

## The Development Players

### Nationally Important Industry and Regional Economic Change

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#### Abstract

This paper focuses on the relationships underpinning regional economic development and specifically the establishment of new, nationally important industries. It draws on historical data on the development of mineral sands mining in the Capel area, south-western Australia, and negotiations around the establishment of a new mineral sands industry in western Victoria, Australia. It identifies key 'development players' – people and organizations directly involved in negotiating the regional development process – and describes the relationships among them. The paper then shows how these relationships, seated in particular contexts, influence the process of establishing new regional industries and ultimately determine the kind of 'regional development' that takes place.

**Keywords:** Regional development, economic development, new industry development, mineral sands, Australia

#### Defining Regional Development

Discussions of regional development generally start from a key assumption: that regional development itself is good and universally desirable. *Achieving* regional development, it seems, is the difficult part, and thus the focus of the efforts of regional development practitioners and policymakers. Regional developers (as with international development practitioners) tend to ask technical questions, and seek technical answers. What best-practice programs? What policy guidelines? What supports? What markets? What technologies? What, in short, are the ingredients in a successful regional development recipe?

Those who pursue regional development discover pieces of answers: things that have worked well elsewhere, common principles that seem to hold true. Generally, the goal is to generate some form of economic success for a region, to leverage its competitive advantage.<sup>1</sup> As Lagendijk and Cornford write,

'Most regional development studies literature has focused on the way in which firms and the business support infrastructure ... innovate, learn, and manage and transfer knowledge.'<sup>2</sup> The discouraging part is that, while theoretically interesting, the practical applicability of these answers for any specific case is limited. Whatever the suggestion – whether it is industry clusters or IT infrastructure, learning regions or micro-enterprise development – it necessarily comes with caveats. Given the right conditions, assuming co-operation from the various sectors, subject to making necessary adaptations ... it *might* work. Even the few shining lights, in the form of regions that have apparently 'made it', may be subject to considerable critique as to whether their regional development has actually made local people better off financially.<sup>3</sup>

Meanwhile, poverty, inequity, poor services in the regions, unemployment – in other words, all that regional development ostensibly tries to fix – persist. Students of regional economic development can thus find themselves in rather discouraging terrain, believing that regional development is very difficult to achieve. They are less likely, however, to question the initial assumption behind the problem: the consensus that regional development is, in fact, good and desirable. Yet is there such a consensus? Is there a consensus, even, on what regional development really is? It is here that we unearth the secret workings of why regional development is difficult – and sometimes impossible – to achieve.

Regional development is a catch-all term, a large receptacle in which we put our thoughts about positive change in societies and their economies. *Good and desirable* regional development is essentially a tautology, as the term itself has come to mean simply that which is good and desirable for a region. Who can escape this circular argument to assert that regional development is not good? Yet the components of *good and desirable* vary greatly. Regional development may mean *internationally competitive local industries*. It may mean *health services on par with those in metropolitan areas*. It may mean *jobs for our youth*. It may mean more shops, or more factories, or more nature reserves. It may mean being known as a prosperous region, or an educated region, or an ecologically sustainable region. Most people can agree that they want some kind of positive regional change: *regional development*. But what that positive change is to look like exactly – here, indeed, are contradictions.

Before we can achieve regional development, we need to understand what it – or any kind of development for that matter – actually is. It is a process of change, negotiated change, with different actual and desired outcomes for different people and groups. Some people participate actively in this process: they make decisions, take actions, speak their opinions. Such individuals and organizations thus influence the direction of change. These are the 'development players' referred to in the title of this paper. Other people may stand to gain or lose from proposed developments, and yet remain either passive or unheard. All are 'stakeholders' in the popular terminology, but not all have the ability, opportunity, or desire to influence the development process.

Two relevant bodies of literature inform the discussion at this point. The first has to do with stakeholders; the second with participatory development. A few typologies of stakeholders have been developed in the literature on corporate

social responsibility.<sup>4</sup> While these are broadly helpful, they are flawed in their tendency to look at development stakeholders only in relation to a corporation (or other organization), with the latter being seen as the development protagonist. The protagonist role of other development players – their own ability to initiate and actively direct development – is ignored.

The international development literature, on the other hand, considers more deeply the question of participatory development, in which the participation of (variously) ‘project beneficiaries’, ‘the poor’, ‘local communities’ and ‘all stakeholders’ in development projects is strongly encouraged. Participatory development attempts to recognise local, insider knowledge and viewpoints and to privilege these vis-à-vis more powerful, outside developers.<sup>5</sup> Yet again, the protagonism of the ‘locals’ to create development is usually only considered in relation to the outside developer (e.g. an NGO, a government department, or an international agency). Like corporations, these developers have a tendency to assume that without them, development simply would not happen.

In short, there are deep biases in the regional development field against understanding development as an open process which anyone can instigate, and where economic transactions are seated in specific social and cultural contexts. We still have a deeply ingrained tendency to view development as the economic actions of powerful organizations, often those which come in to a region from elsewhere – as per the longstanding industry-attraction approach to developing regions.<sup>6</sup> Nowhere is this artificial separation between developers and their social context more marked than in the literature on social impact assessment,<sup>7</sup> where it is assumed that an action is first taken (often by a large external player such as a government agency or corporation), and then its social impact on a particular population is gauged.

In practice, however, development actions come from many quarters and are negotiated in many different ways. A ‘conventional economic narrative’ of regional development ignores the social relations that underpin development success or failure<sup>8</sup> – or even how success or failure is defined. We need to understand the process of negotiating and creating regional development in social and cultural contexts: that is, defining what good development is, for a particular case, and then achieving it.

In an earlier article on small-scale community development projects in Western Australia,<sup>9</sup> I suggested four components of a ‘theory of development relations’: namely, the power, motivations, legitimacy and perceived trustworthiness of various ‘players’ in the development process:

People working for equitable, participative social change need to understand the human actors in the change process: who’s who, how do they relate to one another, and what influences their relationships? Within these relationships, who has power, who is trusted, and what are people’s real and perceived motivations? ... A new slant is needed (on development work), one which acknowledges the complex social landscapes in which change is conceived, implemented, and resisted.<sup>10</sup>

This current article is an attempt to take these four key components (power,

motivations, legitimacy and trust) and apply them to the process of new regional industry development of national importance, using two case studies of mineral sands mining development in Australia.

### **The Players and their Stage: The Regional Development Context**

People do not operate in a vacuum, but within particular cultural and social contexts. Regional development in Australia, for instance, means certain things, and has tended to be controlled by certain kind of interests – influencing how people understand and engage with development decision-making. The ‘conventional economic narrative’ of development success has tended to dominate in Australia, as it has in much of the history of development interventions elsewhere. Private companies and central governments frequently dominate the regional development process, seeking ‘development’ defined as economic prosperity for regions as a whole. The distribution of this economic prosperity within regions, or the impacts of such development on other aspects of regional life have, however, rarely been considered in mainstream regional development thought.

The history of regional development in Australia has been dominated by top-down government administration and planning, geared to supporting economic growth and delivering infrastructure to the regions.<sup>11</sup> ‘Statist developmentalism’ as it has been called<sup>12</sup> represents a particular ideological view of development, its functions, and the ‘players’ who may reasonably expect to become involved in the development process. As Brown observes, such an approach has:

resulted in strong bureaucratic capacity for obtaining the finance and delivering the infrastructure crucial to development, (but) it has remained politically centralised and not strongly tailored towards community participation or empowerment.<sup>13</sup>

In recent years, however, there has been a growing interest in how to extend regional development beyond a top-down bureaucratic exercise to become more participatory and stakeholder-inclusive, and how to broaden its mandate beyond economic growth and infrastructure development to take account of the many other factors relevant to human wellbeing. The shift toward increased participation in development reflects political pressures within Australia, as well as larger international trends toward the democratization of development decision-making.<sup>14</sup> Wider input contributes to the broadening of definitions of regional development, and reflects growing interest internationally and in Australia in using holistic definitions of human wellbeing to inform development decision-making.<sup>15</sup>

Such trends are clearly positive, in that they begin to create both formal and informal institutional frameworks through which a greater range of ‘players’ can potentially participate actively in defining both the means and ends of regional development. As one example, the area of natural resources management in Australia is now clearly part of ‘regional development’ discussions, and its governance frameworks have been designed with the intention of including

a broad range of stakeholders in decision-making processes.<sup>16</sup> Nevertheless, there is still a strong tendency for central governments to limit and direct these processes.<sup>17</sup> Much of the flavour of state developmentalism is still with us, though often now more subtle: as the state encourages local communities to take control of development processes, but only in certain, state-prescribed ways—for instance, to be innovative and ‘re-imagine’ or ‘reinvent’ themselves in the face of economic challenges.<sup>18</sup>

The current Australian regional development context is thus characterized by a tension between the rhetoric of involving stakeholders in development decision-making, and the reality of limited scope for such involvement. Attention to the four key components of development relations—power, motivations, legitimacy, and trust—help to clarify why this is so. An institutional context characterized by top-down decision-making and narrow economic understandings of development success gives power and legitimacy to certain kinds of development players, while de-legitimizing the perspectives of others. At the same time, a growing social and political interest in holistic and participatory development models creates institutional ‘space’—and thus a certain degree of legitimacy and power—for alternate perspectives. In the end, regional development processes are shaped by the actions of a range of development players.

The following two case studies explore regional development with reference to the traditional indicator of regional industry development. With its promise to create jobs and prosperity, regional industry development is a central focus of regional development efforts both in Australia and elsewhere.<sup>19</sup> Both case studies focus on the mineral sands industry which generates \$A1.2 billion in export income per annum for Australia as a whole, providing direct employment for about 3000 people.<sup>20</sup> As well as being economically important to Australia, the mineral sands industry has also provoked considerable controversy, particularly from environmental groups and prospective neighbours of mining developments. Its history clearly reflects the federal government’s focus on economic and resource development as key aspects of the nation’s development ideology.<sup>21</sup> The two case studies are spread over a period of fifty years, providing an interesting window into the dynamics of new industry development, the role of various development players, and how development processes have shifted over time with changing social and political contexts.

### **Case Study 1: Mineral Sands in Capel, Western Australia**

Mineral sands mining began near the town of Capel in the mid-1950s. Located on the south-west coast, the town and its surrounding area have subsequently become a seat of nationally significant mineral sands mining and processing activities, principally producing ilmenite, as well as other titanium and zircon products. Non-Aboriginal settlement began in this area in the 1830s<sup>22</sup> and now the mineral sands industry is part of a diversified local and regional economy which also includes farming and dairying, viticulture, and blue gum forestry.<sup>23</sup>

How did mineral sands mining start in Capel and what can this tell us about the process of new regional industry development? Obviously, the key

mineral resources had to be available. But who discovered the mineral and who developed the technology, the markets, negotiated access to the land, made the necessary investments? What was the role of local farmers, local youth, outside entrepreneurs, local businesspeople, international corporations? Many development players were involved. Not all of them can be known, but some parts of the story can be pieced together through the oral histories collected by Leigh Edmonds between 1996-1998 as part of a company history project, as well as through newspaper articles, company websites, and reports.<sup>24</sup> Although the story is incomplete, it provides an illuminating overview.

Western Australia's first mineral sands mining, on a small scale, was carried out at Cheynes Bay on the south coast in 1949.<sup>25</sup> This was soon overshadowed by the mining that began at Capel in the mid-50s. One of the most notable early players in the development of the industry in Capel was an earthmover named Stan Perron who set up a company called Ilmenite Pty Ltd, which mined, processed, and sold ilmenite to a Tasmanian firm that produced white paint pigment.<sup>26</sup> Once it became obvious that there was a market for the sand, other companies soon started up in the Capel area,<sup>27</sup> and this small farming town became the seat of a thriving new industry.

A closer look at Ilmenite Pty Ltd's start-up demonstrates some of the interesting relationships which informed this industry's beginnings. The town of Capel had been there for some time, and so had the sand. A local man, Herbert Thorley of Australind, recognized the presence of black mineral sands and pegged leases in the area.<sup>28</sup> Nevertheless, he made no investments in developing the new industry. Rather, an outsider, Stan Perron, played this role, taking up one of Thorley's leases. Perron himself was not a miner by profession, but he had previously become involved in tantalite mining in the Pilbara region of Western Australia, because earthmoving equipment was needed there. At that stage, sand mining was a simple process of scraping up sand and doing some basic processing.<sup>29</sup>

Thorley had identified the sand while Perron had the earthmoving equipment, the experience of mining in the Pilbara, and the ability to recognise a good business opportunity. The Tasmanian firm, which became the company's major client, had been importing ilmenite from India, and was very interested in the samples Perron send them.<sup>30</sup> Meanwhile, two local men, Len Brennan and Jim Boddington, also played a key role in that they had the technical ability and interest to design and build a magnetic separator to extract the ilmenite.<sup>31</sup> So ingredients for success included Perron's initiative in contacting Thorley and the Tasmanian client and the willingness of Brennan and Boddington to work with Perron.

Thus, at this most basic, entrepreneurial level of new industry start-up, we see a range of development players on the scene: Locals with knowledge of, and rights to, the land; locals with technical expertise; outside entrepreneurs; client companies. These are all social relations set in cultural and physical contexts, as described by O'Neill and Whatmore.<sup>32</sup> The engineer down the road and the Tasmanian paint-producing company both had a role to play in the development of this new regional industry in Capel. And soon there were other sand-mining

companies as well. Perron sold his first mining operation to a company called Cable Sands in 1956, and went on to develop other sand mines in the area.<sup>33</sup> Cable Sands in turn went on to become an important player in the industry in Capel, where it still operates, now a subsidiary of Nissho Iwai Mineral Sands (Australia) Pty Ltd.

Another key player in the start-up and development of the new industry in Capel was a company called Westralian Oil (later Westralian Sands). This Perth-based company, begun by a group of businessmen, began mining at Yoganup, near Capel, in 1959. In 1955, they bought a small farmhouse in Yoganup and began explorations, drilling in a pasture that belonged to a local farmer.<sup>34</sup> In the mid-1970s the company took over a competitor Western Mineral Sands, and the head office moved from the capital city Perth to the town of Capel.<sup>35</sup> In 1998, Westralian Sands bought out the larger company RGC (formerly Western Titanium) to create the major Western Australian-based mining company Iluka. Iluka is now an international player in mineral sands mining; its history, however, is closely tied to the development of the mineral sands industry in the regional town of Capel.

The story of the development of the Capel mineral sands industry is largely one of technical and business innovation: a coming together of a varied group of development players in order to create economic prosperity for themselves and, by extension, for the area. Local community responses to the new industry at its start-up appeared to be mixed, and not dissimilar to those observed recently in the Victorian case discussed below. Some farmers in the Capel area hoped mineral would be discovered on their land so that they might benefit economically; others opposed the industry because they felt it affected water supplies or local quality of life (e.g. excessive noise).<sup>36</sup> Some local people found jobs within the new industry or opportunities to develop lucrative contracting businesses,<sup>37</sup> creating a base of supportive local stakeholders. No strong environmental movement challenged the industry's start-up; and when environmental issues later arose, for instance in relation to low-level radioactive monzanite fill being used in sites around town,<sup>38</sup> long-term residents of the area were generally understanding and remained supportive of the industry throughout the cleanup process.<sup>39</sup> The sand companies' investments in the local area (e.g. in community infrastructure and events) and the local employment generated, have, over time, secured local respect for the mineral sands industry.<sup>40</sup> Now deeply entrenched in the local culture and economy, and of great value to the state and national economies, it is unlikely to be shaken by the dissenting voices of other development players.

## **Case Study 2: Mineral Sands in Western Victoria**

Whereas the mineral sands industry began in Capel a half century ago, it is a new industry for western Victoria. As in the Capel case, mineral sands in western Victoria represents a significant new development in a traditionally agricultural and pastoral region centred on the town of Hamilton. The following study – which is based on archival research in local newspapers, project documents, and baseline key informant interviews and surveys carried out in July and August

2003 – highlights some of the key development players in this new regional industry start-up process and the relationships among them.

The increased complexity of government and industry institutions and protocols now, as compared with the 1950s, means that many more development players are directly involved in the industry start-up process than was the case in the early days at Capel. For example, an Environmental Effects Statement (EES) had to be prepared as a condition of government planning approval to mine and this involved consultation with a wide range of regulatory bodies, organizations, and members of the public, including relevant local, state and commonwealth departments and agencies. In particular, consultations were carried out with the local shires, the local catchment management authorities, the Victorian Department of Natural Resources and the Environment, the Victorian Department of Infrastructure, the Environmental Protection Authority, as well as infrastructure service providers, community groups (including Landcare groups), and individuals.<sup>41</sup> Other players included the consultants who prepared the report and those who carried out the various associated studies; relevant sections and individuals within the minerals exploration company; and an independent government panel of three, which reviewed submissions and made recommendations to the Victorian Minister for Regional Development.<sup>42</sup>

All of these players in the EES process had some opportunity to influence, to a greater or lesser extent, the exact direction that the mineral sands development would take. Nevertheless, as noted above, the larger context of Australian regional development, and the ideologies that drive it, are still in many ways statist and top-down. Concerns have certainly been raised about the EES process in Victoria and its effectiveness, as demonstrated in a recent review.<sup>43</sup> As the experience in Victoria went on to demonstrate, government ministers still exercise ultimate veto power over a process which, on the surface, appears very participatory and inclusive.

Beyond the formal EES procedures and their political contexts, it is also useful to take a closer look at how new industry development is actually being negotiated at the local level. Who is involved in decision-making, who is not involved and why? What are the relationships, the expectations, and the assumptions that inform the way local people think about regional development and about the role of a proposed new industry such as mineral sands? To shed some light on these complex relationships, this study examined the negotiations around the establishment of a mineral sands processing plant in Hamilton. This plant is intended to take partially-processed mineral sands from the Kanagulk mine (located about one hour from Hamilton) and elsewhere and convert them into various titanium mineral products.

The local press provided an enthusiastic announcement of the company's choice of Hamilton for the proposed plant. The headline on the day of the planning approval read 'Green Light!' in large letters; in the article, the mayor stated that he was 'absolutely thrilled'; a local businessman was 'ecstatic'. The project was clearly phrased by the local press in terms of regional development, as defined within a traditional economic framework. Described as the outcome of many months of effort by the town's then economic development manager,

the '\$73 million sands processing plant' (later, a \$90 million plant) was tagged as a project which would easily be 'the biggest in Hamilton's history', could provide 'up to 500 permanent jobs', booms in housing and schools, and reverse the shire's population decline of the past two decades. However, the next edition of the local newspaper highlighted another side to the local debate. This time the headline here was 'Denied Justice'. It referred to a local residents' group whose representatives felt 'disappointed and betrayed' that the state planning minister had approved the processing plant, and that their own case against the plant would not be heard by the Victorian Civil Affairs Tribunal.

Thus, at the local level, there was clearly no unified community view of this regional development proposal. There were also powerful external political influences steering the direction development would take. When the local shire council approved the planning permit application for the processing plant in 2003, the local residents' group opposing the development appealed the case to the Victorian Civil Affairs Tribunal. It seemed that regional development was set to be negotiated in the courts. However, the state planning minister quickly called out the case from the tribunal, 'because of its significance to Victoria'. Similarly, the state regional development minister observed at that time that the mining company was concerned about losing overseas investors if the planning approval were subject to delays in the tribunal. Thus, the hearings process was overturned by powerful external political actors, due to the project's perceived 'regional development significance'.

Thus, despite local processes that appeared to invite broad community input into development decision-making, it is questionable to what extent local players had the power or legitimacy to influence the outcomes. At the same time, the result was the one favoured by the visible majority of locals. When the planning permit application was put out for public comment in December 2002, over 800 submissions were received. All but about thirty were in favour of the plant. A grassroots group of local retail business people were vocal in their support of the company and its proposal, and in the end, the local council approved the permit application unanimously. Nevertheless, such a high level of support – clearly motivated by expectations about economic prosperity, population growth, and other perceived development benefits – co-existed with opposition from other local development players. These, initially, expressed concerns about the lack of information available on the plant's potential impacts and pressed for meetings with the shire council, the company, and the water authority to discuss various environmental, health, economic and quality-of-life issues. Concerns included potential discharges to air, noise, odour, discharge/leakage to ground water, fallout affecting pasture animals, disturbance of lifestyle (auditory/visual irritation), and property values. These were later acknowledged and detailed in the Planning Permit application.<sup>44</sup> The mining company responded by providing ongoing information and responses to the public. However, the degree of trust in this information has varied among stakeholders.

The negotiations around the mineral sands developments have been widely publicized in the local press, and people living and working in the area have had the opportunity to form opinions about the new industry. Key informant surveys in July/August 2003 were conducted to take a baseline snapshot of

local opinions toward this new regional industry. A 'key informant' (one or two well-networked and knowledgeable local individuals) was interviewed for each of the following sectors: training and employment, real estate, human services, agriculture, local business, community development, education, shire management, and Aboriginal Native Title claimants.<sup>45</sup> Local government, private sector, and non-governmental community organizations were represented in this group, and key informants were both male and female. The informants were asked to give a flavour of attitudes in their sector to the proposed mineral sands developments: reflecting on both the development process to date, and the industry's anticipated effects.

The results of these surveys indicated expectations that the new industry would bring jobs, population growth, increased demand for housing, schools, and local businesses' services, and increased confidence and general prosperity to the region. There was also an expectation that the new industry would be a stabilizing force on the local economy, with diversification making it less vulnerable to fluctuations in other key local industries such as wool and trees. At the same time, there was also the recognition that the new industry could bring some inconvenience, such as increased traffic and damage to the road infrastructure. Key informants also identified some environmental issues and concerns with mining (tree removal, soil damage) and with the use of water by the mine. They also recognized that those living near the proposed plant might, understandably, not be happy with its presence.

Finally, locals expressed a concern that the benefits from the new industry should be ongoing, that these benefits stay in the local area, and that the industry's impacts on things like air and water quality be closely monitored as the project progressed. As a key informant in the human services articulated succinctly: 'People, while excited, don't want something that destroys what we have.' These observations concur with the researcher's ethnographic observations as a local resident over the period May-December 2003. The mineral sands industry was seldom a hot topic of conversation, but opinions tended to follow the same general lines.

Those surveyed generally praised the mining company for its openness and efforts to keep local people informed; this in turn made people feel involved in, and comfortable with, the development process, as the following quotes indicate:

[The company's community relations officer] goes out and talks to service clubs, schools; she makes herself available and I think because of this [local people] ... see the process as more open.' – agriculture sector informant.

As a community we're well informed.

Resident of a neighbouring small town.

The process has been very well publicized ... we have been well informed as to what to expect.

Real estate sector informant.

Other locals, however, highlighted the importance of not only being informed, but also of 'having a voice' in the development process. For instance, a small group of local businesspeople actively supported the proposal for the mineral processing plant in Hamilton. As a key informant in the retail sector noted, this group: 'didn't want to see another opportunity like this slip through our fingers, because of a small group of people who were against it.' They thus encouraged other local businesses to support the proposal and to make submissions to the shire council in favour of the proposed mineral processing plant. 'Having a voice', while more proactive than 'being informed', nevertheless remained an essentially reactive position vis-à-vis the mineral sands company. The outside company first made a decision (e.g. to locate in the area) and then the issue for the community was whether or not to 'get behind' this initiative.

What influences the decision to 'get behind' a project or not? One was the feeling that 'due process has been observed' – for instance, that all appropriate regulatory authorities had been consulted, or that there had been 'a lot of discussion' and opportunities for people to exercise voice. Another was the sense that there would be some benefits either to the area as a whole or in terms of potential employment or business opportunities. Finally, the decision to grant or withhold support depended on the absence of serious perceived drawbacks. As the retailer quoted above indicated, if the project had been something very dangerous, such as uranium, 'it wouldn't matter how many jobs', local people would be against it.

People's perceptions about due process, benefits and costs, in turn, depended on the amount of information they received and the level of trust they had in this information. In the early stages of the proposal for the processing plant it was stated in the local press that residents were particularly concerned about lack of information, as the only visits they had received were from a company representative who is 'obviously trying to sell us the project'. Access to unbiased information about the plant's likely impact was therefore a key issue. Later, however, ongoing contact with the mining company and its willingness to dialogue and publicise its activities led to increased trust between local residents and the company – although this did not necessarily hold true for everyone.

### **Conclusion: Regional Development Players**

The two cases presented above highlight the fact that new regional industry development is a negotiated process among diverse individuals and groups, both inside and outside the geographic areas where the new development takes place. At first glance, the key relationship in new industry development seems to be between the local 'community' and the outside corporation that is bringing a new project. State and commonwealth governments and regulatory authorities are essentially mediating this central relationship between corporation and the citizens/ residents referred to broadly as the 'local community'. Yet local communities are clearly complex, as are corporations.<sup>46</sup> The complexity of communities does not de-legitimize the importance of 'community views'; nor does it exempt corporations from acknowledging minority viewpoints. Rather, it calls into question the assumption of a simple binary community-corporation

relationship, and highlights the need to acknowledge a range of legitimate development players, both actual and potential.

As development activities are negotiated in social contexts, decisions must be made about what *good regional development* will be, and how it is to happen. The preliminary theory of development relations offered by Eversole<sup>47</sup> suggests a way to understand the complexity of relationships involved in negotiating development. It suggests that the *power, motivations, legitimacy* and *perceived trustworthiness* of various players in the development process influence who is included in development decision-making, as well as the terms of their inclusion, and ultimately, what kinds of regional development take place. As we have seen in the above case studies, these four components are all key to understanding the relationships and interactions among particular development players, in particular contexts.

*Power* has long been a key concept in some areas of development theory, such as dependency theory and gender and development; these theories have focused on how some development players (e.g. capitalists, 'First world countries', men) take advantage of, and profit from, others (e.g. workers, 'Third world countries', women). Such theories have been useful in drawing attention to power inequities in development relationships, in a way that more recent Foucauldian notions of power (as a kind of agentless force) do not quite manage to do. If the relationship between an outside industry and local communities is characterized by unequal power to influence change, the question becomes how can local interests (in all their diversity) be protected? Processes such as Environmental Effects Statements and public comment periods for planning permits are institutionalized Australian government attempts to address these concerns. Yet, observing how the state government planning minister 'called out' an appeal so that the government could progress its regional development agenda, people may well feel that powerful players still call the shots. Understanding regional development processes requires looking past the surface appearance of participation to understand the power relations, seated in particular cultural contexts, which affect development players' real ability to influence decision-making.

Much also depends on the *motivations*—real and perceived—of each development player. Private corporations are often accustomed to having their motivations questioned. Their outreach efforts to local communities are flavoured by a general recognition that the company looks after its own interests—which may not, in the end, be the same as community interests. A mining company's 'glossy brochures' as one resident put it, may be meant simply to sway public opinion in their favour. Yet other residents saw such brochures as an honest effort to keep local people informed. Nor are outside companies the only ones whose motivations are subject to question. For instance, in the case of the grassroots group opposing the location of the mineral processing plant, their motivations were also interpreted in different ways: as examples of the 'NIMBY' (not-in-my-backyard) syndrome, as self-interested individuals seeking economic compensation from the company, or as community-minded individuals willing to make the time and the effort to explore the real long-term impacts of the proposed development.

Interpretations of the motivations of development players directly influence these players' *legitimacy* – the amount of weight given to their words and actions – and, ultimately, whether or not other players *trust* them. For the mining industry, significant cultural currents generate distrust: stories of irresponsible practices elsewhere flavour how people perceive these companies' motivations and trustworthiness. At the same time, a company with a good corporate image may be trusted, and their motivations interpreted in a favourable light. In a context like Capel, where mining has long been part of the local economy, mining companies have a certain legitimacy; while in western Victoria mining is new, and thus companies have had to work hard to establish legitimacy and trust. Meanwhile the press, the statements of government spokespeople, and even the written and publicly spoken opinions of local people, can influence the perceived legitimacy of different development players, and thus the extent to which they are trusted when development negotiations take place.

A final point is the extent to which individuals and organizations perceive their own legitimacy as development players in the regional development process. It is clear that development proposals may emerge from many quarters: individual entrepreneurs (like Stan Perron), outside corporations, and many others. As we have seen, active support or opposition may also emerge from various places, e.g. grassroots groups, councils, landowners, inventors, clients, regulatory authorities, residents, etc. It is not too much to state that anyone may be a development player. Yet it is less clear that the majority of local people would see themselves as such, or acknowledge that they had either the power or legitimacy to influence the course of regional change. Given this, questions must continue to be asked about how *regional development* is defined: What kind of 'positive change' is it, and for whom is this positive change taking place?

## Endnotes

<sup>1</sup> Anders Malmberg and Peter Maskell, 'Towards an explanation of regional specialization and industry agglomeration', *European Planning Studies*, no. 5, 1996, pp. 25–41; Michael Porter, *The Competitive Advantage of Nations*, The Free Press, New York 1990.

<sup>2</sup> Arnoud Lagendijk and James Cornford, 'Regional Institutions and Knowledge – Tracking New Forms of Regional Development Policy', *Geoforum*, vol. 31, no. 2, 2000, p. 209

<sup>3</sup> See, for example, Emily Phillips and Hugh Campbell, 'The Contemporary Meaning of 'Rural Development' in New Zealand', *Rural Society*, vol. 3, no. 2, 1993 <http://www.csu.edu.au/research/csr/ruralsoc/v3n2p9.htm>

<sup>4</sup> See, for example, I.M. Jawahar and Gary L. McLaughlin, 'Toward a Descriptive Stakeholder Theory: An Organizational Life Cycle Approach', *Academy of Management Review* vol. 26, no. 3, 2001, pp. 397–414; Ronald Mitchell, Bradley Agle and Donna Wood, 'Toward a Theory of Stakeholder Identification and Salience: Defining the Principle of Who and What Really Counts', *Academy of Management Review*, no. 22, 1997, pp. 853–896 and David Wheeler, Heike Fabig and Richard Boele, 'Paradoxes and Dilemmas for

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<sup>5</sup> Giles Mohan and Kristian Stokke, 'Participatory Development and Empowerment: The Dangers of Localism', *Third World Quarterly*, vol. 21, no. 2, 2000, p. 253.

<sup>6</sup> Andrew Beer, Graham Haughton and Alaric Maude, *Developing Locally: An International Comparison of Local and Regional Economic Development*, Bristol, The Policy Press, 2003, pp. 21–22; 159–168.

<sup>7</sup> See, for example Richard Howitt, 'Social Impact Assessment: An Annotated Bibliography', Macquarie University Department of Human Geography, 2001, <http://www.es.mq.edu.au/~rhowitt/SIABIB.htm>

<sup>8</sup> O'Neill, Phillip and Sarah Whatmore, 'The Business of Place: Networks of Property, Partnership and Produce', *Geoforum*, no. 31, 2000, pp. 121–136.

<sup>9</sup> Robyn Eversole, 'Managing the Pitfalls of Participatory Development: Some Insight from Australia', *World Development*, vol. 31, no. 5, 2003, pp. 781–795.

<sup>10</sup> *Ibid.*, p. 793.

<sup>11</sup> A.J. Brown, 'Regional governance and Regionalism in Australia', in *Participation and Governance in Regional Development, Perspectives from Australia*, ed. Robyn Eversole and John Martin, Ashgate, Aldershot, UK, In press.

<sup>12</sup> See, for example, Walker, Ken J. 'Statist Developmentalism in Australia', in *Australian Environmental Policy 2, Studies in Decline and Devolution*, ed. Ken Walker and Kate Crowley, UNSW Press, Sydney, 1999.

<sup>13</sup> *Op. Cit.*

<sup>14</sup> See Robyn Eversole and John Martin. *Participation and Governance in Regional Development, Perspectives from Australia*, Ashgate, Aldershot, UK, In press.

<sup>15</sup> See, for example Dudley Seers, 'The Meaning of Development', in *Development Theory: Four Critical Studies*, ed. D. Lehmann, Cass, London, 1979; Amartya Sen, *Development as Freedom*, Alfred A. Knopf, New York, 1999; or Richard Eckersley, 'Being Better Off, but Feeling Worse: What's Happening to People in Australia?' *New Community Quarterly*, vol. 2, no. 3, 2004, pp. 3–7 for a recent discussion of this in the Australian context.

<sup>16</sup> Susan Moore, 'Regional Delivery of Natural Resource Management in Australia: Is it Democratic and Does it Matter?' in *Participation and Governance in Regional Development, Perspectives from Australia*, ed. Robyn Eversole and John Martin, Ashgate, Aldershot, UK, In press.

<sup>17</sup> See Andrew Craig and Frank Vanclay, 'Questioning the Potential of Deliberativeness to Achieve "Acceptable" Natural Resource Management Decisions', in *Participation and Governance in Regional Development, Perspectives from Australia*, ed. Robyn Eversole and John Martin, Ashgate, Aldershot, UK, In press, and Peter Martin and Helen Ritchie, 'Logics of Participation: Rural Environmental Governance Under Neoliberalism in Australia', *Environmental*

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<sup>18</sup> Linda Herbert-Cheshire, 'Contemporary Strategies for Rural Community Development in Australia: A Governmentality Perspective', *Journal of Rural Studies* no. 16, 2000, pp. 203–215 and Linda Herbert-Cheshire and Vaughan Higgins, 'From Risky to Responsible: Expert Knowledge and the Governing of Community-led Rural Development', *Journal of Rural Studies*, vol. 20, no. 3, 2004, pp. 289–302.

<sup>19</sup> See, for example, Andrew Beer, Graham Haughton and Alaric Maude, *Developing Locally: An International Comparison of Local and Regional Economic Development*, The Policy Press, Bristol, 2003.

<sup>20</sup> State Government of Victoria, 'Australian Mineral Sands Industry', 2002, <http://invest.vic.gov.au/Industry+Sectors/Other/Mineral+Sands.htm>

<sup>21</sup> See Harman, Elizabeth and Brian Head, *State Capital and Resources in the North and West of Australia*, University Of Western Australia Press, Nedlands, 1982.

<sup>22</sup> Capel Shire, 'History and Culture', 2003, <http://www.capel.wa.gov.au>

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<sup>24</sup> The oral histories were collected for a history of Westralian Sands that was never completed; they were made available to me through the Iluka archives.

<sup>25</sup> Liswa, 'Western Perspectives on a Nation: Images from Australia's West 1901–2001', 2001, [http://www.liswa.wa.gov.au/wepon/mining/html/min\\_sands.htm](http://www.liswa.wa.gov.au/wepon/mining/html/min_sands.htm)

<sup>26</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a.

<sup>27</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a, p. 5.

<sup>28</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a.

<sup>29</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a.

<sup>30</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a, pp.1, 3.

<sup>31</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a, p. 2)

<sup>32</sup> Phillip O'Neill and Sarah Whatmore, 'The Business of Place: Networks of Property, Partnership and Produce', *Geoforum*, no. 31, 2000, p. 135.

<sup>33</sup> Leigh Edmonds, Verbatim transcript of an interview with Stan Perron, 1996a; Cable Sands, 'Cable Sands History', 2000, <http://www.rzm.com.au/history.asp>

<sup>34</sup> Leigh Edmonds, Verbatim transcript of an interview with Max Cooper, 1996b, pp. 1–3.

- <sup>35</sup> Leigh Edmonds, Verbatim transcript of an interview with Rick Spencer, 1998.
- <sup>36</sup> Leigh Edmonds, 'Westralian Sands Limited as recalled by Michael Rhys Jones', 1997a.
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- <sup>38</sup> Leigh Edmonds, Verbatim transcript of an interview with Michael Rhys Jones, 1997b, p. 21.
- <sup>39</sup> Leigh Edmonds, Verbatim transcript of an interview with Michael Rhys Jones, 1997b, p. 22, Leigh Edmonds, Verbatim transcript of an interview with Jim Dunlop, 1997c, p. 37.
- <sup>40</sup> Leigh Edmonds, Verbatim transcript of an interview with Jim Dunlop, 1997c.
- <sup>41</sup> Martinick McNulty Pty. Ltd. *Douglas Heavy Minerals Project Stage 1 – Environment Effects Statement*, Basin Minerals Holdings NL, Victoria, 2001, pp. 38, 75.
- <sup>42</sup> Martinick McNulty Pty. Ltd. *Douglas Heavy Minerals Project Stage 1 – Environment Effects Statement*, Basin Minerals Holdings NL, Victoria, 2001, pp.14–15, 102, 106, 137.
- <sup>43</sup> DoI (Department of Infrastructure), *Environment Assessment Review: Issues and Options 2002*, Department of Infrastructure, Melbourne, Victoria, 2002.
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- <sup>45</sup> The latter informant was not local, but a Melbourne-based member of the group whom locals had recommended that the researcher speak with
- <sup>46</sup> See, for example, Wheeler, David, Heike Fabig and Richard Boele, 'Paradoxes and Dilemmas for Stakeholder Responsive Firms in the Extractive Sector: Lessons from the Case of Shell and the Ogoni', *Journal of Business Ethics*, no. 39, 2002, pp. 297–318 on a case of Shell and the Ogoni of Nigeria.
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