

Regional resilience and the State- the case of Geelong, Victoria, 1990-2020.

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Introduction

There has been an undeniable shift in the economies of most if not all Western nations from a reliance on agriculture and industry for employment and wealth generation to that of services. This change has occurred over the last century but has accelerated and diversified since World War II. Thus to the usual array of health and education services has grown whole new categories of “producer services” and those associated with personal assistance as the role of finance capital increased, personal wealth grew and populations aged.

Such an observation is not new but how it has been theorised and related to place has shifted; as the changes have been variously described in terms of economic restructuring; associated with the decline of the centralised welfare state; a shift from Fordism to Post-Fordism, Modernity to Post-Modernity; and the emergence of a technology driven knowledge economy (Bell 1976; Amin 1994; Piore and Sabel 1984; Harvey 1990; Dicken 2015). The most recent transformations of places and economies have been associated with neo-liberalism – a **retreat** of the State from an active role in the economy and a reassertion of free-market economics driving an untrammelled digital revolution (Castells 2000; England and Ward 2007). In this interpretation, the State is basically absent, or at most, an entrepreneurial stimulus to private, technologically-based innovation (Mazzaucato 2013).

However in Australia, despite comparable patterns (Fagan and Webber 1994; Wiseman 1998; Meredith and Dyster 2012) and supposedly years of neo-liberalism, this paper argues that the State remains a major employer, provider of services and shaper of economic geographies. In the case of easing the trauma associated with major economic transitions and the impact of the COVID-19 pandemic, actions by different levels of government in Australia have been critical. There have basically been massive continuities rather than a sudden step up in State intervention as a result of the pandemic.

Such an assertion is illustrated by examining one regional city in Australia – Geelong in Victoria – which has successfully moved from being an industrial centre - where over 30% of the workforce were employed directly in manufacturing in the 1960s – to a place where industry now employs less than 8% and services over 80% (Johnson et. al. 2020). As well as successfully surviving this trauma, the city has weathered the dislocations created over 2020 by the COVID-19 pandemic, with resulting low levels of unemployment and ongoing rapid population growth.

Why is Geelong Resilient?

Understanding this resilience involves a historical examination of the various interventions and investments by the three levels of Australian government. Locally there are a number of organisations which exert significant political influence – G21, the Committee for Geelong and the City of Greater Geelong - as a result of formulating united agendas, concerted lobbying and an effectiveness that comes from being in marginal electorates. At the state level local members, in part because of their tenuous status, tend to be highly effective, but also responsive to the local well formulated priority lists.

But these agendas in turn have meshed with larger agendas for metropolitan de-concentration and regional infrastructure as Melbourne rose to unaffordable and unmanageable dimensions in the 2000s. Federally, the combination of marginal seats, forceful agendas and concerted lobbying meant that Geelong secured massive “restructuring funds” – the GRIIF and GIFF - and beneficial decisions on the relocation of services, specifically the ABS and NDIS. This support has boosted the role of the “foundational economy” in this city, as the key sectors of health, education, food production, utilities and social assistance boom (Bentham et. al 2013).

But there is also more occurring here, which extends beyond these sectors to include “smart specialisation” in advanced manufacturing, tourism and insurance but also specific government programs to expand employment in public administration and safety, construction and professional services and upgrade urban infrastructure and connectivity to the metropolis.

Conclusion

Thus over the last forty years of major manufacturing decline and potential collapse of this regional economy and society, there has been concerted government action to facilitate direct employment – through the relocation of key service organisations in insurance, statistics and prisons as well as massive subsidisation of local companies – but also to facilitate ongoing population inflow – by investing heavily in better digital, road and rail connectivity between Geelong and Melbourne to support more commuting, redeveloping the city’s waterfront and CBD while also fostering the growth in the cultural and creative industries. Rather than being a passive bystander of capital investment or withdrawal, the supposedly neo-liberal State has been a highly active, interventionist one.

It is on the basis of detailed empirical and historical evidence then that a counter to prevailing neo-liberal theorisations is offered, one which connects work on the entrepreneurial state to that on the foundational economy, to argue that regional resilience in Geelong at least has occurred primarily because of an interventionist State.

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