

THREE ISSUES OF IMPORTANCE TO DECISION-MAKERS IN REGIONAL AUSTRALIA

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Abstract

Regional Australia is going through a period of significant change. One of the possible solutions is research to increase our social and human capital. The question that interests us is: What do we need to learn from the economic literature, which is applicable to Regional Australia, which is likely to be most useful to help our decision making over the next 5-10 years?

Australia has been embroiled in an international economic crisis the likes of which hasn't been seen for almost eighty years. This period of turmoil has struck at the tail end of a period of significant economic growth wrought in part by unprecedented changes to the labour market, trade liberalization and privatization that has seen Australia emerge as a more competitive and efficient economy. Within a very short period of time however, this growth has contracted significantly and attention now turns to the best means to stimulate recovery.

This paper examines three important issues facing decision makers in Regional Australia over the next 5-10 years regarding a better understanding and utilization of the forces at work and resources at our disposal.

The first section of the paper examines the shifting emphasis in the literature regarding economic theory over the last thirty years and the merits and shortcomings of the use of monetary policy and fiscal policy as economic stabilization tools.

The second section of the paper examines Australia's balance of payments history, the question of persistent deficits and whether they are of major concern, whether the recent government spending sprees will exacerbate this unduly and, to put the Australian situation into perspective, a review of the comparative balance of payment history of some of our major trading partners.

The final section of the paper examines the ideas of social and human capital and their role in the development of economic theory and their relevance to issues facing decision makers in Regional Australia over the next 5-10 years.

The paper concludes by considering the significant points of interest of each section and raising the most important questions that must still be pursued to more fully appreciate the issues facing decision makers in Regional Australia over the next 5-10 years regarding a better understanding and utilization of the forces at work and resources at our disposal.

Biography

- Mark Giddings is a recent James Cook University (JCU) Pharmacy graduate with interests in business and regional economic development in Australia. Mark Giddings will present the paper.
- Richard Monypenny is Adjunct Associate Professor in the School of Business at James Cook University in Townsville.