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Constructing 'Regional Development' in the Boardroom: Evidence from New South Wales and Western Australia

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Abstract: The expression 'regional development' has entered contemporary policy discourse as if it represented a commonly understood and well-defined activity. This paper considers the manner in which board members of state government-funded regional development agencies in New South Wales (NSW) and Western Australia (WA) describe regional development. We outline four major discourses surrounding regional development in the literature and compare these with the narratives gathered from fifty-three regional development board members in NSW and WA. Analysis of these semi-structured interviews suggests that board members see regional development in overlapping and coalescing discourses which seek to 'make sense' of the role of these board members and their boards within broader regional development governance. Analysis of our interviews with board members suggests that regional development is incomprehensible, which could be regarded as a 'myth or an illusion'. We argue that this suggests that regional development is principally driven by political motives and the boards are regarded, at least by those within the boardroom, as instruments of political expediency. In essence, regional development is about 'getting money out of government'. Moreover, regional development is seen as being primarily concerned with business development.

Introduction

Beer and Maude (1996) explored the effectiveness of state agencies and the associated institutional frameworks for regional development in Australia. They established that the employed staff in regional development agencies saw their boards of management primarily as a threat to the overall effectiveness of these agencies and the conduct of regional development activities. Despite this startling finding, these boards have been largely invisible in their practice of regional development governance. Moreover, notwithstanding the important role played by regional development agencies, scholars of Australian regional development have almost entirely ignored the operation of these boards.

As an initial first step towards remedying this unfortunate neglect, this paper considers the operation of these boards, particularly the meaning they attribute to the idea of regional development. The literature on regional development contains competing discourses surrounding the practice of regional development governance. Against this background, this paper traces the major discourses determining the work of these boards in Australia using the results of face-to-face interviews with board members of regional development boards in New South Wales (NSW) and Western Australia (WA).

Our analysis of the 'disconnect' between the discourses in the regional development literature and the discourses employed by board members reveals that there are four significant alternative discourses which have been 'silenced' in the literature: regional development as incomprehensible; regional development as an instrument of political expediency; regional development as economic development and finally regional development as synonymous with getting money out of government.

The paper is divided into four main parts. Section 2 provides a synoptic outline of the major discourses on regional development in the literature. Section 3 briefly describes the institutional structure of regional development in NSW and WA by way of background and sets out the empirical methodology

employed in this study. Section 4 analyses the discourse of board members in terms of the four major metaphors of regional development identified in the literature. The paper ends with some short concluding comments in section 5.

Discursive Meanings of Regional Development

Academics, policy makers, regional development practitioners and community representatives' alike struggle to define regional development (Shortall and Shucksmith 2001, 130). Both regional development literature and policy documentation is replete with rhetorical and often competing notions of 'regional development' and quick to identify solutions to regional problems and the advancement of regions without detailed consideration of the needs of the individual regions. In the United Kingdom, literature describing 'integrated regional development' theoretically wrestles with the economic, environmental and social elements and appropriate governance arrangements (Shortall and Shucksmith 2001). However, within the Australian context the meaning of regional development and its governance are not clearly articulated. National regional development policy and service delivery has been described as 'ambivalent' (Gerritsen 2000, 133), 'experimental' (Grant and Rainnie 2005, 5) and 'palliative' (Wanna and Withers 2000). Sorenson (1998) has branded federal regional programs as opportunities for 'pork barrelling' in marginal electoral seats rather than delivering long-term perspectives on the needs of a region[1].

At the state government level, the states and territories have each approached regional development by establishing state-based agencies. For instance, the NSW government has pursued a 'balanced' regional

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[1] The funding program for the federal government's regional development boards known as the Area Consultative Committees, the Regional Partnerships Program (allocating $409.7million in 2003-2007) was the subject of a critical report by the Australian National Audit Office released in November 2007. The Auditor-General identified the lack of transparency; poor accountability and cost-effectiveness; and political decision making as impeding the conduct of this funding program. It is this program which has been redesigned to form the Regional Development Australia network.

development agenda (Collits 2004), with regional offices and ministerially-appointed Regional Development Boards forming part of the strategy to keep 'balance' between development in the large metropolitan areas and the regions. In March 2009, with the demise of the federally-funded Area Consultative Committees and the establishment of Regional Development Australia network, the NSW regional development agencies were formally combined with the federal agencies to form one regional development agency network. By contrast, in WA, state government regional development activities are conducted through statutory authorities with ministerially-appointed boards, the Regional Development Commissions under policy directions for 'sustainable regional development' (Department of Local Government and Regional Development 2003). The federal Regional Development Australia network operates in parallel.

A number of discourses affect Australian regional development practices. These discourses emanate partly from the neo-liberal postures of the current and recent governments, and revolve around notions of self-help, the replication of regional solutions to common regional problems, and the privileging of economic interests at the regional level, with the role of government regarded as 'steering' the course for regional development, rather than 'rowing' (Beer *et al.* 2003b). These have become the public narratives around regional development which surround the work of the board members of regional development boards.

Jessop (1997) contends that all narratives are selective, combining arguments in certain and purposeful ways. It is thus useful to look past what is said, to also consider what has been 'quietened', even 'suppressed in official discourse' to make visible 'attempts to hegemonise public and private discourse in the interests of specific accumulation strategies or political projects' (Jessop 1997, 32). For example, Shortall (2004, 116) found that for those involved in rural development programs in Northern Ireland, there was 'a great deal of confusion about the purposes of rural development initiatives'. The combined sense of uncertainty about rural development activities, and the

limited critique of its outcomes, such as potentially benefiting from jobs created and whether or not there is a redistributive function in these activities, has led Shortall (2004, 116) to conclude that 'the short term nature of programmes mitigates against any coherent economic development strategy'.

Contemporary Australian policy discourse constructs the region as a 'biophysical and demographic unit whose development is more broadly conceived and dependent largely on its own initiative – an example of its own innovation' (Brown and Collits 2004, 8). This gives rise to the first major discourse, the era of self-help regional development (Herbert-Cheshire and Higgins 2004). The entrepreneurial approach to regional development practice delights in communities that find their own solutions, relying largely on initiative and cooperation between business and community with little external government assistance (Brown and Collits 2004). This discourse holds that regional development agencies can make a 'direct difference in the ability of local and regional businesses to network, innovate, invest and expand' (Brown and Collits 2004, 8). The role of governments, theoretically at least, is to recognise and support regionally chosen 'sustainable paths' to regional development (Brown and Collits 2004, 8).

Jessop (1997) argued that the narratives surrounding the entrepreneurial city or region have been constructed to make sense of the political and economic changes affecting regions and nations. This narrative has deliberately positioned the infusion of entrepreneurial spirit to be the key ingredient to deal with 'past failures and future possibilities' (Jessop 1997, 30), as the solution for endogenous or locally-derived economic development. Self-help strategies depend on market forces to find the source of competitive advantage. This entrepreneurial discourse has a parallel discourse which promotes the 'naturalness' of the global economy as the site for economic activities (Jessop 1997).

Within Australia there is credence given to the replication of regional solutions delivered elsewhere; successful growth strategies such as the Silicon Valley

in California, or the Cambridge Phenomenon in England, have been promoted widely (Beer *et al.* 2003a). This second discourse shows best-practice examples of economic development being offered as 'quick fix' solutions to regions. This has been accompanied by a number of high profile academics, business 'gurus' and consultants seeking to offer solutions to economic decline (Lovering 1999). The work of Michael Porter theorising competitive advantage among firms and relating this to regional competitiveness and Richard Florida's work on creative industries exemplify this trend. While regional development policy and practice has been described as experimental in Australia, 'there has also been a tendency towards conformity around a narrow range of government-sanctioned institutional forms and policy tools' (Beer *et al.* 2003a, 22). The process of state and federal funding enables government to have even greater control on the types of programs enacted at the local level. The discourse around regional solutions is thus a prescriptive approach, focused on international best-practice, promoting 'one-size-fits-all' regional projects (Pike *et al.* 2007, 1264).

In an evaluation of the impact of this approach, O'Neill (2005, 59) found that 'imported, templated solutions to regional development problems, however informative,' are rarely successful. Just as growth-pole theory spread internationally in the 1960s, so too clustering spread throughout the developed world in the 1990s, sympathetic to the prevailing market ideology. However, from their work on regional development practitioners in Australia, Beer *et al.* (2003a) observed that practitioners of regional development agencies are convinced that legitimacy comes with 'playing the game'; in this sense practitioners acquiesce with centrally-designed regional priorities. Similarly, Beer *et al.* (2003a, 30) noted that 'niceties of economic theory tend to be irrelevant for the communities and regions that host these agencies'. By contrast, the community 'perceives [the regional development agency] as important conduits for securing government grants'. In this vein, if government policy promotes place marketing, clustering and business networks as the strategies to stimulate regional development, then the agencies will in turn

pursue these strategies in order to secure the funding, even if the strategies are not relevant to the region.

As the third major discourse, the subordination of social policy to economic policy may be regarded as one of the hallmarks of this period of neo-liberal regional development (Beer *et al.* 2005). Preference has been given to global competitiveness of the firm within a region above the economic welfare of the local population. Likewise, preference has been given to business leaders to drive a distinct economic agenda (Agnew 2000; Amin 1999). However, as the experiment has continued with these regional development policies in Australia, the 'trickledown effect' has not delivered prosperity to the broader local community (MacKinnon *et al.* 2002) and 'the intractability of many area-based problems (have) remained unsolved by economic-led solutions' (Beer *et al.* 2005, 50). While prosperity at the national level has undoubtedly increased, at the level of the region, the past three decades have exhibited increasing levels of income and wealth inequality (Beer *et al.* 2003b). Regional development is rarely seen to be an activity which will have a redistributive effect on economic opportunities within the region (Tonts and Haslam McKenzie 2005).

In their investigations into the operation of regional development agencies throughout Australia Beer *et al.* (2003a) found that these agencies were constrained by the absence of a strong national regional development policy. Beer *et al.* (2003a) showed that the privileging of economic and employment goals over social goals, the predominant activity of regional development agencies being place based marketing, facilitated business networking, strategic planning for the region and community capacity building, specifically through physical infrastructure (Beer *et al.* 2005, 54). Australia mirrors international experience in this area where there has been resistance at the policy development level to marry the complexity of considering a region in both social and economic terms and critiquing the sorts of regional development that add prosperity to the region more broadly (Amin 1999; Hudson 2007; Lovering 2001).

In the Australian milieu, it is easy to overstate the extent to which there has been a shift of decision-making power to the regions. While policy remains in centralised departments, Beer *et al.* (2005) have argued that government has been reluctant to devolve decision-making responsibility to the region. Beer *et al.* (2005) termed this the 'steer not row' approach, the final discourse considered here which sees government setting the regulatory and policy framework but stepping back from direct service provision. This is especially the case for regional development agencies, with state and federal governments distributing money to selected entities. Despite the proliferation of agencies specialising in component parts of the regional jigsaw, such as the labour market and small business development, government has maintained control by deciding which agencies and activities to support.

This level of government control is not unique to Australian regional development activities, with agencies in the United Kingdom also experiencing 'a high degree of [government] control' , some of it formalised through the budget and legislated policy through Acts and Objects, but also practiced in a manner more informal, as exercised through the appointment of board members (Hughes 1998, 618). Hughes (1998) has noted that, despite the discourse of regional governance for the last twenty years in the United Kingdom, regional development agencies have been even more tightly controlled in terms of the projects with which they engage. Likewise Beer *et al.* (2003a) have shown that throughout Australia, these agencies identified a major constraining factor on their operation as centralised priority setting, and the micromanagement by government keen to maintain control and power over the use of funding.

In sum, it would seem that state and federal governments in Australia have an expressed purpose for boards of regional development agencies. Some scholars have contended that that these constructed arenas are a political strategy (Epps 1999; Maude and Beer 2004; Sorenson 1998), enacting some form of regional governance (Herbert-Cheshire and Higgins 2004; Rainnie

and Grobbelaar 2005), amidst a range of meanings of regional development (i.e. economic, social and environmental development), in regional communities often defined by people living outside of a region (Sallard and Davies 2006; Stimson 2006). Regions are inherently diverse with ranging capabilities and opportunities in terms of development. While bottom-up development implies that participation in the regions' development is both desirable and possible (Eversole 2003; Eversole and Martin 2005), Australian and international evidence shows that participation in regional development is dominated by vested interests and large scale capital (Amin 1999; Beer *et al.* 2003b; Grant and Rainnie 2005; MacKinnon 2002), with little room for those groups considered subaltern.

Institutional Background and Methodology

This paper focuses on the state government funded and ministerially appointed regional development boards of NSW and WA. State government funding forms the basis of operational budgets, with additional funding sought from the federal government. In NSW, there are thirteen Regional Development Boards operating as incorporated associations covering 806, 209 square kilometres with 4.9 million people[2], with each board allocated approximate base funding of $138 000 per annum. In WA, the nine Regional Development Commissions are statutory authorities, covering 35,827,034 square kilometres with approximately 0.5 million people[3]. Each Regional Development Commission attracts on average $2.6 million per annum. By way of contrast, the NSW boards are not guided by discrete legislation unlike the WA Commissions, where roles and responsibilities are specified within the WA Regional Development Act 1993. Figure 1 below shows the regions of the WA Regional Development Commissions and the thirteen regions of the NSW Regional Development Boards.

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[2] Source: www.business.nsw.gov.au/region/ 20 February 2007 (Note: NSW total population is 6.3 million people. However the Western Sydney Economic Development Board services 1.8 million of the 4.9 million people identified in these regional development regions)

[3] Source: www.dlgrd.wa.gov.au/Publications/Docs/StatSnapshot_population_Demographics_.asp, accessed 14 February 2007. (Note: WA total population is 2.04 million people)
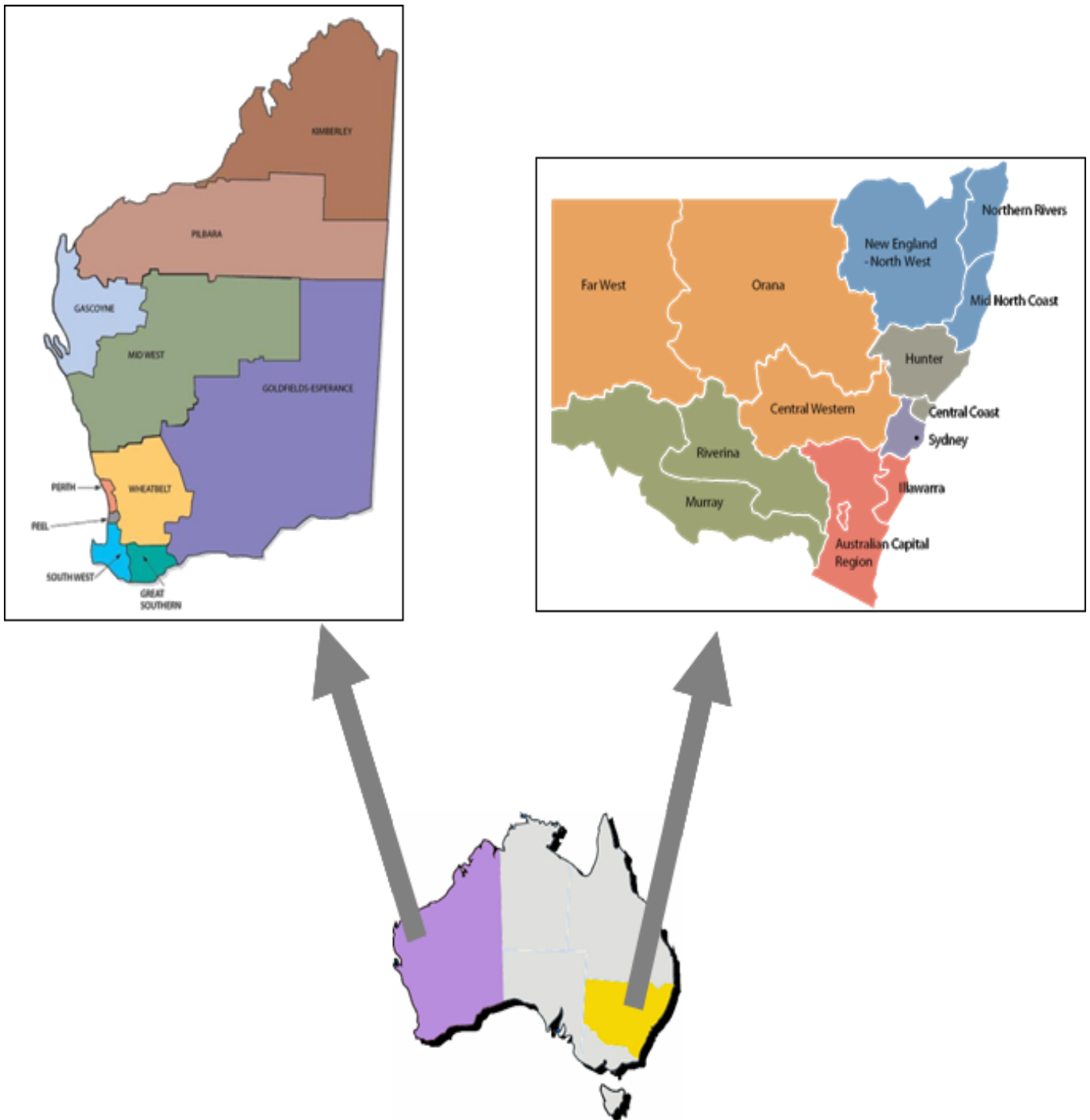
Figure 1: Western Australian Regional Development Commission regions and New South Wales Regional Development Board regions.

In each state, three boards were selected to fulfil a locational criterion: coastal, remote or agricultural. Fifty-three board members (twenty one women and thirty two men) were interviewed primarily in face-to-face semi-structured

interviews. The interviews sought the board members' reflections of their experience of regional development governance. Board members in both WA and NSW are most likely to be in the 51 – 60 year old age group, with almost half of the interviewees having attained a bachelor's degree, and 75 per cent having been on a board for more than 2 years.

This paper draws on the narratives of regional development board members of these six boards[4]. In comparing what board members observe with what academic literature and policy documentation portray as regional development there are some notable omissions from these descriptions. In this section, the disparity between the 'theory in use' evidenced by the manner in which board members refer to regional development and the 'espoused theory' stand in stark contrast (Huberman and Miles 2002, 50). There are some notable omissions in the narratives of board members. For instance, there is no mention of regional development emanating from learning regions, knowledge creation, social inclusion, technology-led development or innovation. Rather regional development is shrouded or woven in uncertainty. Where regional variations or differences between the states emerge, these are reported specifically. However, in general, there is a remarkable similarity of responses across the regions and between the two states. There are four alternative 'lived' discourses described by board members and these are depicted in the Table 1 below, with each of these discourses then being described in turn.

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[4] The narratives of board members are identified here by the use of '//' at the beginning and end of segments of the interview relating to the analysis. This approach to the recording of narratives within the analysis protects the identity of the board members and ensures confidentiality. Where a quote from more than one board member is used in describing an aspect of governance, each new board member is delineated by another set of these markings '//'.

Table 1: Espoused discourses versus Lived Version

	Discourses identified in literature review	Discourses in boardrooms of regional development agencies
1.	Self-help regional development	Regional development is incomprehensible
2.	Templating regional solutions	Regional development is a political instrument
3.	Privileging economic interests at the regional level	Regional development is business development
4.	Government should be 'steering not rowing'	Regional development is synonymous with 'getting money out of the government'

Scholarly Rhetoric Versus Practical Reality

Regional Development as Incomprehension

Our findings suggest that regional development is a difficult activity for board members of regional development agencies to describe and define. These responses portray the obscurity surrounding regional development.

> //Sometimes I think I don't know honestly, it is difficult to get your head around//
>
> //It is a very loose term, you know you can never quantify it//
>
> //I don't even know whether anybody really knows what regional development is all about//
>
> //This is a really abstract language... with local government people .. it's all about budgets and money and the people stuff just isn't talked about//

The sense that regional development is incomprehensible emerged repeatedly throughout our interviews. However, this apparent reluctance to describe regional development activities and outcomes is juxta-positioned with the board members in-depth and considered view of the community's needs within a region. It could be expected that the sense of uncertainty about the meaning of regional development is linked to population decline and decreasing employment opportunities; in effect the difficulties in stemming a tide of apparent regional decline. However, this was not the case. The sense that regional development is incomprehensible was openly expressed in both NSW

and WA across regions experiencing unprecedented population increases and booming local economies, to those experiencing various degrees of decline.

The implication of this prevailing illusion is the erosion of the capacity of the boards to establish a shared understanding of regional development. Rather meaning is entangled in the promulgation of government policy and discussion about whether to support projects for funding or not. In essence, a deeper understanding of the region's needs is sidestepped. For example, a board member from a remote area, who had been instrumental in driving a local initiative, described the frustration arising from the absence of boardroom discussion about what regional development means.

> //What regional development should be and what it could be.. I don't know … it's hard for me to know [on this board], I just know I've have been quite frustrated//

It is also apparent that in the process of appointment and re-appointment, there is movement within the boardroom of newcomers and more long-term members. A board member recounted being a newcomer to a board and experiencing resistance to explore possibilities for regional development.

> //You get people who smile and say, heh, we've been there before you got on the board mate, we've already been down all those paths//

The 'flow-on effect' is that board members struggle to settle on clear, realistic expectations of the outcomes of their activities as board members and the agency. This is shown in the following sentiments of a board member, nearing the end of a six year term on a regional development board.

> //You know, you can never quite quantify what regional development is. It is probably not really the correct term for what I perceive it to be. To get regional development first you need to know where you are going and work on the process. Whereas with a lot of things you can just generally work through a process and for instance farming, you just sow the seeds, you keep the weeds out, you fertilise it and then you have a harvest. So you just work it in that order, but we can never be sure what the end result will be with regional development…There's economic value and

quality of life value and as long as it adds value in some form, we'll call it
regional development//

The incomprehensible nature of regional development for the board members
draws into question the role of the regional development agency.

//Our role is confusing, what our real role is//

//I tried but the whole machinery of that regional board process is not
designed to produce any outcomes//

The word 'facilitation' is often used in reference to regional development for
the role of the agency and the board. Board members considered 'facilitation'
to be an obscure term employed to mean that the government would not
provide resources or take responsibility for the issues at hand. For example,
consider the following board member's response to questioning about the
meaning of regional development which demonstrates the slipperiness of the
words surrounding regional development and the role of the board in
facilitation.

//A lot of people don't have any ideas really what regional development
may be, words like facilitation can also make people go well, what are
you talking about//

The construction of a region as a platform for regional development presents
board members with fundamental challenges. Board members often struggle
to make sense of a diverse region, which in NSW is less likely than WA to
match other departmental boundaries.

//It is almost an artificial region, there is no community of spirit//

//I guess I see regional development as being a consortium of smaller
communities with similar demographics and combining to try and attract,
to improve its lot//

In sum, 'regional development as incomprehension' permeates the
narratives of board members. This sense of uncertainty does not seem
to dissipate after many years of being a board member; rather the tools

or practices to deal with uncertainty remain elusive, and other realities of board work, such as the politicisation activities, are described.

Regional Development as a Political Instrument

Embedded in the narratives of regional development governance is the 'me' discourse that the role of the individual on the board is to serve the minister, work within a political framework and to 'keep favour' for other benefits of board membership. One of the most significant benefits identified by our respondents is access to information, meetings with public figures in various regional locations, building networks and personal knowledge within the region.

Board members openly described the types of projects that were politically defensible. Projects that showcase the region were referred to as something the board *could* do; a sense of what the Board members describe a board room alert to the political process and eager to align with government and political interests.

> //Marketing is safe…. things that don't fundamentally address the structural problems in the labour market//

In contrast, larger infrastructure projects were regarded as politically less defensible. Where board members described population decline, they often prescribed investment in local infrastructure in order to attract business investment, maintain population and quality of life. For board members, services and amenities appear to be the tangible assets that demonstrate whether the town or region will survive and is *//open for business//.*However, board members described services, amenities and infrastructure as concerns that were quietened at the regional development board level because these are identified as significant expenditures entangled in other political processes and outside the purview of the boards that have the potential to place the board members in conflict with the government.

> //the private sector is telling you that unless the rail line, the freight, the ports, the airport, the key things, the roads are fixed, then there is always going to be a brake on development//

Despite WA boards being Statutory Authorities, with detailed legislation, resources and staff, a significant number of board members in WA also expressed concerns about the control of their political masters over the work of the board.

//the minister would have said, 'a' and 'b' are unacceptable, you'll come back to me with 'c' and 'd', so I can choose 'c'//.

It seems that political interference is considered 'par for the course' of this board work.

//if the minister doesn't agree, he just ignores the board's advice//.

Some board members discuss this as a fact of board life. However, when a board member's values or political party allegiance is at variance with that of the government of the day, then board members are more likely to describe political dynamics negatively and succinctly as political interference. However, such negativity on the board does not appear to cause a cessation of board membership.

Despite this political prescriptive-*ness,* a sense of resignation to being an instrument to political desires is evident in the words of many board members. For instance

> *//I still get angry and upset and thump the table occasionally and say we've got to do this or we've got to do that. But at the end of the day, we're there to advise the minister, but quite often, particularly more recently, we're being told by the minister//*

Similarly some board members report that they were required to be less proactive in certain areas and more active in other areas which were deemed possible by the minister or government departments.

> *//A number of things that we have considered as a board and tried to deal with independently, have not met with the minister's approval and we have been asked by the minister to abandon one area of interest, and*

*pursue another area of interest which is more aligned to things that he is
interested in//*

The implication of this is that some board members accept this level of prescription while others express considerable frustration at the sense of being controlled. However, the work of the boards in both NSW and WA is most likely to be perceived by board members to be proscribed by either the minister or the government department administering the board. Hence the task of 'keeping favour' is important.

*//they wanted a board that could concur with the government and make it
look as if a region agreed with whatever the government wanted to do//*

The question as to whether it is possible to influence development in the region and development of the region resonates with a significant number of the board members in locations experiencing distress from drought and population decline as well as dislocation from government services (especially the withdrawal of critical services) and a decline in 'political clout' (due to political representation). This places board members in some difficulty; to be part of an entity which is mandated by the state government to promote regional development and yet surrounded by regional decline and political incapacity.

*///I've got a cynical view of what state level politics is delivering, and that
is that they're not going to pay too much attention to the regions, there's
no vote, so that's a pretty awful position to reconcile//*

Regional Development as Business Development

NSW and WA board members most commonly portrayed regional development as business development, with business activity viewed as the central tenet of regional development. Board members in both states raised the issue of industrial diversity within their local communities. However what the regional development agencies can do to impact on business development was less clear. The practice of attracting business out of metropolitan areas continues despite being regarded by board members as a

riskier strategy than supporting existing local business. Board members commonly expressed concern about the reliance of their community on one industry since a single industry is perceived to be an employment risk. The sentiment that a region should have a stable industry and economic diversity was frequently expressed as the key to survival for regions.

> *//We have a fishing industry; we have a prawning industry; we have mining and so on, nearby. But tourism can wax and wane so much that I think we need the stable things that are there 12 months of the year to carry people, to really keep it sustainable, the economy rolling around//*

Business development in the regions was most commonly discussed as a way of 'value adding' to agriculture and mining (rather than newer industry development, like information technology and knowledge based industries). However, board members did not identify the number of jobs created in these industries. A small number of board members expressed concern that regional development activities should pursue a 'triple bottom line' meeting economic, social and environmental requirements. However the implementation of these requirements was not clearly articulated in the workings of the board. Rather economic considerations were seen to be privileged over social or environmental issues. For example

> *//Don't get me wrong, the environment is important but if we have to make a decision about environment versus jobs and economic opportunity, we will be leaning towards economic opportunity//*

In the fifty-three interviews with board members, only one board member - a Western Australian - raised the question of inclusion of Indigenous people in regional development. The omission of Indigenous people seems reflective of the absence of conversation at the policy and practice levels about who benefits from regional development activity. After all, regional development is an activity which balances economic, environmental and social needs..

In NSW, board members re-iterated that their role was to create jobs in their local communities, but frequently expressed their incapacity to affect job

creation directly. The 'tools' at the dispersal of the board were not apparent to the board members, beyond the promotion of business activities through business awards, skills audits and main street marketing program. However, the way for the boards to achieve business activity and job creation is far more uncertain. Some board members referred to the regional economy and the state or even national economy and hence the difficulty in being able to act positively at the regional level. The role of the private sector in regional development accessing ministerial support in NSW was clearly articulated as a process existing outside of the boardroom.

> //they [private developers] *go straight to the ministers when they want things done//*

The implication of the predominance of the business case in regional development is that questions of the distribution of services, sustainability, social inclusion and participation are not part of the enacted discourse. Rather the withdrawal of government services from health, education and agricultural extension are discussed as some of the forces working against development in the region, within a policy arena which seems to look to the private sector to move in to fill the gaps of service provision.

Regional Development as 'Getting Money out of the Government'

The structure of the WA regional development agencies is such that the boards typically have an amount of funding that is distributed to community-based organisations within the region. The funding available for distribution generally ranges from $0.5m to $1m. By contrast, NSW boards do not have access to discretionary project funding and work to apply for funding from both state and federal governments across a range of programs. Despite this different structure, an immersion in 'projects' or 'grants' as *being* regional development is depicted in the words of the following board member.

> //*I think of success* [of the board] *as ...being seen and actually having some projects that actually do happen//*

While the meaning of regional development has become entangled in the initiation, funding and implementation of projects, it is linked to a sense of under-achievement for a number of board members in both NSW and WA.

> //Our great difficulty, in effect, is developing projects which would lead to regional development, as simple as that//

This reliance on short-term government funded projects has become the *modus operandi* for regional development governance. The main implication seems to be that board members judge their success in terms of their personal connections to funding streams and their work becomes that of manoeuvring to gain political favour which may deliver favour in the procurement of funds.

> //all of the sudden the Department has an interest in clusters, so if you want to get some money out of the department you go for clusters//

The implication for the regions is that when regional development is obscure and incomprehensible, the appointment process onto boards is regarded as political in nature, and the business case predominates. In these circumstances, ll that a board can do is to procure funding from government and use this as a measure of its success.

Apart from demonstrating the descriptive inaccuracy of the four major regional development themes or paradigms in the literature, our findings also show that while the scholarly literature describes regional development as variously arising from a learning region, building innovation, knowledge industry and workforce (MacKinnon *et al.* 2002; Morgan 2005), this is not part of how board members described regional development in their regions, either in terms of language used or indirect inference. While the boards are primarily wedded to business development with a view to creating jobs, the process required to achieve this outcome is unclear to board members, possibly this goal is in fact unachievable (Brenner 2002; Lovering 2001; MacKinnon *et al.* 2002; MacLeod 2000). Peck and Tickell (2002, 394) attribute this to the narrow repertoire within the language of neo-liberalism, with phrases like 'place promotion', 'local boosterism' and the 'growth-first approach'.

Our findings support the work of Shortall (2004, 116) in Northern Ireland, who established that that those involved in rural development programs experienced 'a great deal of confusion about the purposes of rural development initiatives'. Board members in NSW and WA alike suggest that the illusionary aspects of regional development mean that it is difficult for regions to plan for their success, let alone achieve it. This is - as Storper (MacLeod 2000, 220) described - the 'moving target for success' in regional development.

An additional layer intruding on the practice of regional development governance is the way in which board members see developers in both NSW and WA working in a region, but managing decision-making outside of the region. Public and private partnerships were not part of the conversation with board members. Rather the private sector is seen to negotiate directly with the minister. This tension between priorities reflects what Lovering (2001, 350) calls '*de facto* subordination of regional policy making to the priorities of the central state and large scale capital'. While Morgan (1997) sees knowledge as the most strategic resource available to regions, in our work board members contend that government has grasped control of the agenda for regional development, only to 'see-saw' in and out of regions, with either prescriptiveness for the way forward or withdrawal from responsibility.

In this paper we define neo-liberalism as a 'form of meta-regulation a rule system that paradoxically defines itself as a form of *anti*regulation' (Peck and Tickell 2002, 400). In this way, the most strategic resource to regions becomes their 'political connectedness' in an attempt to match those external influences. Discussion of regional development as redistributive in income terms, in population terms, or via the impact of macro-economic growth does not occur. The overall purpose of the government-created regional development boardis simply to be seen to be doing something; a political instrument (Epps 1999; Maude 2004; Grant and Rainnie 2005). This level of control exerted on the activities of the regional development agency is

reflected in the international literature with governments often seen to be overstating the capacity of board members to influence directions (Beer *et al.* 2003a; Bentley and Gibney 2000; Hughes 1998).

According to Hughes (1998), the major inhibitor of the role of regional development agencies as innovators is that they are expected to deliver central government policy. Board members largely describe knowing that their activities are being controlled. The tension here is in *//finding things that the board can contribute to has been difficult because of the structures and the limitations placed on us//*. The government's 'steering and not rowing' approach to the regions, as described by Beer *et al.* (2005), means the boards rarely take decision-making for the regions away from government, unless this is a situation seen to be advantageous for the government to have an 'arm's length' relationship. In the enacted discourse, this is framed as the success of the agency is the amount of funding granted from government *//if you want to get money out of the Department you go for clusters//*.

Rather than the replication of regional solutions, board members contend that the political scene - the importance of a partnership with the minister – will allow more to be achieved by *//working within the system//*. However, some board members appear to be engaged in their boardroom appointment by a sense of instrumentalism, an opportunity to pursue a particular interest or political motivation[5]. While some board members describe being moved to involvement because of their altruistic commitment to their region, a sense of disjuncture between the collective human capital of the board and imposed priorities results in a feeling of underachievement in many aspects of regional development governance for those operating outside of political opportunism.

The consequences of 'knowing' about regional development as something external to the human capabilities of the board members are far reaching. It means that board members are not engaged in building a shared

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[5] In this research board members readily identified their political allegiances and aspirations for political connectedness.

understanding of regional development within the boardroom. These conversations do not appear to occur; rather meaning is attached to the funding of projects. The consequence is that boards do not have a robust hold of potential regional development meanings for their particular region; they fall beholden to external 'experts' or recognise the disjuncture between regional needs and government policy and describe their despair for the future of their region. In effect, board members are frozen out of building capacity for their own region. This is paradoxical; people who may be in a position to assist their region are in fact hamstrung by their very membership of a regional development board.

What board members learn about is their region; they travel and converse with people around their region and this is reported as an enjoyable and informative exercise. While they are learning about how the region works and meeting other people, many are aware that the work of the board is sidelined to developing the region. The notion of 'self-help' regional development is seen as an 'abandonment' of the region by government. Board members describe ministerial 'help' as directed to particular business associates and vested interests and that the job of the board *//is to make the minister look good… through that process, the big decisions in this town and the big moves were made outside of the board, not within it//*.

A significant consequence for regional communities - as identified by Nischalke and Schollmann (2005) - is that as long as the notion of what regional development is, is tightly controlled by government perspectives, then the entrenched nature of disadvantage developing in regional spaces can be disregarded and the changing economic conditions in agriculture and regional enterprises reframed to be an instance of global adjustment. Furthermore, as long as regional boundaries are dictated and artificially constructed across local, state and federal lines, board members will regard regional activities as deriving from the good fortune of personalities who are able to work co-operatively, or instances of political actors in positions to exert influence to deliver funding into a region.

If the boards' 'knowing' was to be unleashed, then the nexus of political appointment would need to be broken and the privileging of economic perspectives in the construction of regional development would need to be challenged. Dewees *et al.* (2003) have suggested that if communities were able to 'decision make' their own regional futures, then there would be engagement in research to understand the impact of different development strategies over time. One particular aspect that would elevate the boards know-how is whether 'community agency leads to better local economic fortune, or whether larger economic forces are the ultimate correlates to economic well-being' (Dewees *et al.* 2003, 203). Where board members know regional development as 'projects' established by short term funding cycles, the success of board work is judged by the procurement of funding. Board members have not been able to operate beneath this to uproot political favour in preference for the deep-seated issues of inclusion and redistribution and the role of the government in the region's future.

Conclusion

From a policy perspective, Beer *et al.* (2003b, 8) claimed that the prospect for more substantial regional development policies in Australia appeared to be 'slim' and additional funding to support development even slimmer compared to other developed economies. They argued that governments have moved away from direct involvement in regional development to a system of funding regional development agencies instead (Beer, *et al.* 2003). Since the region has been elevated as the unit for economic competition, those involved in the governance of regional development agencies are expected to work within the region to secure regional prosperity. The subtext here is that while government promulgates policy platforms, it is expected that successful regional development agencies will also align priorities to those of the government.

Our findings show that board members are limited by a sense of incomprehension pervading their boardroom experience. When uncertainty

about what difference an agency can make in a region is coupled with what is perceived to be political control or interference at the board level, board members are likely to report the boardroom experience as tokenistic. It seems that unless this reality of competing interests and political and administrative constraints are made visible, skilled and committed board members will continue to feel under-utilised in these board roles and the potential for robust regional development will be stultified. For boards to deliver good governance, the creation of an in-depth and shared understanding of regional development and the work of the board seems fundamental.

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