Re-imagining the region

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Abstract
Traditionally, regional policy has sought to intervene ‘in place’. There have been many critiques of particular policies and regional strategies, and a more sustained critique of regional policy more generally, based upon the complexity of regional processes and the relative incapacity of governments to control, or in some cases even to influence, these processes and deliver the outcomes they desire. In the 21st century, there are new and even more complicating processes – the new globalisation, greater mobility, new kinds of mobility, the increased openness of borders, rapidly shifting business models, accelerating disruption of industries and businesses by new start-ups, and distributed work – that render much thinking, strategy and policy related to regions obsolete. This paper describes some of these processes, what they mean for policy and, even more fundamentally, what they mean for the way we think about regions.

Keywords
distributed work, globalisation, mobility, policy, region, regional development, regional strategy

Introduction
Many still see regions as patches of ground onto which must be poured resources, funding and keys to advantage. They are seen as fixed (‘sticky’) places and spaces which, as spaces and places, can acquire and maintain competitive advantage. This has been the unchanging paradigm for at least two decades, despite periodic questioning, or at least discussion, of it by scholars (Amin, 1999, 2004; Harrison, 2013; Markusen, 1996; Morgan, 2004a, 2004b; Pike, 2009; Storper and Venables, 2004). Policy and strategy need to change, based on, and aligned with, a fundamentally new conception of the region as unstable, complex, relational, porous and openly networked.

We believe that much contemporary regional policy and strategy is fundamentally misconceived, and, indeed, amounts to ‘spatial fetishism’ (Morgan, 2004b). Poor thinking about regions, about what they are and how they work, is driving the way regional leaders, economic development practitioners and policy makers...
shape interventions that they believe, often wrongly or only half correctly, will alter the trajectory of regional development. The authors of local and regional strategies, as well as of the policy interventions of central governments, give little indication that they have understood and taken into account the new realities of 21st century business models, mobile resources, new industry segments, disrupted businesses and distributed work. Myths persist, indeed are embedded in strategic thinking. This is an important, ongoing issue for Australian regional analysis and for policy and strategy interventions, just as it is internationally, as endless, often unimplemented strategy documents continue gather dust upon shelves.

The problem is the world of the 21st century is a world of ever moving, as well as ever changing, parts. The moving parts include people, businesses (and business models), ideas, capital, resources of all kinds. Many policy makers now ‘get’ globalisation.1 They understand what it is, how it works, what it means. They understand that the old ways no longer work and that policy must adjust to the utterly porous borders between nations. Yet within nations, leaders and policymakers seem not to have noticed that regional borders too are now utterly porous, and that this has deep significance for how, and how much, policy interventions will work.

Much of what passes for regional strategy consists of regions seeking largesse from central governments, and regional policy consists of deciding between the competing regional claims. This unsophisticated game is played over and over again by participants who seem not to see what is going on before their eyes. Ours is an age of massive inter-regional migrations, with new forms of commuting, temporary moves, shifting lifestyles, new ways of living in families and a greater willingness to embrace the unfamiliar and unconventional. People ‘live here, work there, and spend somewhere else’.2 It is almost impossible to keep track of economic interactions and to comprehend their spatial dimensions. Economic transactions traverse both very short and very long distances. Economic impacts are no longer ‘felt’ in place in the way they used to be.

In our opinion, the theory of the relational region is on the right path to a better understanding of regions, and with it, a more realistic approach to policy. The 21st century region is one of flows as well as spaces. It is open and networked. But the networks extend across boundaries and consequently, there is continual population churn.

This article argues for a radical re-imagining of the region in the face of new economic, social, demographic and cultural realities, best summed up in the emergence of the ‘distributed world’. It is based on improved understandings of ‘region’ and ‘mobility’ and a reality check on what these understandings mean for policy and strategy. At the heart of the argument is a recognition that economic transactions occur across space and this space is not constrained by man-made regional boundaries or indeed by natural boundaries between regions that the emerging world simply ignores.

There are three new elements in play that add up to a new geography and portend a new way of thinking about and doing regional policy and strategy:

- The borderless, globalised world with its ease of communication and movement, for people, capital and ideas, appearing at precisely the same time as the knowledge economy based on increasing returns from ideas;
- Distributed world of work – new business models and, in particular, new thinking about where work is done; and
- A new mobility with more, and new forms of, commuting and radically shifting lifestyles which herald a whole new notion of place.
Neither these trends nor the thinking that analyses them are new in the current period. The trends are certainly accelerating, and the thinking is crystallising (Harrison, 2013). What is new (in our argument) is the recognition of what these developments mean for regional interventions, especially those designed to support economic development. Castells, radically at the time his work was first published, used the emergence of what he termed in the 1990s the ‘network society’ with its global ‘space of flows’ to challenge the hegemony of the nation state (Castells, 2009; Harrison, 2013). The new regionalists of the 1990s, too, saw globalisation as heralding the demise of nations and resurrecting the region (Keating, 2001; Morgan, 1997; Ohmae, 1995; Storper, 1997). We see the (very real) new space of flows as bypassing and surpassing both nations and regions as they have been, until now, understood. We see regional boundaries as now being just as irrelevant as national boundaries to many households, businesses and industries. And we see this as having consequences for regional policy, something largely ignored, or at least understood in different ways, in previous debates about regions.

There have long been arguments over the efficacy of regional (spatial, place, territorial) policy, and whether policy interventions designed to assist certain categories of people in certain circumstances should be applied to the places where they live. The argument is ongoing. Our contribution to the debate is to suggest a new threat to regional policy and its core assumptions, at least regional policy configured in the way it has been up until now.

Regional policy in Australia is largely focused on non-metropolitan regions and always has been (Collits, 2004; Collits, 2014). Yet it is non-metropolitan places in particular that have been exposed to the forces analysed in this paper. It is certainly the case that cities have triumphed in the globalised world, with new forms of agglomeration economies emerging (Collits, 2012a; Glaeser, 2011; Polese, 2009).

Regionalism has had a patchy record in Australia. Often, historically, regionalism has been associated with decentralisation movements, even new states movements. Regions are not recognised in the Constitution. As in England, they have no statutory basis. There are no regional governments. Regions suffer from problems of both legitimacy and capacity (Collits and Brown, 2004; Collits in Thompson and Maginn, 2012). They lack the power to raise taxes and they have no ability to coordinate government activities. They fall between local government, itself not recognised in the Constitution and having few powers and resources for economic development, and State governments which may or may not choose to resource region scale governance activities. And there is not the tradition in Australia (unlike, for example, the USA) of regional players collaborating to develop region-wide, self-funded and self-directed initiatives.

A borderless world: The notion of ‘region’ overturned

The concept of space and place has completely changed as a result of globalisation. The knowledge economy (based on increasing returns from ideas and knowledge, as per Romer, 1986) appeared at precisely the time that we were creating a ‘borderless world’. The coincidence of these twin developments renders regional boundaries, and perhaps the whole notion of a regional economy, obsolete in many ways.

In the borderless and boundless world, with new conceptions of place and space, we still retain out-dated notions of regional policy and regional strategy as if regions were self-contained.

We (policy makers, regional leaders and practitioners) think in parallel but contradictory ways. While acknowledging the
new geography of work and living, at the same time we still think of regions as fixed in place even though the people who live, work and invest there do not. Our movements, horizons, relations and transactions are global in scope. Where we invest, purchase goods and services, work and live is no longer confined to a ‘region’. We are merely ‘based’ in places now, and this simple word has a powerful resonance with the contemporary mobile, non-fixed world.

Traditional definitions of region and their limits

Regions have traditionally been defined as being one of three broad types – homogeneous regions, which have shared characteristics (such as climate, geography, dominant industries); nodal regions, in which all parts of the region are linked in some way; and administrative regions, which are the creations of government (Beer et al., 2003; Stilwell, 1992).

Many governments have had a particular zeal for creating (centrally) administrative regions, whether or not these created regions are really ‘regions’ in the homogeneous or nodal sense. We are all familiar with real ‘regions’. The functional economic areas identified by Stimson and Mitchell (2010) and others are clearly nodal regions. And homogeneous regions are clearly identifiable. Yet whole countries are not normally divided into natural, identifiable regions, and still governments insist on covering the nation with administrative regions as if they were wall to wall with real (economic) regions.

Yet in a globalised and in many senses borderless world, ‘real’ regions’ boundaries are not fixed in place and time. Disruptive economic changes, often occasioned by exogenous shocks, change regions and their regional boundaries as new economic activities emerge. Regions change characteristics. They often change their economic function as a result of disruption, whether in the form of exogenous shocks or endogenous innovation. Their people leave and new people arrive. They are not fixed. Yet centrally created administrative regions persist through government fiat, essentially ignoring economic, social and demographic change, their boundaries fixed despite being utterly porous and in many cases meaningless, and therefore increasingly irrelevant. Continued government funding of, and policy emphasis on, the operation of regional institutions fixed in place over time ignores mobility and change.

The new regionalism and its critics

One of the many innovations in regional development thinking, scholarship and policy in recent decades has been the so-called new regionalism (Mawson, 1997). This appeared in different forms in North America (in the form of the new urbanism) and Europe (through the global regions and regional innovation systems literature).

The new regionalism of Cooke, Morgan, Scott and Storper and others builds on the knowledge theory of regional growth. These scholars argued that regional growth is driven by dense networks of informal or ‘tacit’ knowledge. Scott, Storper and others focused on the emergence of ‘global city regions’ as growth drivers and saw regions as the building blocks of a globalised world (Harrison, 2013; Morgan, 1997; Scott, 2001; Storper, 1997).

A key dimension of the new regionalism is the conviction that ‘regions’ matter, even in the age of globalisation. This is more than simply saying that ‘place matters’, but rather than region scale activities drive the new economy. It is easy to argue the importance of city regions in the global economy, but harder to maintain the argument that ‘regions’ are more important.
than, say, firms or communities – ‘functional economic areas’ in the now fashionable language of post Blair-Brown UK regional policy. The highly contestable claim of new regionalists that ‘we live in a regional world’, that nations don’t matter but now only regions do, has always been overblown, even without considering the new mobility.

This is simply because many regions, especially those determined by central governments, are not real economic areas but administrative conveniences, and because regional boundaries are increasingly porous, and therefore meaningless.

Proponents of the new regionalism in the 1990s argued that globalisation (perhaps unexpectedly) had reinforced the economic and cultural significance of regions as nations declined in importance. In other words, the new regionalists have paradoxically actually increased its importance of ‘place’ instead of diminishing its importance. According to the new regionalists, we now live our lives in a ‘regional world’ (Keating, 1998; Storper, 1997). As McKinsey posited in the 1990s, ‘In today’s world, we find that it is increasingly regions that compete – not countries’ (McKinsey and Company, 1994; Ohmae, 1995). Or as Bruce Katz asserted, ‘today we live our lives regionally’ (Katz quoted in Wallis, 2000).

But what has really happened is that globalisation has changed all spatial relations and has unmoored ‘regions’ from their former forms and spaces. We actually live in a ‘distributed and networked’ world and this has particular and profound impacts on regional analysis, policy and strategy. Scholars were talking about this distributed world of work a decade ago (Hinds and Kiesler, 2002), yet, despite occasional debates over ‘territorial’ versus ‘relational’ regions (Harrison, 2013; Paasi, 2013), thinking about policy and strategy still remains wedded to the ‘region-as-defined-territory’ paradigm.

Cooke and Morgan (1998) wisely suggest that ‘a region is a process…not a thing’. This is true, but also limiting. The processes (linkages) that occur in, and for the new regionalists, that define regions, also occur increasingly across regional boundaries. Arguably, not only is the rate of across-regional-boundary transactions increasing, but also their importance.

The new regionalism has proven to be a major distraction, especially for nations without clearly defined regions of whatever kind (homogeneous, nodal or political).

As well as being a distraction, the new regionalism also helped to generate in the 1990s and beyond policy and strategy paradigms of regional competitive advantage. Michael Porter’s Competitive Advantage of Nations was the regional development ‘hit’ of the 1990s, and bequeathed Australia and the world the notion that ‘regions’ could create competitive advantage (Porter, 1990). Moreover, policy and strategy should be focused on creating competitive advantage. They can, of course, up to a point. But such advantage is contingent, limited, unstable and perennially at risk of vanishing as a result of the larger forces at work and the inherent practical weaknesses of regions, whatever their conceptual appeal. In an openly networked world in which mostly artificial regional boundaries (as they often are in Australia) are virtually irrelevant to mobile economic agents, spatial categories such as region assume minimal importance.

In summary, there is much to commend Walter Isard’s often quoted dictum that regions are ‘simply generalisations of the human mind’ (Isard quoted in Stilwell, 1992: 47), or Jane Jacobs’ cynicism: ‘A region, someone has wryly observed, is an area safely larger than the last one to whose problems we found no solution’ (Jacobs quoted in Katz, 2000).

This is especially the case in the post-regional world we are describing.
Territorial versus ‘relational’ regions

A new debate commenced in the early years of the new century and this debate has continued (in an on again–off again fashion) to the present (Harrison, 2013; Pike, 2009). This debate has moved thinking about regions beyond the limitations of the 1990s’ new regionalism and suggested the very themes we are now exploring. The new thinking suggests that regions might be considered as bundles of relationships rather than as mere territorial spaces, or at least, in addition to being considered in the conventional sense.

Ash Amin (2004: 33) argues in his ‘regions unbound’ thesis:

The mainstream view of cities and regions is one that continues to conceptualise them as territorial entities: local economic systems, regimes of regulation, a place called home. The continuing grip of this imaginary is odd because it has been challenged by two significant developments in recent years. The first challenge is the rise of compositional forces that are transforming cities and regions into sites immersed in global networks of organization and routinely implicated in distant connections and influences. These are changes we have come to associate with globalization, which includes the everyday transnational flow of ideas, information, knowledge, money, people, and cultural influences; the growth of translocal networks of organization and influence, such as transnational corporations, global financial institutions, international governance regimes, and transnational cultural networks; and the ripples of distant developments such as stock market swings, environmental disasters, global trade agreements, and policy decisions in powerful nations.

Paasi has contrasted traditional territorial notions of ‘bounded spaces’ to a broader and less limiting understanding of the ‘relational complexity’ of regions (Harrison, 2013; Paasi, 2013). This advances our understanding of regions considerably.

Yet the notion of relational regions itself is limiting in view of the new knowledge economy and the borderless world. The borderlessness of nations is also the borderlessness of regions, in which ‘relations’ cross boundaries within nations as well as national boundaries, in increasingly complex ways that are beyond the capacity of analysts to understand fully or governments to shape and control. The relational versus territorial debate is largely concerned with what goes on in regions. Our proposition is that in today’s world the very notion of region itself is problematic.

Functional economic regions

Another challenge to the orthodoxy of regionalism is the notion of functional economic regions, the idea that meaningful policy and strategy should be linked to actual business spatial interactions.

Recent regional policy in the United Kingdom is an example of shifting thinking in relation to ‘region’. One of the key policy changes following the election of the Cameron Government in the UK in 2010 was the termination of the Blairite experiment in regionalism undertaken over the preceding 13 years and a reset of spatial focus through the new local enterprise partnerships. This amounted to a rethinking of the new regionalism and a challenge to the 1990s orthodoxy that linked globalisation to regions and made the region the unit of policy interventions. This policy shift to a more localised approach to economic development has been a significant development.

The distributed world of work

The second megatrend that is contributing to the passing of ‘region’ as we have understood it is distributed work (Hinds and Kiesler, 2002). What does the so-called
anywhere working world mean, and mean for regionalism? Is it merely a fad, or is it here to stay and how does it affect place?

According to Wikipedia:

A distributed workforce is a workforce that reaches beyond the restrictions of a traditional office environment. A distributed workforce is disbursed geographically over a wide area – domestically or internationally. By installing key technologies, distributed companies enable employees located anywhere to access all of the company’s resources and software such as applications, data and e-mail without working within the confines of a physical company-operated facility.

This is the world of the so-called freelance economy, where agents, especially young people but not only young people, often prefer to work for themselves rather than for an employer. Not only do people now switch jobs and careers more often, and this has its own implications for mobility and regionalism, but they increasingly work for themselves. The home office, the co-working space, the telecentre, the smart hub, working on the road, these are the sites of much modern work. They need not be in offices in the city, nor in business parks. They need not be anywhere in particular.

The connectivity occasioned by smart mobile devices, powerful computing and fast broadband allowing large packets of data to be transmitted electronically and video conferencing, substantially shifts the geography of jobs and has created a generation of workers ‘on the move’. If employment is mobile, this has considerable implications for place and space, for the provision of infrastructure, for planning and for regionalism and regional policy. It will have implications or commercial office space, for downtowns, for employers. People can live where they choose, unmoored from the location of employers, at least those who are mobile can. Creating ‘local’ jobs therefore has far less meaning now.

Do we live in a regional world or a distributed and networked world? For many, the answer will be ‘both’. Yet mobile work is on the rise, albeit focused in certain sectors and certainly not universally adopted for a range of reasons (Hinds and Kiesler, 2002). The changes here are profound and reinforce the other pillars of mobility, knowledge work and globalisation that have changed the world of space. The new communities are boundless and global, and in a real sense ‘boundaryless’. They are not regional, and to the large extent that these changes involve the young, they are the likely path of the future.

The new mobility and the region

The third core part of the argument for discarding conventional notions of region and the policies and strategies to which they have given rise relates to what might be termed ‘the new mobility’.

CSIRO’s Our Future World report counts mobility as one of the five key megatrends that will influence future development, including where that development occurs (CSIRO, 2010). There has always been mobility, then, and Australia has always been a mobile society (Productivity Commission, 2014). A recent report by Canberra’s Bureau of Infrastructure, Transport and Regional Economics notes that, between 2001 and 2006, 6.6 million Australians moved. That is a third of the population. While 71% of these moves were local and mainly related to changing one’s housing, it still leaves 1.9 million who moved from one city or region to another. That is a lot. In fact, Australians move, on average, 11 times in their lives (Bureau of Infrastructure, Transport and Regional Economics, 2011).

What is new is the ever rising mobility, seen for example in the lengthening of commutes, and the new forms of mobility, seen in the whole ‘fly in–fly out’ phenomenon,
witnessed most visibly in the resources sector in Australia, but more hidden yet no less significant in other industries such as construction, and increasingly embraced by households everywhere. Traditional Australian mobility – moving home regularly and often across great distances, for work, lifestyle or trading up one’s housing – has morphed into a more complex and variegated, multi-dimensional mobility.

In terms of traditional mobility, there is massive, ongoing population churn across all regions of Australia, in cities, suburbs, regional centres and remote locations (Australian Bureau of Statistics, 2013; see below).

**Mobility old and new**

There are three broad points about mobility old and new. The first is that many people move at certain times of their lives to certain kinds of places, e.g. school leavers to the city to get education, excitement and partnered up; Gen X marrieds with children returning to rural places for the free babysitting of the grandparents; and retirees escaping from the city to the coast, having sold the house for a princely sum to help fund their increasingly long retirements. These three types of moves all might be termed ‘path dependent’. There is a limited amount that regions can do to either stop this or encourage it.

Second, many relocations are personal or related to family. One Victorian study showed that 48% of Melburnians planning to relocate to a regional setting were doing so for (mainly) family reasons, 44% for employment and only 27% for lifestyle (Regional Development Victoria, 2009). These are the ‘me change’ moves. Many Gen Xers (and others) move to be close to family. Place marketing is of limited value here. The ‘place’ is not as important in these many cases as who (for the relocator) is already living in that place. I am aware of many people who have moved to our region as a result of family connections.

Third, about half the people moving to regional locations do so for work. This was corroborated in a study undertaken in a rural Victorian town in 2009 (Collits and Schlapp, 2009). In Queensland, the boom towns in recent times are those where people are moving for work, rather than for lifestyle. Key centres in this context are Mackay and Gladstone. We may be entering a very uncertain period of ‘seachange 2.0’, where lifestyle regions (‘play towns’) lose appeal relative to ‘work towns’. This has huge implications for lifestyle regions that often rely on growing the service industries that to cater to in-migrants. It also has implications for people attraction strategies. Of course, with the plateauing of the mining boom, the work towns of Queensland may themselves have reached their economic peaks for a time. Nothing remains constant in a mobile world.

Forms and drivers of population mobility of both the traditional and new variety in Australia include the following:

- ‘Life cycle’ migration undertaken at key pivot points – young people to the city (rural ‘rite of passage’ migration), Gen X parents to rural hometowns, cash hungry retirees away from the city, divorcees;
- Second home communities where city people maintain an empty second home used for holidays in high amenity regions;
- Telework, either from home or from serviced offices or the now rapidly emerging co-work spaces or telecentres noted earlier;
- Fly in–fly out (FIFO) mining regions – ‘live here, work there’;
- Non-mining FIFO;
- Peri-urban dormitory regions/daily commute regions (with commutes getting longer as transport improves and urban footprints grow; Butt, 2011);
Sea change and tree change moves;
‘Me change’ moves designed to start a new life after some kind of trauma or break-up;
Reverse retiree migration from sea change/tree change regions;
Itinerant worker communities/short stayers;
Farmers increasingly moving off farm into town while still managing the farm;
Farmers increasingly taking off farm jobs requiring commutes;
Welfare migration to low housing cost regions and places with shorter social housing queues;
Career short-term staging post towns;
Moving to suburbs where there are good schools, e.g. selective high schools or state schools with residential requirements;
‘Gap years’ taken by intending university students;
Out shopping (‘live here, shop there’), ‘sponge cities’ and the drift from small towns to larger regional centres, if not in residential moves, then certainly seen in commutes and ‘economic’ moves;
‘aerotropolis’ cities built around mobility, for example locating near airports (Kasarda and Lindsay, 2012);
Brain drain regions, with young people’s flight to the university.

The globalised world has changed the way we need to think about regional development. We now live in a mobile world, where goods, service, people and finance move freely across regional and national boundaries (Harrison, 2013). Old categories no longer obtain. Old policies no longer work. Understanding this change and translating this understanding into effective policies will be critical in creating the productive Australia that is needed to support a growing population. The key is to make mobility work for the nation, for example through infrastructure policies that connect regions and businesses.

Who moves, where and why? This is a vastly under-researched area, which is surprising given we have governments who claim to be interested in regional development and given that people attraction has become one of the main ways regions seek to grow jobs and investment. It is even under-emphasised by researchers. Our politicians and many others tend to focus on ‘place’, on where economic activity occurs. But economic activity is a moving feast (literally), unconstrained by a person’s location or by local government or indeed regional boundaries.

Mobility is also poorly understood by many. We all now understand globalisation in terms of the way it has altered the notion of the nation state. But within Australia, we live in a mobile world as much as in a regional world yet the impact of mobility on regions as spaces and the efficacy of regions as policy foci is far less well understood and little discussed.

Borderless, mobility-based policy might mean emphasising connectivity which in turn might mean spending on infrastructure that is actually built outside the region (for example building).

A case study in mobility: Population turnover or ‘churn’ in an Australian coastal region

Hervey Bay in Queensland is a good case study of mobility and churn. Hervey Bay was easily the fastest growing coastal city in Australia between 2001 and 2009, with an astonishing average annual growth rate of 5.1% (this has changed more recently, with recent ABS data showing a mere 0.3% growth in the year to June 2011). Between 2003 and 2008, over a quarter of Hervey Bay’s arrivals were over 60 years of age. Forty-four per cent of new arrivals in coastal cities came from the capitals.
Only 21% of coastal city new arrivals were aged 21–35 (Bureau of Infrastructure, Transport and Regional Economics, 2011). There is evidence there may be a ‘new mobility’ emerging, a far greater willingness to ‘live here and work there’, just as we now also ‘live here and shop (online) there’. Commutes are lengthening, we move to temporary accommodation in other regions, we plan short work stays in places, we follow the work and seek financial security without being so wedded to place, we access the city labour market while living out of town. All this is occurring for a number of reasons – because of the emergence of more complicated family arrangements, the fragility of regional economies since the GFC (and the need to move in order to obtain work) and the substantial and rapid increase in short-term contract work in the economy generally. All these things make for far greater upheaval and mobility.

The Australian Bureau of Statistics brought out an interesting report in January 2013, the second of its kind, *Perspectives on Regional Australia – Population Growth and Turnover in Local Government Areas 2006–11*. It charts not just population growth but also the number of people who come to, and leave, each LGA (Australian Bureau of Statistics, 2013) (see Table 1). Many will be surprised at just how much ‘churn’ (flow, or turnover) there is, even in areas that, on the surface, appear to have stable populations with not much overall growth or decline.

Looking at the Fraser Coast region in Queensland as an example, the ABS found that the population grew between censuses from 84,339 to 95,310, at a rate of 2.5% per year. This is very good growth. The region had 20,054 new arrivals. That is a lot. But the region also had 12,233 people leaving. That too is a lot. In all 32,287 people either were in the region in 2006 then left or were not in the region in 2006 then came. This is around a third of the population of Fraser Coast ‘turning over’ (Australian Bureau of Statistics, 2013).

Is this a larger population flow figure than the 2001–6 period? It is not, despite the economic downturn in this region and in many other regions.

Then, the region had different local government boundaries, involving Maryborough and Hervey Bay. In

<table>
<thead>
<tr>
<th>Local government area (state)</th>
<th>Type of region</th>
<th>2011 population count</th>
<th>Population flow (in plus out)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ballina (NSW)</td>
<td>Coastal/retiree</td>
<td>39,272</td>
<td>13,655</td>
</tr>
<tr>
<td>Gosford (NSW)</td>
<td>Peri-metropolitan/</td>
<td>162,439</td>
<td>43,223</td>
</tr>
<tr>
<td>Wagga Wagga (NSW)</td>
<td>Inland regional centre</td>
<td>59,459</td>
<td>19,101</td>
</tr>
<tr>
<td>Armidale (NSW)</td>
<td>Rural university town</td>
<td>24,105</td>
<td>10,076</td>
</tr>
<tr>
<td>Bendigo (Vic)</td>
<td>Regional city</td>
<td>100,617</td>
<td>24,134</td>
</tr>
<tr>
<td>Southern Grampians (Vic)</td>
<td>Rural service centre</td>
<td>16,361</td>
<td>4523</td>
</tr>
<tr>
<td>Barcaldine (Qld)</td>
<td>Outback service town</td>
<td>3215</td>
<td>1421</td>
</tr>
<tr>
<td>Fraser Coast (Qld)</td>
<td>Sea change/retiree</td>
<td>95,310</td>
<td>32,287</td>
</tr>
<tr>
<td>Whyalla (SA)</td>
<td>Regional industrial city</td>
<td>22,089</td>
<td>5211</td>
</tr>
<tr>
<td>Busselton (WA)</td>
<td>Coastal mining fly in-fly</td>
<td>30,331</td>
<td>11,033</td>
</tr>
</tbody>
</table>

Maryborough, the population grew from 24,033 to 25,701, an increase of 1.4% per annum. A total of 5678 new people came and 5044 left. This made for a population churn of 10,722. For Hervey Bay, the population grew from 41,484 to 52,219, or a staggering 4.7% per year. A total of 16,369 new people came, while 7806 left. This added up to a population churn of 24,175. Adding the two, the region received 22,047 new arrivals, and 12,850 people left, making a flow of 34,897 (Australian Bureau of Statistics, 2012).

This phenomenon of churn is repeated in local government areas all over Australia, in cities and regions, in low population growth areas and in high population growth areas. Some places are more prone to churn, like mining areas and inner cities. Others, like older outer suburbs of cities, are more stable. But there is substantial churn everywhere.

What the Fraser Coast population churn figures do not tell us is who is coming and leaving, and why, but we can guess. Many people come to the region for retirement, of course. And young people leave to go to the city for the ‘three Es’ – education, employment and excitement (Collits, 2007). These things easily explain both arrivals and departures. But something else is going on. A large number of people come to the region for employment. As a regional area, the Fraser Coast is not a ‘career escalator’ like cities are. Cities build people’s wealth through greater opportunities for career escalation, the better chances of creating high dual incomes and likelier large capital growth through housing investments. Moreover, the Fraser Coast, like many regional areas, has been through a prolonged and severe economic downturn. So many people have left to obtain work elsewhere, for example in construction.

Regional economies are fragile, and this fragility leads to increased mobility. So too does the ever increasing casualisation of the workforce (there is less tenure in employment and far more short-term contract jobs); the increasing premium placed on tertiary education (more now are leaving to go to university) and growing family breakups and less commitment to lifetime relationships. All of this, we think, adds up to a greater propensity to move.

As noted earlier, a lot of mobility also comes from life-stage moves triggered by events such as completing school, buying the first property, having children and retiring, and also from a widely shared desire to live near family or friends. These forms of mobility are to be expected, yet workforce and social changes are increasing our mobility. Added to this, though, there now seems to be a new set of triggers for mobility, less predictable and more related to the changing economic fortunes of regions.

Regions are, therefore, increasingly at the mercy of individual decisions about location, and these are fed by the state of the local economy and the capacity of places to provide a platform for wealth creation.

What does all this mean for regional development and for Australia’s demography? What, if anything, can communities and regions do to reduce churn, in particular, to retain the new people who come? And what does continuing churn do to a community’s social capital, propensity to collaborate, desire to invest, and so on?

There are two ways of looking at high population churn. One is, to use a phrase often used by wool growers, that a certain ‘hybrid vigour’ enriches local economies and communities, providing new ideas and innovation as well as a desire to get involved in the community. The other is that it is hard to create the social capital we need for our communities with such high turnover. Potentially, it is hard for newcomers to find the way into a community so as to be able to contribute collaboratively. Does this
mean that the place ends up being ‘run’ by a relative few who, consciously or not, exclude those who might otherwise make a valuable contribution. It is likely that in rural communities in-migrants value civic opportunity highly.

In summary, demographic mobility has important consequences for communities and regions. We are a highly mobile country, and the evidence (outlined in the table) suggests that mobility is increasing and is diversifying. More than ever, it makes little sense to think of regions as static places whose economies and populations are set in situ. The implications of this for regional policy are discussed below.

**The new world, policy and strategy**

What does this new world of knowledge businesses and industries, global flows and connections, anywhere work and mobility mean for local economic development? For regional strategy? For policy?

Are the new trends megatrends that will define the future, or merely early 21st century flavours of the month that will pass, leaving our traditional conceptions of space and place largely unaffected? For example, despite globalisation, national borders, cultures and policies are important. And despite distributed enterprises and work, city cores still contain skyscrapers full of traditional corporations and offices. And despite population churn and new and unconventional movements, most people still live near their jobs. Are we exaggerating this new world?

We argue that these trends described earlier, in their combinations, are new, growing and significant. In particular, they mean that traditionally defined regions anchored in space with fixed boundaries are now obsolete. (There may be an argument that administrative regions were never accurate reflections of their economic and social communities of interest, but that is another matter.)

Borderless, mobility-based policy might mean emphasising connectivity which in turn might mean spending on infrastructure that is actually built outside the region (for example building additional airports in core cities that will help periphery economies).

A larger question for policy and strategy is to ask afresh who benefits from local economic development interventions and where they live/work/spend/invest? In view of online shopping, emerging lifestyles that embrace ‘live here, work there’, direct foreign investment flows, overseas interests buying up the farm and investing in housing and commercial ventures, with or without local partners, it is far from clear now who benefits from interventions at the local and regional scale, and even whether the direction of the benefits (and costs) of these interventions can be established.

**Persistent, poor policy and strategy thinking in new times**

Regional development might be defined as follows:

The deliberate attempt by government (at any level) and/or regional actors to influence regional outcomes, either in relation to the economy, the community or the environment, or all three, with varying objectives that generally relate to some notion of ‘regional well-being’. (Collits, 2004: 4)

The key phrase in the context of the current argument is ‘regional outcomes’. Typically these mean outcomes-in-place, however this is defined in terms of spatial scale. The desired outcomes of spatially targeted policy interventions of this kind are that they are experienced ‘in place’. It is our contention that, whatever the efficacy
of place policies in earlier times, most of them they are no longer effective. Earlier policies were often correctly criticised because they were futile in the face of bigger forces, and increasingly complex forces. But now the whole notion of space interventions faces what are, in many cases, insurmountable odds. Yet most policy makers, regional leaders and practitioners, while they recognise that the world has changed, have not come to grips with the fact that this means that many of the old activities will now simply not work, and are therefore futile.

Some policy interventions are more effective than others. This is still the case. Yet, more than this, the emergence of the mobile world means that much place-based thinking and many regional policies and strategies are now obsolete. Here are some examples:

(1) The attempt to achieve spatial equality of outcomes among regions, as measured by the incomes of residents, or their wealth, or gross regional product, or employment growth, or unemployment rates.

(2) Corporate welfare for regional firms deemed significant to the local economy, in particular, paying subsidies to multinational firms (or to any firms) to remain in business in a particular location (especially manufacturing firms in rural locations), in order to keep people in employment. The recent debate in Australia in relation to paying a substantial government subsidy to a subsidiary of Coca Cola Amatil, SPC Ardmona, to remain open for business in the rural Victorian centre of Shepparton, is a case in point.

(3) The pre-occupation of many regional actors with creating ‘local jobs’, experienced especially in commuter or dormitory regions. But local jobs will increasingly be a thing of the past. ‘Jobs’ themselves may become a thing of the past as short-term contracts lead to a freelance economy.

(4) The policy focus since the early 1990s on geographic clusters. But business to business deals occur at all spatial scales and across great distances in a global market. Global supply chains have often superseded more localised supply chains or at least operate alongside them. Should we privilege proximate clusters over long distance clusters (and their local elements)?

(5) Thinking that better connective transport infrastructure will help one’s region while failing to recognise that it will be easier to leave the region as well, to spend or to engage in business elsewhere. This is precisely what has happened with so-called sponge cities and out-shopping, a good case study in the impacts of mobility.

(6) Getting a university for one’s region. But universities are going online, following a distributed model, breaking out of geographic confines. Opening a campus in one’s region will not provide local people with all the higher education programs they want. Young people will always leave regions even if there is a local campus. Having a local campus will not, either, necessarily lift local education standards as these are driven by many factors.

(7) Attempting to lessen commuting, a common strategic aim of commuter belt regions like the Central Coast of New South Wales. Commutes are getting longer and becoming more varied, flexible and complex, as noted earlier. Stopping commuting means stopping mobility, a forlorn hope. This strategy is also often combined with regional pleas for better linking infrastructure for the region, the achievement of which would assuredly only increase the number of commuters in the region.
These are common, but ultimately misplaced, regional policies and strategies. Yet there is one that is more misplaced than most, especially in view of globalisation, distributed work and general economic mobility. This is the regional pre-occupation with ‘getting stuff’, in particular infrastructure, that is located in the region, in a national competition for government largesse with other regions, and especially with the city, as described in Judith Brett’s essay ‘Fair share’ (Brett, 2011).

**Bastardised regional policy and strategy**

There is long and unhelpful tradition in Australia of seeing representative democracy as a geographical competition for government support, especially in relation to regional Australia. From the inception of the Country Party (now called the Nationals) until the recent and current spate of ‘rural independents’, there has been an enduring philosophy of obtaining a ‘fair share’ for the regions. At its most potent, this approach favours making regional electorates marginal in order that elections will become a Dutch auction of spending promises, to the so-called benefit of regions. Whatever the consequences of this style of regional politics for the national economic interest, such an approach is a distraction from effective regional development policy at best, and antithetical to it at worst. It encourages a mendicant mentality in regional Australia, which sees government as the only solution to regional decline or to the impacts of exogenous shocks. Such an approach to regional policy is especially out of place in the age of globalisation, knowledge industries, anywhere work and the new mobility, and is the very worst example of obsolete regional policy thinking. Yet it is the norm for Australian regional politics.

The most recent outbreak of ‘fair share’ regional politics occurred at the 2013 election, in particular the campaign in the Victorian rural seat of Indi run by independent Cathy McGowan. In this version of democracy, the role of the parliamentarian is to ‘get stuff from Canberra for the electorate’. There are various euphemisms for this, like getting Canberra to ‘take us seriously’ or to have Canberra ‘listen to us’ or ‘giving the electorate a voice’ in Canberra, and so on.

If it is not regions (electorates) playing this game of fair share, it is industries. The story is played out also by community groups who rely on government funding. This is the world of vested regional interests, or in contemporary parlance, ‘stakeholders’.

This bastardises democracy itself, turning it into a vote buying exercise where those with the loudest voice, or the savviest social media skills, can mobilise ‘voice’ to, basically, bid up the cost of government. Each group must make the argument, ever louder, that if funding for such and such is removed, the whole world will cave in.

This approach perverts, indeed corrupts, real regional development; fosters a ‘we was robbed’ culture in regional Australia; reduces the will of regional people to develop their own solutions to their regions’ challenges; ingrains a mendicant view of regional development and distracts regional development players from their key task of building in each region a flourishing culture of innovation and entrepreneurship open to the mobile and connected world.

Turning regional policy into a mere process of distributing funding shares diminishes creative thinking about the big questions of regional development – What are we trying to achieve? (or, what is the problem we are trying to solve?) Who is responsible for regional development? What drives regional growth and decline? What works? What are the things that we, locally, can influence?

Under this regime, regional developers spend much of their time applying for
grants from government. This leads to a perpetual game of ‘funding funding funding’. The competition for public resources, fighting over shares of the pie, merely takes regional leaders and practitioners away from the real game of growing the regional pie.

As well as the bastardising of regional policy, and more importantly for the argument here, a competition for the funding of ‘places’ ignores the reality of globalised and connected firms and households, distributed work and distributed firms, and increased mobility. Funding a ‘place’ may not help the people who actually live there, since residents may work elsewhere; workers there may live elsewhere; ‘local’ firms may be owned by interests outside the region, possibly on the other side of the world; the people who live and work there might spend their incomes in other places; children schooled there will probably leave; and there will be at least a quarter and possibly a third of the population in five years’ time that are not there now. In a distributed world, the beneficiaries of regional policy may be located a long way from where the intervention occurs.

What good regional policy and strategy might look like now

Over the last two decades, the world itself has changed, in ways that are mostly familiar to regional developers but no less significant for their familiarity. Yet while scholarly and policy thinking has evolved – much of it prompted by the onset of deep and broad globalisation – it is clear from the project that policies and strategies have not kept pace with the emergence of the openly networked world, a world of accelerated change, globalisation and new technology.

Now we have the mobile world, not the regionally bounded world. This new world is characterised by flows and networks as well as porous boundaries and the move to informal, self-organising networks. Ed Morrison of Purdue University suggests the best regional development strengthens cores and linkages, and does not focus on boundaries (Morrison, undated; see below). Yet much of the regional development policy and strategy effort in Australia wrongly focuses on boundaries and on institutions that are defined by boundaries, and, typically not on the boundaries of functional economic regions.

The mobile, borderless, distributed world need not mean the end of regional policy, but surely requires it to be radically reconfigured. Good regional policy, and more importantly, regional strategy at the local level, should consist of the following:

- Recognise that the world has changed;
- Understand how it has changed;
- Move beyond the world of static regions fixed in space and time;
- Focus on connective infrastructure;
- Strengthen nodes; ignore what are largely artificial boundaries;
- Take advantage of proximities;
- Facilitate all forms of mobility, whether of people movements, movements of goods and services or, especially, movements of ideas;
- Open regions to the world and to other regions;
- Welcome disruptive regional change as the norm in 21st century economies, or at least not expend public resources trying to stop it (for example by providing subsidies to ailing firms in rural locations in order to preserve the status quo);
- Don’t waste time on strategies for ‘resilience’ or economic ‘sustainability’ but strengthen ecosystems to enable regional players to deal better with change;
- Learn the lessons of localism, UK regional policy and support for real economic regions rather than for administrative constructs that lack real power;
Map functional economic areas and regions in order better to understand the transactions, partnerships, linkages, networks, collaborations and movements that now drive regional economies.

Regional bodies like Regional Development Australia committees largely exist to be siphons for the funding of infrastructure for regions by central governments. Central governments should not fund regional bodies just to exist. Rather, functional economic areas at various scales should be encouraged to create their own, self-funding bodies and they should be empowered to act in ways that strengthen their regions’ adaptive capacity. Their focus should be on creating and nurturing networks and linkages between regions, especially between cores and peripheral regions.

In our opinion, decentralisation in all its forms, whether of people or of government agencies or of universities (a current favourite) or of firms, should be quietly forgotten. Decentralisation is unlikely ever to occur in practice in Australia in view of the strong, diverse and ongoing forces of agglomeration, and is therefore a policy distraction; it has never been able to find effective policy instruments for its successful implementation; it is expensive when successful; and it is seen as undermining one of Australia’s great competitive advantages, its economically diverse, globally connected, knowledge producing, productive capital cities (Collits in Martin and Budge, 2011).

New way regional policy – ‘strategic doing’: Strengthening cores and linkages, ignoring boundaries

The emerging notion of the openly networked region and of the growing importance of collaboration, both as a driver of regional growth and a regional strategy, is a central element of a relational notion of region. Such an approach to regionalism has taken on new forms in regional development practice, with a new focus on ‘collaborative advantage’ that moves beyond Porter’s 1990s paradigm on competitive advantage rooted in place. Collaborations can be local or global, across distance, and they ignore boundaries, whether organisational, regional or national.

This is a foundational argument underpinning Purdue University’s development of ‘strategic doing’ as a regional strategy (Morrison et al., undated) and of its rejection of traditional strategic planning as an approach to regional development. Strategic doing embeds implementation in regional action and builds collaboration in order to co-create value.

Strategic doing is a methodology developed over some years by Purdue University’s Center for Regional Development and honed during the US ‘WIRED’ program that commenced in 2006. It is highly relevant to the conviction that many of the problems of regional governance in Australia stem from regions’ inability to implement strategic planning processes and the stasis and subsequent cynicism that this produces. The approach is also ideally suited to the emerging regional world of open networks, complex development drivers, fluid institutions and open regions.

Purdue’s approach talks about ‘second curve thinking’, derived from its conclusion that the first curve of economic development, based on the prosperity S curve of our grandfathers’ economy with its vertical business models has peaked, and that a second curve is now commencing based on network business models.

Second curve thinking suggests that ‘the next generation doesn’t care about boundaries’. Network thinking focuses on cores, not boundaries. In other words, the geographic boundaries and sectoral boundaries will inevitably be crossed in undertaking deep regional collaborations.
Strategic doing provides a practical methodology for regionally located actors to embrace the networked world.

**Conclusions**

Regional (place, spatial, territorial) policy seeks to solve problems that have a spatial dimension ‘in place’. Rather than moving people to a solution, it seeks to bring the solution to them where they live. It responds to ‘stickiness’ rather than ‘slipperiness’. This paper has posed the question whether regional policy has outlived its relevance and usefulness in an era where very little is fixed in place, in an era of mobile resources and constant change.

Regions have wrongly been seen as fixed assets which lend themselves to propping up with government support, like industries in the old era of protection. Regional policy became a political game of dispensing ‘funding’ to support all sorts of activities, from community halls to major infrastructure works. The political contest became one of which party promised the most dollars to ‘regional Australia’. Regional strategy became a game of regions competing to get the attention of government and to get their hands on government dollars. Indeed, often regional actors implore the stakeholders in their regions to become more unified because they will be more effective in getting the attention of central governments.

Walter Isard was right (quoted in Stilwell, 1992). Absent regional government in Australia, and lacking real region scale decision making and control over resources, regions have become mere political conveniences, mired in old world policy thinking while the world has moved on. Human interactions across space, whether economic, cultural or social, occur at all sorts of scales and over short and long distances. They are both face to face and virtual. They often do not go as far as their region’s boundaries. And often they cross them. Typically, they ignore them.

This all suggests policies and strategies that strengthen nodes and connections, that recognise and strengthen functional economic areas and that focus far less ‘regions’ as we currently recognise them.

Whether through centrally conceived policies or through strategies conceived at regional or local scale, 21st century approaches must accept and work with emerging trends and act upon this. In particular, policy should encourage, not limit, mobility.

To be specific, infrastructure spending should emphasise connectivity. Supporting industry sectors in place should give way to strengthening connections and collaborations among firms, whether or not those firms are geographically clustered. Firms should be the locus of policy attention, and especially start-ups and ‘higro’ firms, not just SMEs generally. ‘Born globals’ that are being nurtured through co-working spaces and accelerator programs are the hope of the new economy and are already known to be the big job creators. Policy should shift to these. Regional innovation systems must be placed in a wider context of globally linked value chains. Attracting firms, the 20th century mode of regional policy, must give way to attracting ‘investment’, itself mobile and unstable.

A focus on league tables that measure regional competitive advantage should give way to a greater understanding of the reasons for regional indicators good or poor, and a far more sophisticated approach to addressing these.

Moving away from regional policy that is a reward or compensation for remoteness or lagging economic status might see infrastructure that is attuned to connectivity rather than location. In this way, supporting infrastructure in urban regions might do more for rural development than placing infrastructure in situ. Badgery’s Creek
Airport (Western Sydney) and better rail freight generally are two examples. These will not encourage decentralisation, but will certainly help businesses in getting their products to markets.

Strategic planning (for hierarchical systems) must give way to strategic doing for openly networked regional economies, with policy instruments that help regional actors, especially boundary crossers, to ‘link and leverage’ opportunities. Moving beyond the rhetoric of collaboration and innovation is critical in order to achieve practical outcomes. Providing continued funding to organisations that merely do politics and provide ‘voice’ to regions is mistaken. Regional ‘doers’ and ‘civic entrepreneurs’ are the actors who must be nurtured, not regional bodies that manage up to central governments and that merely compete with other regional bodies for a share of the shrinking cake.

In summary, policies must support the rapid movement of ideas, dollars, people goods and services, even (especially) where these cross the often artificial regional boundaries typically created by governments in an earlier age. Approaches that accept new paradigms and especially the new mobility will be infinitely more successful than those which do not.

Regional fetishism is part of the problem. It is a handbrake on good policy and strategy, and must be dispensed with.

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Notes
1. Globalisation is the rapid proliferation of crossborder production, trade and investment activities spearhead by global corporations and international financial institutions that facilitate the emergence of an increasingly integrated and independent global economy seeking to maximise financial returns (Yeung, 2002: 289).
2. An excellent example is the many FIFO mining operations in Australia (see Perry and Rowe, 2014, this issue).

References


