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Reviving regional economies

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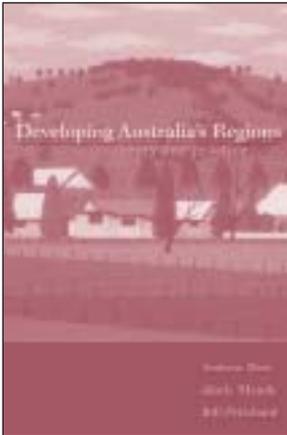
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BOOK REVIEW

REVIVING REGIONAL ECONOMIES

REVIEWED BY MICHAEL REGAN



Developing Australia's Regions: Theory and Practice
 Andrew Beer, Alaric Maude,
 William Pritchard
 ISBN 0868405485
 University of New
 South Wales Press
 Paperback, 336 pp, \$49.95

In recent years, the state of Australia's regions has attracted unprecedented interest as governments, business and communities grapple with the social, economic and political changes that are reshaping remote and regional areas.

Recent publications suggest that the outlook is grim for regional economies. The House of Representatives Standing Committee on Primary Industries and Regional Services (2000) identifies critical infrastructure shortages and reduction in services, a study by O'Connor, Stimson and Daly (2001) points to changing internal migration, industrial aggregation and demographics working against regional centres and Nieuwenhuysen et al (2001) argue that industry clusters and new technologies located in major urban centres were principal drivers of future industry growth. A city dweller could be forgiven for thinking that regional communities were in terminal decline with their only importance being Telstra service standards and key marginal seats!

The recent book by Beer, Maude and Pritchard, *Developing Australia's Regions: Theory and Practice*, is therefore timely. The authors remind us that the development of strong regional centres during early colonial development produced the even social and political landscape that characterises the nation to the present day. The intervention of governments with policies of decentralisation preserved the core non-rural economy from major decline until the mid 1980s, but could not prevent the adverse consequences of much needed microeconomic reform that transformed the Australian economy in the 1990s. Regional communities lost their manufacturing industries, investment and services declined, and the younger well-educated population moved to the capital cities in search of opportunity. State and local government's responded with development programs although, by most measures, these failed to stem the decline.

Can this trend be reversed? The authors hold out hope, but believe that it will require significant change to the structure and strategies of government and regional authorities. To attract investment, regional economies can focus on their competitive advantage. These include quality of life, lower housing and business costs and access

to government. This provides a framework for new economic development strategies that target industry clusters and specialisations, 'value add' exports, the high-growth health and education sectors and the setting up of regional business incubators. This is being done in those regional centres that are defying the trend. Two additional things that the book probably needs to complete the picture are a detailed examination of the competitive advantage of regional economies and a comprehensive statistical comparison of local government areas. This information is published annually by the Local Government Association.

The authors argue that bringing about change will not be easy. New development strategies require integrated long-term planning that does not fit easily with short-term political cycles. Development strategies must also be integrated and both state governments and regional authorities must put aside rivalries and differences. This is both difficult and expensive. However, as the recent agreement on the Murray-Darling Basin indicates, this can be done and it may just be the answer for Australia's struggling regions. The authors argue logically and coherently that there are important economic, social and cultural advantages in preserving and growing our regional centres.

The book is easy to read and the authors succeed in their object of engaging a broad audience; there is something in this book for everyone. The text is well noted and indexed for those that want to explore further.

References

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