

The Regional Economic Development Paradox: Policy Order and Complex Practice

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ABSTRACT

Regional economic development, in its various guises, is deployed throughout much of Australia. Whilst it remains a contested activity, conventional wisdom extols the need to embrace complexity, whilst simultaneously imbuing order and control. Insights from the literature reveal that regional economic development organisations are often the primary interface between government and regional socio-economic systems – two highly dynamic and multidimensional, yet opaque, operational landscapes, characterised by interactive network relationships across place and time. Derived from an analysis of the Regional Development Australia Northern Inland Committee, we find that regional economic strategies may tend to reflect a bias towards structured processes, transactional relationships and hierarchical decisions, which eschew practical complexities. We identify some striking future risks for regional development if extant practice continues as we seek to contribute to a richer understanding of the complexity that confronts economic development policy-makers.

DISCLAIMER

The views expressed in this paper are those of the individual authors and do not necessarily reflect the views of their respective institutions.

INTRODUCTION

Regional economic development is an evolving policy field as it responds to new social, economic and environmental opportunities and challenges (Pugalis and Gray, 2016; Stimson, Stough, & Roberts, 2006). As a highly politicised policy domain it takes different shapes and forms over time; moulded by the interests, ideologies and power dynamics between different constellations of actors interacting in, through and across particular places. In spite of a chequered history in Australia, where ‘successive governments at the federal level have shied away from committing significant resources to regional development’ (Pape, Fairbrother and Snell, 2016, p. 913), regional economic development, in its various guises, is deployed throughout the majority of the country’s diverse landscape – notably although certainly not exclusively through the Regional Development Australia (RDA) program – although a shared understanding is lacking (Regional Australia Standing Council, 2013). Even so, extant literature, such as the definition provided below by the Institute of Economic Development

www.ied.co.uk/images/uploads/A_Definition_of_Economic_Development_1.pdf, indicates that regional economic development is generally considered to refer to:

A set of policies and actions designed to improve the performance of a spatially defined economy for the benefit of all residents.

Such definitions and interpretations of regional economic development reveal the dual objectives of economic growth and social equity, which are not necessarily complimentary, and also demonstrate the interactions between attaining policy order in the face of practical complexity through seeking to 'define' spatial economies.

Whilst regional economic development remains a contested activity, conventional wisdom extols the need to embrace complexity, whilst simultaneously imbuing order and control. To embrace and *work with* complexity, those leading and practicing through regional economic development organisations (RDOs) must navigate intricate spaces and networks at the interface of two complex systems: evolving government systems and transforming regional socio-economic systems. In terms of evolving government systems, witness new modes of service delivery, fiscal tools and accountability frameworks as well as more collaborative modes of and networked-based forms of governance and partnership working, which are deemed to marshal diverse capabilities and facilitate the co-production of services.

Changes to regional socio-economic systems are also altering the performance of regional economic development, including changing industrial production, the ongoing decline of manufacturing as a share of the regional Australian economy, and entrenched patterns of uneven development. In terms of the latter, recent research suggests that the further an Australian lives from metropolitan areas the less income they will have (except in mining dominated remote areas), they will have on average worse health outcomes and suffer more from mental health issues (Commonwealth of Australia, 2015).

To confront these complex system changes the twenty-first century economic development practitioner is often expected to exhibit a wide range of skills to help navigate multifaceted processes (e.g. institutional, political, financial etc.), and to broker and facilitate sustainable regional economic development. Consequently, economic development practitioners are expected to be dexterous, nimble and resourceful; influencers, networkers, brokers and facilitators; business savvy and versed in government processes; ethical and accountable; knowledgeable (in a codified and place-based sense); boundary-spanners and collaborators; strategic and politically sensitive; and understand what works, why and where, as well as what does not. The onus is, therefore, on economic development practitioners through institutions, such as RDOs, to be agile, flexible and responsive to multifarious changes; expressed through the notion 'fleet-of-foot' (Pugalis and Townsend, 2013). Making sense of and 'managing' such complexities is a major public service challenge, but is particularly acute in regional development.

The ambit of this paper is to investigate what we refer to as the regional economic development paradox, which attempts to instil policy order in the face of complex practice. The research is intended to inform contemporary debates concerning the efficacy of RDOs and, specifically, the RDA Committees, which are in the midst of an independent review. New South Wales (NSW), which has a long history of regional economic development policy, which can be traced back to at least the 1940s, provides the setting for empirical analysis. Over more recent times the NSW Government Office of Regional Development has utilised 13 Regional Offices, staffed by Business Development Managers to help facilitate regional development (NSW Department of Industry, n.d.). Conversely, 14 RDOs, known as RDA Committees, which are administered by the Commonwealth's Department of Infrastructure and Regional Development, are intended to provide regional economic

leadership (Commonwealth of Australia, n.d.). The New England North West Region of New South Wales Australia, located inland between the state capital cities of Sydney and Brisbane, provides a case study to investigate the interface between government and the regional socio-economic systems as we examine the role of the RDA Northern Inland (RDANI) Committee.

The research approach passed through four key phases. Firstly, a review of scholarly literature about regional development in Australia and complexity was undertaken to help situate the study in a broader theoretical context. Secondly, the Regional Development Australia Northern Inland was selected as a case study for two reasons. First, the literature indicated that the 14 RDA Committees in NSWs share commonality of organisational structure and priorities. Given the aim of this article, one RDA Committee was considered sufficient to highlight the influence of the single phenomenon (Gerring, 2004) of complexity and its potential influence on organisational structure, strategic planning and performance. The case study approach was used to provide a boundary for analysis and to increase our understanding of social problems (Gomm, Hammersley and Foster, 2009), which in this instance was the future challenges faced by RDOs. Thirdly, empirical material from RDANI was analysed according to the conceptual perspectives identified in phase one. Fourthly, the complexity conceptual framework was applied to RDANI as an organisation to identify key new insights.

The generalizability of the findings are limited because of the single-case study (ibid). However, some generalisation can be made because RDANI shares common organisational design, stakeholders and operational environments with 14 other RDA Committees in NSW, and has some commonality with the 54 other RDA Committees in Australia. Our findings indicate that RDO strategies tend to reflect a bias towards structured processes, transactional relationships and hierarchical decisions, which eschew practical complexities. We identify some striking future risks for regional economic development if extant practice continues as we seek to contribute to a richer understanding of the complexity that confronts economic development policy-makers. The remainder of the paper is organised into four sections. First we consider the nature and purpose of RDOs in view of complexity theory. In section two we contextualise the case of the RDANI Committee, briefly reviewing key socio-economic, geographic and institutional features. This is followed in section three by an analysis of processes intended to navigate complex systems whilst simultaneously attempting to impose policy order. We conclude the paper in section four with some brief remarks.

CONCEPTUALISING REGIONAL DEVELOPMENT ORGANISATIONS IN AN AGE OF COMPLEXITY

The practice of regional economic development in Australia has been and remains institutionally and operationally complex, and involves a multitude of actors from different civic, economic and social spheres (Collits, 2008). Similar to trends in other States and Territories of Australia, and consistent with some international experiences (e.g. English regional development; see Pugalis and Townsend, 2012), regional development policy in NSW has ebbed and flowed as it has been found to be in (political) favour and out of (political) favour at various junctures since the twentieth century. Beer (2007, p. 131) argues ‘that regional development in Australia is hampered by the outcomes of our system of federalism, by political ideologies grounded in neo-liberalism that are wary of direct interventions in regional economies, and by an emphasis on short-term political responses, rather than longer term strategic interventions’.

RDOs can be conceptualised as institutional entities that are established, mobilised and deployed to oversee, lead and/or implement regional development strategies (NSW Department of Industry, 2015), regional action plans (Department of Premier and Cabinet,

2012) and regional growth plans (NSW Government, 2016) These institutional arrangements are continually being reconstituted (to greater or lesser degrees); shaped, for example, by (competing, complimentary and coevolving) actor interests, and changing spatial, economic and political conditions. RDOs are, therefore, constellations of diverse policy networks: ‘more or less stable patterns of social relations between mutually dependent actors which form themselves around policy problems or clusters of resources and which are formed, maintained and changed by a series of games’ (Klijn, Koppenjan and Termeer, 1995, p. 439). Whilst these are often comprised of the ‘usual suspects’, including political and economic elites, more marginal actors (i.e. those outside of the political and economic elites) can also be influential (Pape, Fairbrother, and Snell, 2016). The nature of these institutional arrangements performs a powerful role in shaping understandings of economic development (Douglas, Carson and Kerr, 2009). Thus, whilst the organisational forms of some RDOs can appear bounded, they tend to function in a relational manner as patterns of social relations are (de)stabilised.

State and federal governments have preferred ‘independent’ RDOs over multi-level governance vehicles, although these independent entities have often struggled to engender local influence and commitment (Beer *et al*, 2005). However, not all RDOs are state endorsed or sponsored, and their variegated institutional forms, include informal networks, soft spaces of governance and fleet-of-foot partnerships as well as ‘official’ government entities and statutory bodies. Based on the results of previous research, which identified over 1,000 RDOs operating throughout Australia (Beer and Maude, 2002), this quantum suggests that the RDO has been an important policy tool within the broader landscape of Australian regional development. Insights from the literature reveal that RDOs are often the primary interface between government and regional socio-economic systems¹ – two highly dynamic and multidimensional, yet opaque, operational landscapes, characterised by interactive network relationships across place and time.

The roles and interactions between each tier of government in regional development policy remains ambiguous and, thus, open to considerable contestation (Pape, Fairbrother and Snell, 2016). Historically, the relationship between the NSW State Government and local government could be characterised as being adversarial, although this fluctuates over time, space and policy area. Pape *et al.* (2016, p. 917) note that:

The current regional development policy process is characterized by state and federal government commitment to establishing regional agencies, who are given the task of developing – though not implementing – strategies of social and economic change. This enables governments to demonstrate a commitment to social and economic capacity building at the regional level, even though empowered institutions of regional governance are absent.

The ‘power’, autonomy and capacity to act of regional entities mirrors earlier critiques of RDOs (Wilkinson, 2003). In part, this can be explained by the complexity of the institutional environments, within which RDOs operate. In the case of RDA Committees, for example, Pugalis (2016) has recently referred to them as part of a patchwork regional institutional architecture. Such complexity negates against RDOs developing programs and interacting with stakeholders in a predictable manner (Patton, 2011). Instead, RDOs must contend with many variables, competing objectives and timescales (i.e. complex systems). This further complicates regional development activities and, may, limit the capacity of RDOs to navigate their role through the complex systems of regional economic development.

¹ See, for example, the mission statements and goals of RDOs.

Articulations of complex systems vary, although some key features include: non-linearity, feedback, spontaneous order, robustness and lack of central control, emergence, hierarchical organisations, and numerosity (Ladyman, Lambert and Wiesner, 2013). Firstly, regional systems emerge and evolve in a *non-linear manner* as people move, factories close, houses are built, and land uses change, for example. Secondly, there is *feedback* within complex systems, such as the relationship between water availability and its relationship to crop production. Thirdly, *spontaneous order* emerges within regional systems as change is absorbed by the many actors who have adjusted their behaviour. Fourthly, regional systems are deemed to be *robust* when they withstand change (e.g. floods or industry closure) with limited *central control*. Fifthly, *emergence* of new states of equilibrium and disorder engender further system changes. Sixthly, each entity is *organised hierarchical*, with its own level of interaction with the system and within the entity itself. Lastly, *numerosity* refers to the copious actors interacting in complex systems.

An alternative conceptualisation is provided by Holland (1992) who describes complex systems in terms of an ‘ensemble of many elements’, which refers to the prerequisite for the condition of interaction. Firstly, for systems to interact or communicate with one another requires an *exchange* (i.e. energy, matter, information etc.). Secondly, elements of the system require the means to interact for a ‘common cause’. The *mediating mechanism* can include forces, collision or communication. Without interaction a system merely forms a ‘soup’ of particles, which necessarily are independent and have no means of forming patterns or establishing order. Thirdly, *disorder* is a necessary condition for complexity as complex systems are those whose order emerges from disorder. Fourthly, *robust order* can be observed because the above three conditions are all necessary for a complex system to emerge but they are not sufficient. A system consisting of many similar elements, which are interacting in a disordered way has the potential of forming patterns or structures. Lastly, a complex system displays *memory*. Holland (1992) notes that ‘A system remembers through the persistence of internal structure’. In summary, the existence of complex systems poses a challenge to RDOs to develop an advanced understanding and appreciation of their role vis-à-vis government and socio-economic regional systems.

THE CASE OF RDANI COMMITTEE IN THE NEW ENGLAND NORTH WEST REGIONS OF NEW SOUTH WALES

In NSW, fourteen Regional Development Australia (RDA) Committees were established by the Commonwealth and NSW Government (Commonwealth of Australia, n.d.). The stated objective of RDA committee’s is to:

RDA Committees are strong advocates for their region and drivers of change and, as such, have a pivotal role in fostering regional economic development. The RDA network strengthens partnership across all three tiers of government, regional business and the wider community to boost the economic capability and performance of regions. RDA Committees are active in promoting Australian Government and NSW Government programmes and shepherding communities towards appropriate funding sources that will assist projects that work towards economic development.

The New England North West Region of New South Wales Australia provides a case study to investigate the interface between government and the regional socio-economic systems as we examine the role of the RDA Northern Inland (RDANI) Committee.

RDANI is a not-for-profit organisation, said to be ‘community based’, which receives joint funding from the Australian and NSW governments. It ‘is contracted by the Australian Government, through the Department of Regional Australia, and the New South Wales

Government through the Department of Trade, Industry, Regional Infrastructure and Services to act as a primary link between government, business and the community in the Northern region'. RDANI's 'core responsibilities', laid out in a charter, include:

- Regional business growth plans and strategies which will help support economic development, the creation of new jobs, skills development and business investment.
- Environmental solutions which will support ongoing sustainability and the management of climate change.
- Social inclusion strategies which will bring together and support all members of the community.

Box 1. Regional Development Australia Committees

RDA is a national initiative which seeks to grow and strengthen the regions of Australia. Comprising 55 Committees, the RDA network covers metropolitan, rural and remote regions across the country. RDA Committees are strong advocates for their region and drivers of change and, as such, have a pivotal role in fostering regional economic development.

The RDA network strengthens partnership across all three tiers of government, regional business and the wider community to boost the economic capability and performance of regions. RDA Committees are active in promoting Australian Government programs and shepherding communities towards appropriate funding sources that will assist projects that work towards economic development.

RDA Committees are responsible for achieving five key Outcomes:

Outcome 1: Regional Plan

A current three to five-year plan that focusses on economic development of our region. The plan must take into account any relevant Commonwealth, state, territory and local government plans.

Outcome 2: Critical issues

Advice to all levels of government on critical issues affecting our region.

Outcome 3: Priority activities

Advice to governments on priority activities that will drive regional economic development, on future economic opportunities and on our region's comparative advantages, based on consultation and engagement with community leaders.

Outcome 4: Project proposals

Assistance to local community stakeholders in order for them to develop project proposals; and referral of stakeholders to appropriate public and/or private funding sources - including the \$1 billion National Stronger Regions Fund.

Outcome 5: Promote Australian Government Programs

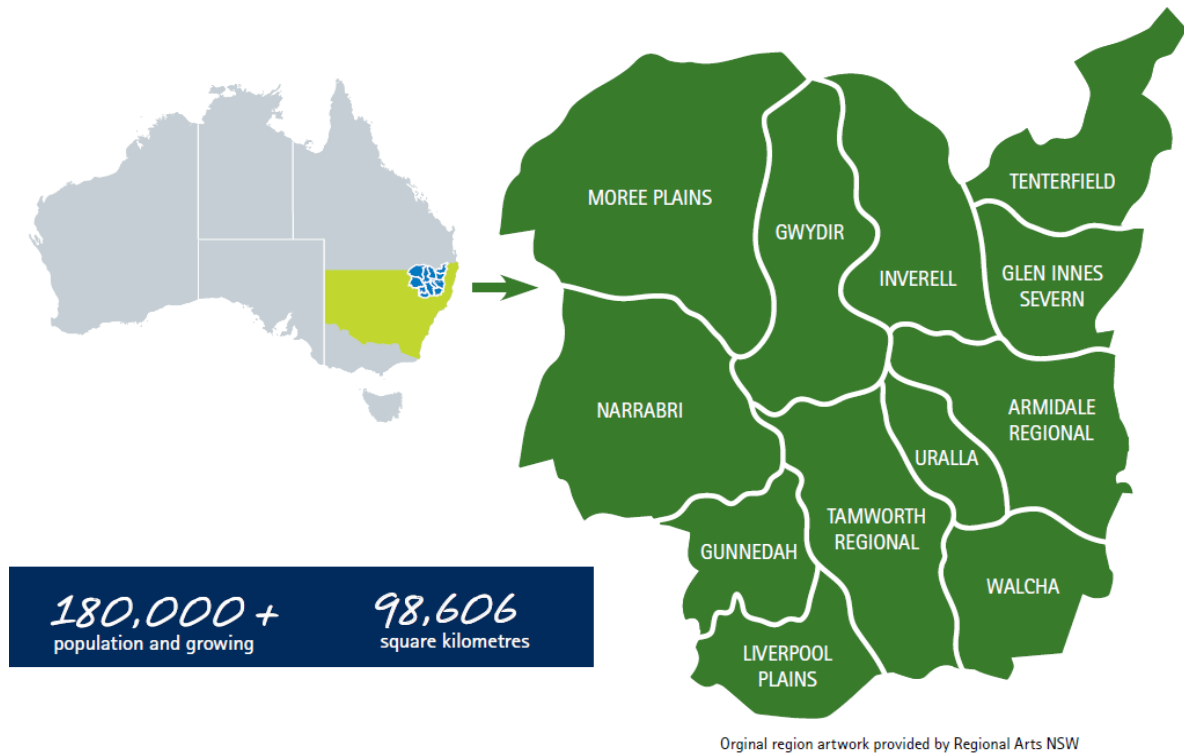
Increased awareness of Australian Government programs in our region.

Source: RDANI (2016).

In this respect, RDANI emulates many RDOs in both Australia and internationally that focus on business, environmental and people activities. The regional plan performs an important function in this respect as it is intended to 'help focus governments and communities on strengths, issues, and a work plan to achieve those priority regional development goals' (Stewart in RDANI, 2016, p. 2). Moreover, RDANI utilise 'a regional economic development framework to promote long-term regional economic growth and provide a practical focus for strengthening our region'.

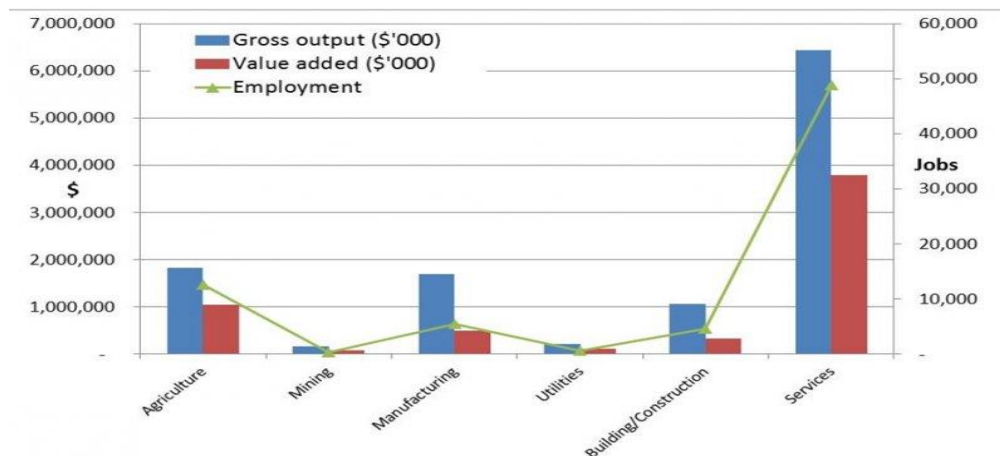
The RDANI Committee functions in an environment with many elements, with varied institutional and individual participants within a geographically diverse region of NSW. The Northern Inland region of New South Wales is located inland between the state capital cities of Sydney and Brisbane (see Figure 1). This region has an estimated population of over 180,000 people, a gross regional product exceeding \$AU10 billion, 66,233 local jobs and key sectoral strengths in manufacturing and agriculture (Regional Development Australia Northern Inland, n.d.; see Figure 2).

Figure 1. Location of RDANI and Local Government Composition



Source: RDANI (2016, p. 1).

Figure 2. Structure of the Northern Inland Economy



Source: CARE (2011).

The Northern Inland region is defined by three distinct geographic areas, the New England Tablelands and gorge country, the North West Slopes and the North West Plains, which includes the following 12 local government areas:

Armidale Regional	Inverell	Tamworth Regional
Glen Innes Severn	Liverpool Plains	Tenterfield
Gunnedah	Moree Plains	Uralla
Gwydir	Narrabri	Walcha

The RDANI has a mission ‘to ensure long-term sustainable growth and development of the region by driving and contributing to initiatives that will support economic development and jobs’ (Stewart in RDANI, 2016, p. 2). It aims ‘to be the driver of business growth, new jobs, skills development and business investment within the Northern Inland region’ and ‘to improve the economic, physical and social conditions of communities across the region’ (Regional Development Australia Northern Inland, n.d.). According to RDANI’s website (ibid.), the Committee includes a board of ‘local people’ supported by ‘a small team of dedicated staff’. In terms of skills sets, both members and officers are claimed to possess ‘extensive networks’ transecting different sectors (RDANI, 2016, p. 8):

Committee members are volunteers drawn from the region and who bring leadership, skills and experiences from the community, business, local government and not-for-profit organisations. Each RDA Committee has a broad and diverse skills base, with demonstrated networks and alliances.

According to Holland’s (1992) conceptual framework, RDANI operates within an ensemble of elements directly interacting with each other and capable of communicating and exchanging matter, and creating disorder and order (patterns or structures) as a result. To illustrate this point, Figure 3 reproduces the Northern Inland innovation network prepared by the Commonwealth’s AusIndustry (AusIndustry, 2016). This diagram is indicative of the extent of this ensemble of elements. Each of the elements has the capacity to directly interact and exchange with other elements (although the connections between the actors has not been identified), and each interaction is mediated through communication channels (e.g. information technology) or physical connections (e.g. events or infrastructure).

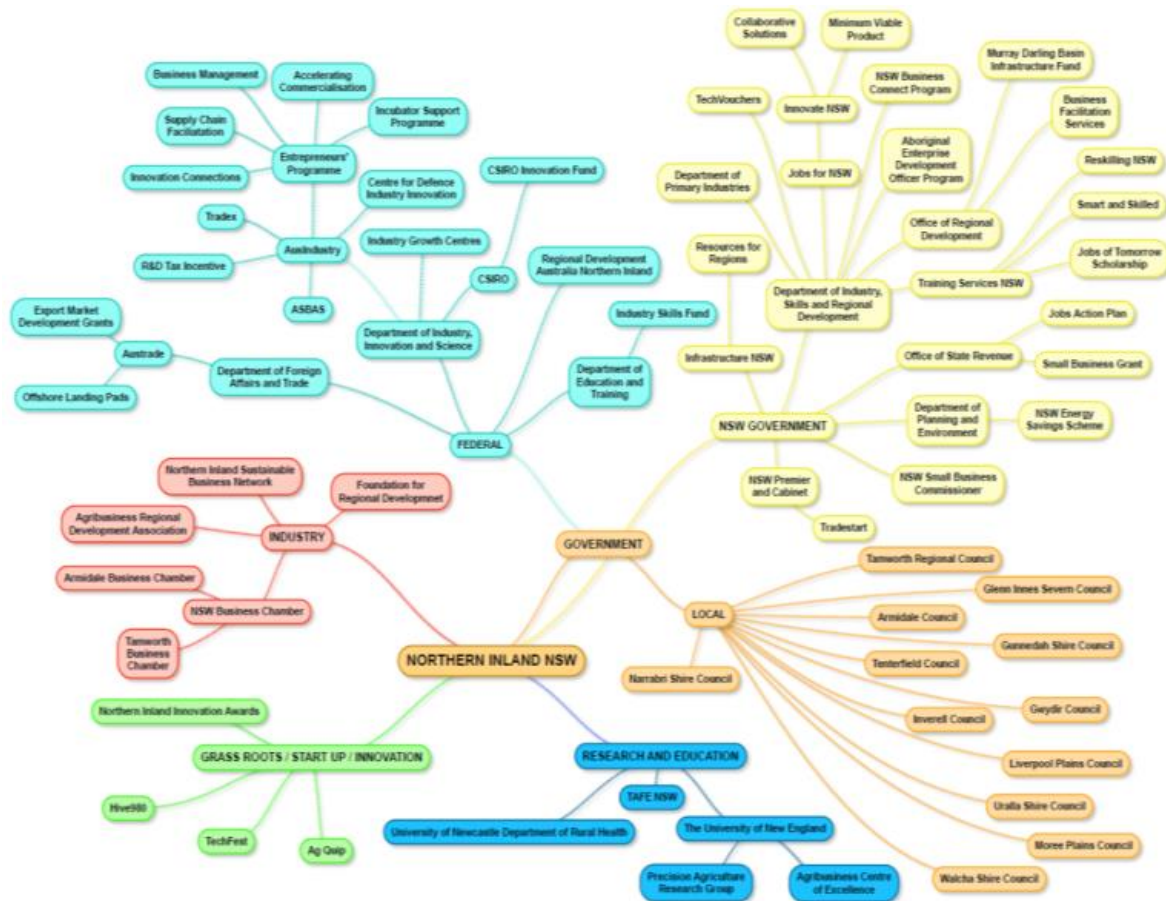
For example, the University of New England may connect to the NSW Department of Industry to create an incubator program (NSW Department of Industry, n.d.), which then creates new connections to other elements of the ensemble. Once established, the incubator program will create disorder, and then order will remerge as the elements self-organise to adapt to the influence in this system. The persistence of the incubator program within this system will then create a memory, which elements will return to or make reference to when interacting in the future. Applying Holland’s (1992) theoretical lens to the Northern Inland innovation network, the basic elements of ensemble, interaction, disorder and robust order, and memory can be observed.

POLICY ORDER AND COMPLEX PRACTICE: ANALYSING THE WORK OF RDANI

Through this section we seek to explore the tensions that RDANI is grappling with as it seeks to impose some semblance of order on the complex practice of regional economic development. In doing so, we draw upon this analysis and empirical insights to inform a broader discussion concerning the efficacy of RDOs and, specifically, the RDA Committees.

Informed by the conceptualisation of RDOs presented in section two, our analysis of RDANI focussed on six policy-relevant perspectives utilised to help navigate complex systems whilst simultaneously attempting to impose policy order (see Table 1).

Figure 3. Northern Inland Innovation Network



Source: Ausindustry (2016).

The first perspective which pervades regional economic development discourse is values. Policy order emphasises value for money assessments for projects. Given RDANI's emphasis on being 'community based', this might imply that social considerations will shape their institutional values. However, we find in practice the rich layers of public values are translated into policy order, which is a narrower articulation of regional economic development, preoccupied with quantitative economic growth outputs. For example, RDANI review their performance against a narrow set of key performance indicators, or KPIs, which are a key instrument that emerged from New Public Management thinking. This is symptomatic of what Conteh (2012) refers to as 'organizing the playing field'. In Holland's (1992) terminology, *exchange* has been focussed between economic actors and primary *mediating mechanism* has been economic growth.

While value-for-money rationales are a common feature of regional economic development practice and neoliberal policymaking, a sign of encouragement is RDANI's attempt to achieve 'net benefit'. For example, their Regional Freight Study 'identified the most worthy road upgrade projects ... utilising a benefit-cost framework. Projects were ranked in order of net benefit, and the public versus private benefits of upgrades were identified. The work has been used to advance road infrastructure projects in the region (e.g. the Mt Lindsey Highway, Thunderbolts Way)'.

The second perspective – organisational form, governance and accountabilities – highlights the tension between organisational parameters (e.g. legal, policy, budgetry etc.) and the porosity of RDOs, which are ensembles of elements. RDANI seeks structure and order

through, for example, structured review processes (RDANI, 2016, p. 7). RDANI embodies the principle of policy order in that it is an Incorporated Association in operation under the Incorporated Association ACT 2009 (NSW) where Committee members are appointed by the relevant Minister in the Commonwealth and State government, who also define the priorities and roles of RDANI (Commonwealth of Australia, n.d.). Conversely, RDOs are also viewed as key nodes in partnership networks, yet RDANI does not have a directly elected democratic mandate. Whilst some Committees include local elected members, many do not. A board of members is selected to ‘represent’ the views of diverse actors. Yet, it is not clear what *mediating mechanisms* are deployed to attempt to reconcile the views of a multitude of actors from different civic, economic and social spheres.

Table 1. Policy Order and Complexity: Summary of Analysis

Perspectives	Policy Order	Complex Practice
<i>Values</i>	Value for money assessments typically confined to specific programs and projects cloaked in broader public value discourse	Public value reflecting qualitative as well as quantitative metrics
<i>Organisational form, governance and accountabilities</i>	A not-for-profit organisation operating within certain legal parameters, a governance board and accountabilities in terms of performance management	An organisational network, multi-actor governance and multiple accountabilities to different constituents
<i>Geography</i>	A defined territory based on composite local government administrative areas	Multiple, overlapping and dynamic ‘functional’ geographies
<i>Actors and institutional relations</i>	Hierarchical relationship with formal tiers of government	Mobilise an ensemble of actors
<i>Planning, prioritisation and projects</i>	Transactional: given shape ‘from above’ by national and state policies and ‘from below’ by local policies	Relational interactions from multiple directions and dimensions
<i>Temporal</i>	Funding parameters conditions delivery timescales, which tend to be short-term – reflecting political budgetary cycles	Porous and emergent visions and strategies

The role and importance of geography in economic development is crucial to framings of regional economic development. As the third perspective, the policy order approach to defining operational territories features prominently in the work of RDANI. For example, the Regional Plan, intended to ‘describe the region’, states that ‘RDANI is confident of improving the economic wellbeing of the more than 40 towns and surrounding districts in our region’ (Stewart cited in RDANI, 2016, p. 2). However, the geography of many RDA

Committees bears little resemblance to functional regions, evidenced in some areas by competing regional structures and networks (Pugalis, 2016). In seeking to work with *disorder*, RDANI could recognise the complex geographies that it has to work with and through. In a practical sense, this might include identifying and engaging with how places interact, complement and compete with one another.

Perspective four is concerned with actors and institutional relations. RDANI is positioned for policy order as the identified primary institutional space for mobilising different partners, capabilities and resources; performing ‘a pivotal role in fostering regional economic development ... RDANI will take a *leadership role* in bringing together organisations to take advantage of government programs, policies and initiatives, and will be an effective *conduit* between governments and regional communities’ (RDANI, 2016, p. 8, emphasis added). In Holland’s (1992) terms, RDANI seeks to impose *robust order*. However, the extent to which RDA Committees are embedded within broader systems of government and governance is a moot point. For example, whilst the ‘Regional Plan is a key document for Regional Development Australia Northern Inland (RDANI)’ (RDANI, 2016, p. 9), it is less clear if the plan is a key tool for the region.

In an attempt to engage a broader range of actors, during 2010/11 RDANI held 21 meetings with ‘community’ members as part of ‘exploratory conversations’ intended to identify key strengths, assets, successes, challenges, opportunities. RDANI is also ‘looking at ways of obtaining structured feedback on both interaction and project activity during the course of each year’ (RDANI, 2016, p. 7). Yet, given the points noted above about its organisational form and governance, similar to other RDA Committees it is often a marginal voice in policy decisions impacting regional economic development. In this sense, RDA Committees might seek to utilise their *memory* to mediate between elements of the system and fostering change within the system, particularly in terms of transforming intergovernmental relationships.

The fifth perspective relates to planning, prioritisation and projects. Interventions such as those with the aim of ‘attract[ing] at least five new enterprises providing tangible employment outcomes’ (RDANI, 2016: 7), are divorced from the complex challenges that the region faces. A key issue for RDOs is that they become too focused on the needs of the provider of funds (Johnson *et al*, 2005). Too often, ‘chasing the funding’ has become an end in itself (Pugalis, 2016). The result can be a situation where spending funds becomes a priority. It could therefore be argued that much practice is ordered by the funding envelope. This suggests that the operation of RDA Committees is driven by transactional relationships predominantly with government, which is indicative of top-down regional policy.

The final perspective relates to temporal perspectives. The Regional Plan claims to be ‘comprehensive’ as well as being a ‘living document’ that ‘presents a snapshot of Northern Inland NSW’ (RDANI, 2016, p. 9). Yet, there is little evidence to suggest that it is a dynamic ‘living’ tool. As a published plan, it is intended to be finalised (albeit recognising the need for review). Indeed, the Regional Plan 2016-19 is a refreshed version of Regional Plan 2013-16 and Regional Plan 2010-13. Hence, there is sufficient *memory*, which at present appears to be underutilised. Given that the current funding models available to RDANI often reflect the short-term nature of the policy cycle and the move towards performance-based contracts, projects are unlikely to embrace all elements in the system, *disrupt* and engender new equilibriums.

CONCLUSION

Both government systems and regional socio-economic systems have been perpetually transforming. Observing a regional economic development paradox, where institutions such

as RDOs attempt to instil policy order in the face of complex practice, this paper has analysed the case of RDANI in NSW. In seeking to inform contemporary debates concerning the efficacy of RDOs and, specifically, the RDA Committees, which are in the midst of an independent review, we conclude with some broader points derived from our finding that regional economic strategies tend to reflect a bias towards structured processes, transactional relationships and hierarchical decisions, which eschew practical complexities.

At least four reasons can be put forward to help explain why there is a system bias to attempt to impose policy order in the face of complexity. The first reason is what Rubin (1988) has referred to as the ‘search for administrative certainty and task closure’, which can result in particular interests being favoured over others. The second reason is that practitioners tended to favour systems and clear identifiable outputs to overcome a perceived lack of management and stakeholder understanding of their roles (Rubin, 1988). In the case of RDANI, this is apparent through the focus on KPIs and outputs that are divorced from addressing some of the most fundamental regional economic development challenges. The third reason is that RDOs avoid undertaking complex practice for fear of failure (Ackoff, 2006). The fourth reason relates to a lack of knowledge and understanding of complexity and, thus, limits its application (ibid). Taken together, these reasons constitute tactics that seek to help to minimise mistakes arising from their operations, which is an ‘act of commission’. Embracing complexity would require a more radical shift in practice, which could result in an ‘act of omission’. Therefore the default position is to maintain current operations and seek to minimise ‘risks’ (particularly reputational risks).

Australian RDOs are at risk of being stuck-in-the-middle of two evolving complex systems. On the one hand, governmental systems are being recast, which is altering the role of government and the production of services. On the other hand, the complexity of regional socio-economic systems continues to swell. It could be argued that RDA Committees are flawed by design – they are creatures of the Australian Government, which lack democratic legitimacy, statutory powers, special purpose policy tools and goal independence (Pugalis, 2016). Compliance is rewarded over creativity. Crude output frameworks, measures of ‘success’ and KPIs insufficiently reflect transformational changes and encourage regional actors to game the system. Indeed, RDA Committees lack sufficient autonomy and credibility, as they have struggled to engender *robust order*. The implication is that RDOs face the challenge of becoming more ‘user-centred’ rather than ‘government choosing’, whereby the ‘benefactor’ becomes an ‘enabler’.

The RDA program is tangential to local, regional and national development activities and ambitions. The national network of RDA Committees, for example, is largely divorced from other Australian Government policies (and public sector policies/services more generally) that are central to stimulating growth and development. As a result, RDA Committees are ill-equipped to provide a *mediating mechanism* as they jostle for position alongside other bodies in ‘a complex and fragmented set of institutional arrangements for regional governance, intervention and decision-making processes’ (Pape *et al*, 2016, p. 913). Indeed, RDA Committees often compete with rather than cooperate with other regional structures, such as, Regional Organisations of Councils, particularly in terms of attempts at providing an authoritative voice on behalf of the region. This can diminish leadership capacity, and can result in the duplication of activities. There is a major risk that some RDOs are peripheral actors in the ‘ensemble of many elements’ contributing to regional economic development. Alternatively, the RDA program could be repurposed as a key vehicle to help improve intergovernmental relations and encourage joint-working (Pugalis, 2016).

In conclusion, one perspective suggests that if RDA Committees are unable to help regions navigate the complexity of governmental and regional socio-economic systems then they are likely to face an existential crisis. An alternative perspective suggests that the RDA Committee – including its antecedents – persists because of ‘memory’ in the complex system; changes have been absorbed and the elements have created a new equilibrium. The robustness of the regional development committee despite the disorder created by periods of popularity and unpopularity, existence and non-existence, suggests a memory or pattern has been created that maintains this organisational form. RDA Committees and similar RDOs can therefore choose to tread one of at least two paths: adapt and survive, or continue with business-as-usual and risk fatal demise.

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