felt disenfranchised from decision making during the Conservative years. However, it was also a response to ensure the regions of England were able to gain a fair share of European regional development funding for social cohesion, as well as portraying devolved responsibility from government to community to address the spatial pressures brought about by globalisation.

In brief, the New Labour regional agenda involved for each of the nine designated English regions, the regionalisation of government administration (Government Offices in the Regions), local mechanisms for regional leadership and decision making (Regional Development Agencies), a mechanism for broad-based advisory input to these processes (Regional Chambers), and a coordinating regional role for local government (Regional Assemblies). Each chapter in part one raises a number of issues about the introduction of this extensive regional institutional infrastructure. Some of these issues are common to 'bottom-up' policies of regional development policy in other developed countries, particularly federalist systems of government such as in Australia. These include: the reluctance of governments to concede power and resources to regions; compartmentalism of government bureaucracy and its responsiveness to regional concerns; implications for existing regional development players operating at the local level such as local government; and whether the arrangements could have an effective impact in the light of the forces of globalisation.

Some of the other particular issues result from the heavy institutional approach adopted in the English model, albeit the approach is no doubt part of being seen to be moving gradually toward regional government in England. There is still nervousness in fully pursuing the regional government arrangements in England that were set up in Scotland and Wales.

This part of the book could have been improved if it had contained greater examination of ways the model, having been introduced, could be improved. To be policy useful, it is not enough to simply highlight a problem or issue without also suggesting a better way forward based on suitable evidence. For example, it would have been useful to make a comparison of the approaches and the outcomes being achieved in the new regional development agencies across the nine regions so as to draw out some of the better practices and the impact of diversity. In this way the rhetoric versus reality check that Boland and Lovering highlight in the Welsh example in Chapter five could have been underpinned by more rigorous analysis along the lines they suggest needs to occur.

It could be argued that from a regional development perspective, the arrangements in England have been set up for all of the wrong reasons. While it is still too early to tell, and the political context different, the English experience as outlined in part one should be enough to raise questions about the extent to which government ought be involved in the regions. It can be argued that governments should seek to fix up their own backyards in the way they impact on regional outcomes rather than simply transfer the problems of government to the regions. The government role should be facilitative and be more concerned with fostering best practice program delivery, including supporting infrastructure, inter-governmental agreements, cross-sectoral peak body agreements, 'joined-up' government, and be responsive to the recognition and reward of RDAs based on performance. Rather than governments develop a universal model, an organic 'bottom-up' approach based on circumstances peculiar to each region, as advocated by Roberts in Chapter two, is a better approach in a diverse spatial landscape. Obviously, the political imperatives that always dog effective regional development in this instance dictated otherwise.

The second part of the book presents a number of industry case studies from the West Midlands region. The automotive industry (chapter six), rubber and plastics (chapter seven), business services industry (chapter eight), information and communications technology industry (chapter nine) are examined.

The industry case studies are predominantly descriptive of structure and performance and because of this the relationship between the two parts of the book is not entirely made. Each of the case studies paints a picture of global corporate decision-making and the impact of the internationalisation of labour, knowledge, strategic alliances, technology transfer and innovation, and the implications it has had on jobs and business viability in the West Midlands region. Unfortunately, this is pretty well where the spatial analysis ends. A huge opportunity is missed to discuss some of the issues associated with the role of 'bottom-up' regional development initiatives, to some extent touched on in part one of the book, to facilitate stronger links between local attributes and impediments and better business outcomes.

It would have been nice, given part one, to read about something better than over-promoted concepts like clustering. It would have been good to learn about how 'bottom-up' approaches in the region dealt with such things as conflict resolution, working together, community engagement, garnering local knowledge, etc to create a local environment where community attributes work in with business investment decision making processes.

For those wanting to find more about New Labour's regional development agenda, the book by Bentley and Gibney is a good read. For those seeking insight as to how 'bottom-up' approaches in a global world might be more effective, then the book is less helpful. On the other hand it may be that a model of regional development that relies on heavy institutionalism, has an agenda where creative 'bottom-up' results are a side game only.

## **REGIONAL PLANNING AND DEVELOPMENT IN EUROPE**

David Shaw, Peter Roberts and James Walsh (eds), *Urban and Regional Planning and Development Series*, 2000, Ashgate Publishing Ltd, ISBN 0 7546 1395 X, pp.314, RRP £45.00.

### **Stephen Hill**

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To the practicing academic (or the academic practitioner), the prospect of a collection of relevant recent papers is always tantalising – with high expectations of gems amongst the diverse range of articles, especially when some of the big names in regional science are involved. With few notable exceptions, that anticipation is rarely realised, with infrequent flashes of light as scant recompense for the effort involved. As one's experience (or cynicism) develops, it is this ratio of reward to effort that becomes the benchmark for serious reading (and for much else besides!). On such a scale the present volume ranks relatively well, with fourteen commendably short papers including one or two serious additions to knowledge, and an instructive and insightful summary that guides one quickly towards these highlights.

These papers provide a guide to contemporary European thinking on regional planning and development, though with more emphasis on the former than the latter. This collection has grown from a meeting of the European Urban and Regional Research Network held in Frankfurt-am-Oder in 1997, with many papers reworked and extended. As a group these papers illustrate what the editors call the twin forces of European regional development: those leading to greater conformity, headed by a European Commission with an increasingly serious regional disposition, and those reinforcing diversity as national and

transnational policies are contextualised and interpreted by the social, political and economic inheritance and intentions of the individual nation and region. If there is a central message it is in favour of subsidiarity, or the guiding principle of the European Commission that decisions on the nature and substance of applied regional development should be made at the regional level.

It is this principle of subsidiarity that provides the bridge between the centralising forces of European Structural Funds and the context of local needs and opportunities. Papers by Baker, and by Wiehler and Stumm, conclude that regional solutions must rely on the devolution of central government powers and responsibilities, whilst Turok advocates “bottom-up” policies reflecting local needs. In a bold statement drawing on evidence from experience in Glasgow, Turok asserts that: “*The structure of a community-based development company operating under the umbrella of a multi-agency partnership board provides a flexible, accountable and potentially powerful arrangement, with proven success...*” (p56).

Meanwhile Terrasi examines the application of policies in Italy and Spain to demonstrate that a country may be very successfully nationally without being able to solve its regional problems. The paper by Roberts skilfully synthesises wider evidence from across Europe to argue that real value can be gained from European Commission regional resources and policies when these can be placed within a locally developed “*clear strategic vision and plan for a region*” (p298).

However there is more to regional development, and to the European Commission, than the application of Structural funding. An important paper by Economou assesses the regional impact of the Common Agricultural Policy (CAP), responsible for almost a half of the total community budget and designed to support agricultural incomes. The paper makes a number of generalisations on the basis of Greek evidence, including the conclusion that: “*The eventual impact of CAP transfers on spatial development disparities seems negligible*” (p28). Economou goes on to argue that low income must become a factor in the allocation of CAP assistance, and that agricultural and regional policies must become far better co-ordinated.

One of the gems referred to earlier is the paper by Ramsden on “Non-Grant Instruments and the Structural Funds: the New Alchemy?”, where Non-Grant Instruments are basically public support for venture capital funds. Ramsden makes a number of important points drawing on Merseyside (Liverpool, UK) experience in designing capital support for small firms, including the notion that lack of working capital, usually taken as indicating the failure to sell in competitive markets, may actually be endemic in the early stages of a knowledge-economy: “*increasingly in a knowledge based society, plant and equipment are only a minority part of most company’s investment needs. Developing successful innovation requires human capital and knowledge, thus incurring salary costs. The danger is that both the existing banking system and the new financial instruments are predicated on an industrial paradigm*” (p269).

Overall this volume is a valuable contribution to the literature. Whilst some of the associations between disparate papers are inevitably forced, there is some coherence in the general themes. That meter measuring the ratio of reward to

effort may peak and trough, but the overall assessment must be substantially positive.

## **THEORIES OF ENDOGENOUS REGIONAL GROWTH: LESSONS FOR REGIONAL POLICIES**

Johansson, B., Karlsson, C. and Stough, R.R. (eds) *Springer-Verlag, Berlin, Advances in Spatial Science Series 2000*, ISBN 3-540-67988-X, Hardcover 428 pp, RRP \$US84.50, £58.50.

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The collection of papers gathered together in this volume are the result of the first international workshop held in the town of Uddevalle (Sweden) in 1998. The intention of these workshops is to learn from comparisons of development patterns and policies in Swedish regions and similar regions around the world. The book is divided into five parts and presents recent contributions to the theories of endogenous regional growth. The book covers a diverse range of topics and parts of it should be of interest to both regional practitioners and economists.

Part 1 of this book contains a very useful introduction which comprehensively outlines the contents of the individual chapters. The second part of the book, entitled *Endogenous growth theory applied in a regional context*, contains contributions by R. Stough, J.W Harrington and D. Ferguson, W. Zhang, J. Rees and G. Maier. The last paper by Maier is perhaps the most interesting of this section. Maier reviews the recent developments that have modified the understanding of economic growth. These developments are viewed as fundamental in the sense that they demonstrate that some of the assumptions of traditional growth theory are inconsistent with the observed growth process. The author argues that these recent developments make it possible to investigate more thoroughly the consequences of policies embedded in traditional economic thinking.

The third part of the book, *Interregional process, scale economies and agglomeration*, brings together several papers that consider the importance of interregional processes and scale economies from an endogenous regional innovation and development process perspective. Two interesting contributions appear in this section, these being the works of Johansson and Karlsson and Haddad and Hewings. The work by Johansson and Karlsson, investigates the relationship between scale economies and product specific home market borders. This contribution introduces a theoretical framework based on the concept of a functional region. A conclusion of their analysis is that large urban regions have

a competitive advantage, because their much larger potential markets allow them to host many more scale-dependent activities. Recognising this, the authors attempt to develop a framework to allow the improved analysis of smaller regions, with an emphasis on the size of their internal markets and the extension of their external markets. The authors show that regions with a large internal market potential have an absolute advantage in finding a diversified specialisation. The contribution by Haddad and Hewings is a solid numerical analysis of the Brazilian economy using a two region CGE model. The results of this analysis suggest that the interplay of market forces in the Brazilian economy favour the more developed region in the economy.

Part 4 of this volume brings together five papers under the theme, *Functional regions, clustering and local economic development*. This section has contributions by D. Maillat and L. Kebir, M. Steiner, D. Martellato, N. Hansen and B. Weinstein. These papers provide an interesting read for those who have become convinced that the concept of industry cluster has been reduced to a buzz word and two of the papers that stand out are the contributions by Martellato and Hansen. The paper by Martellato examines various features of the large number of small to medium sized firms in the Italian economy. He argues that the alleged inefficiency of this small scale dominated production system is in contrast to the operation of the system in the Italian context where there is a history of strong economic performance. Hansen provides an interesting contribution evaluating a range of theories that are concerned with how the geographic clustering of firms jointly promotes the competitive advantage of firms and the regions within which they are located. All of the theories examined imply that firms in geographically peripheral regions are disadvantaged by not participating in urban scale or agglomeration economies. The author then presents evidence that firms can benefit from participation in national and global innovation networks, whether or not they participate in local or regional networks.

The final section of the book, *Endogenous regional economic policy analysis*, consists of four papers dealing with this theme. Contributions are made by A. Varga, K. Haynes and M. Dinc, H. Westlund and B. Johnsson, C. Karlsson and R. Stough. The first paper is written by Varga and examines the role of universities in regional economic development. This paper uses metropolitan level data from the U.S. to examine the relationship between agglomeration and local academic technology transfers in the electronics and instruments sectors. In an interesting contribution Westlund presents an analysis of spatial policy in Sweden along with its effects on sparsely populated areas. The empirical analysis of Westlund suggests that the international tendencies of counter-urbanisation are reflected in the sparsely populated periphery of Sweden. He argues that the centre-oriented spatial policy has been in part misdirected and that comparative advantages of the sparsely populated periphery have been missed or neglected. The final paper of this section is written by the editors and attempts to provide a synthesis of the various aspects examined in earlier chapters, a difficult task given the range of topics covered in the text.

## **A VERY PUBLIC SOLUTION: TRANSPORT IN THE DISPERSED CITY**

Paul Mees, *Melbourne University Press*, Carlton South, Victoria, 2000.  
ISBN 0 522 84687 2, 331 pp, RRP \$AUD29.95

### **Chris Kissling**

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This book marks a significant contribution to the debate surrounding the problems of providing environmentally sustainable travel, particularly in the 'spacious urban environments' found in Australia, New Zealand, Canada and the United States. Mees notes that 'many commentators feel the task of providing public transport in dispersed cities is impossible and should be given up as a bad job.' Those who worship at the altar of private personal transport enjoying flexible travel in comfort, do accept technological developments that will 'civilise' the car through less polluting design, better fuel efficiencies and extended safety features, but they still clamour for increased road capacity to overcome the frustration of urban gridlock. They expect transport planners and road engineers to meet their needs for the foreseeable future. Political processes bow to the strength of the roading vote. Governments commit disproportionately more public funds to road transport than any other mode of transport. Alternative modes wither and their advocates whimper. Other analysts press for planning and development in cities to encourage higher density living environments especially along transport corridors and at major transport nodes. They point to public transport successes in European and some Asian cities where such conditions exist. It is possible through good design to create very attractive higher density urban living environments. It is by no means certain that Australians, New Zealanders, Canadians and USA citizens wish to swap their current suburban residential land subdivision patterns featuring single dwellings on individual lots in favour of strata titles in high rise buildings. Higher living densities would support the establishment of new modern rail-based public transport systems but the level of investment required is massive particularly if much of it has to be constructed underground. Light rail systems on existing streets (trams) also have their advocates.

Mees reviews transport planning philosophy through the ages. His critique of competition policy, privatisation and a market-driven approach is backed by excellent comparative analysis of solutions advocated and tried in different cities. He takes a hard look at operational practices in public transport management to see why some appear to succeed and why others are associated with failure. Part II of the book concentrates on a comparative analysis of two cities, Melbourne in Australia, and Toronto in Canada. All too often poor systems performance leads to collapse. Declining patronage leads to a reduction in service frequencies, which leads to further decline in passengers. There is no

money for capital replacement initiatives. Services run by different operators do not easily mesh. The populace is left with little choice. Unless a public service happens to link desired end points at desired times of travel and duration, better buy a car and juggle departure times to try to avoid the inevitable road congestion. That is the situation for Melbourne, but not for Toronto.

Mees maintains that it is possible for public transport systems to operate successfully in competition with the private motor car in dispersed cities. What is his magic formula? The answer lies in integrated management that works to capture the network effect in a transport system. Mees has shown that the independent management and competitive approach of Melbourne's free enterprise model does not work. By comparison, Toronto's centralised planning by a single authority has produced a public transport system that does work. Rather than have public transport systems compete against each other as well as the private car, they need to work together to provide high levels of service and complete point-to-point connectivity – not just a focus on the central city. Bus services should not compete in parallel with fixed rail systems or with each other. Rather they should collect and distribute passengers for the rail system in a seamless fashion (one fare card – probably electronic). Any interchange should be conducted in a pleasant environment protected from inclement weather. High frequencies are essential to the point that timetables become unnecessary. Where there is no rail system, buses can substitute. It is all the better if the line-haul buses in major corridors are given preferential treatment over cars at congestion points or are provided with their own exclusive rights-of-way. This is justified on the basis of moving people rather than vehicles.

The evidence that Mees has gathered is compelling. It supports his view that public transport in a dispersed city can be provided efficiently and effectively to meet significant segments of travel demand. The prerequisite for a single coordinating management structure will not find favour with some economic purists. There are, however, too many examples of market failure in uncoordinated private and public systems to ignore the message that Mees conveys. A holistic approach with a system-wide perspective is vital if unintended outcomes from policy implementation are to be avoided. Keeping the single coordinating authority honest whilst providing adequate resources will be the political litmus test. It will be interesting to watch the efforts to revive urban public transport in other dispersed cities. There is evidence that cities now experiencing increased ridership on public transport appear to have adopted some aspects of Mees' philosophy, with my own city of Christchurch in New Zealand an example following the introduction of its high frequency Orbital service bisecting traditional radial routes.

Existing transport planners and those now being taught in tertiary-level courses would all benefit from reading this book. It may shake some to reconsider their previous strongly held ideological positions. It will challenge others to consider public transport in dispersed city environments as capable of satisfactory resolution. Massive capital outlays for infrastructure may not be necessary. A management approach that espouses coordination and cooperation may yet prevail where competition has failed.

## REFLECTIONS ON REGIONALISM

Katz, B (ed.) Washington, D.C. Brookings Institution Press. ISBN 0-8157-4825-6.  
290 pages. Year, RRP \$US

### Kevin O'Connor

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This book deals with regionalism in the context of US metropolitan development and how the "...political balkanisation created by the local responsibilities in the American system of decentralised authority practically enshrined in the Constitution..." can be addressed. It is part of the *Brookings Metro Series* from the *Center on Urban and Metropolitan Policy* at the Brookings Institution, whose web page I find to be a valuable source of information on current US urban development trends.

Introducing the nine chapters, the editor creates the agenda for the book with the observation that "regions are critical functional units in individual American lives as more and more of us travel across city, county even state borders every morning on our way to work". He also observes businesses have supply chains that spill across regions and pollution ignores municipal borders. Yet America has had little interest or commitment to regional approaches to the management of urban areas. Regionalism seems to rise and fall in popularity, but little of its message has been adopted, even though it can draw on almost a century-long heritage embodied in organisations like The Regional Plan Association in New York.

One has to ask why the resurgence in interest now? The simple answer is that some researchers believe rapid outer suburban growth ("urban sprawl") has created much greater need for regional scale co-operation, collaboration and may be eventually consolidation and management of metropolitan areas. A chapter by Henry Richmond outlines the problems that sprawl has created in terms of land used racial imbalances, education, equity outcomes and productivity losses. He lays the blame for these outcomes at the feet of the municipal land use control system which provides very local land use responses with no recognition of impacts on neighbouring locations. He has no doubt about the importance of these issues, as can be seen in his observation: "the greatest political challenge in the twenty-first century will be a reprise of the eighteenth century - once again defining and building community to meet current social needs. The challenge is to make America's constitutionally based system work at the metropolitan level" (page 38-39).

A history of US experience with regional planning by Robert Fishman, and a case study of New York by Robert Yaro do not inspire great confidence that the future will be any different from the past. That past involved early annexations of surrounding areas, and mergers of municipalities, and grand plans first of unlimited growth in the core (the 1920-1940 view) or of multi-centred regions with new towns (1950-1970).

In an interesting piece of analysis, David Rusk shows one bit of that heritage

is still alive: the annexation of territory to incorporate the growing fringes around city municipal borders. He shows that what he calls the “elastic cities” actually have better outcomes in terms of degree of income differences between city and suburb, bond rating of city governments, and levels of housing school and poverty segregation. So it would seem the simple regional approach of annexation can improve metropolitan wide outcomes. In addition, he notes Metropolitan Planning Organisations are being transformed in some parts of the US via their association with Federal transport funding. So more applications of regionalism might begin to appear.

A chapter by Margaret Weir explores who might be part of the coalitions that will be necessary to express that regionalism and Elizabeth Moss Kanter follows with thoughts on the role that business groups and networks, that are often well-established in US cities, might play in these circumstances. The sheer difficulty of getting a regional consensus can be detected in John A. Powell’s observation that there will be some minority resistance to regionalism as it could weaken a currently strong inner city black political structure. Yet Kenneth Jackson hopes that regionalism will improve the allocation of funds across different parts of cities.

The book ends with an amazing contrast: labelled as a “Contrarian Metropolitan View”, a chapter by Paul Dimond outlines a case that suggests the best solution will involve allowing families to vote with their feet. He reviews a number of myths about metropolitan America, calling into question whether the much vaunted regional approach is really needed. For Dimond a regional policy would be a strongly market oriented one, with full prices charged for infrastructure and taxes levied on pollution so that locational decisions better reflect the cost to the community. Rather than large regional bodies he would like to see lots of small energetic local communities competing within that new price and market context.

So this is a comprehensive set of ideas on regionalisation in the US at the moment. The authors are drawn from academia and from local government and regional organisations. Their chapters are well written, notes and references appear at the end of each chapter, and headings and sub-headings makes reading easier.

The very specificity of this book means it does not have a lot to offer the Australian experience, although some of the discussion of the difficulty of developing metropolitan frameworks for local land use planning is valuable. Perhaps its most useful message is that our State system of urban service delivery (in education, health and so on) does a better job for the majority of our urban population than is the case in the US.

For anyone with an interest in urban development in the US this is compulsory reading. It provides a sobering framework to interpret some of the more enthusiastic and energetic recent ideas associated with new urbanism. As an example, I have viewed a more recent book by Calthorpe and Fulton (2001) called *The Regional City*, and subtitled “Planning for the End of Sprawl” with some scepticism after reading the chapters in the Katz volume.