

The IISRE Initiative background and rationale – a summary

IISRE is an international interdisciplinary research initiative involving universities, government and the private sector. IISRE's approach is one of comparative research between regional economies in Canada, the United States and Sweden.

The purpose is to increase understanding of the allocation mechanism and its faults in democratically governed mixed monetary economies such as Canada, the United States, Sweden et al. Faults that unsolved cause social, economic and ecological adversity. This understanding is necessary to early enough invent the methods and systems government needs to early enough detect, recognize and address the faults.

The IISRE initiative originated from public and private institutions and universities in British Columbia and Sweden, and was formulated in a discussion paper in February 2004: "A perfect functioning allocation mechanism in an economy is a utopia. A better functioning allocation mechanism in regional and local economies is not a utopia, but a better functioning society." Set out in an Academic Cooperation Agreement between UNBC (University of Northern British Columbia) and MSU (Mid Sweden University) in September 2005, IISRE was incorporated in 2007 under Canada part II, not for profit, (societies) legislation.

IISRE's Rationale

Sustainable social satisfaction and political stability depend entirely upon sustainable economic production and distribution of real income in the society that makes up the economy. These are the conditions for human existence.

The problem is that human aspirations are unlimited while the resources and the time each generation has available to achieve its ambitions are limited and have alternative uses – the opportunity cost.

The purpose of a modern economy is therefore to allocate unlimited human aspirations versus scarce resources in such a way that satisfy the present generation's ambitions without denying future generations the opportunity to achieve theirs. (*UN Brundtland Commission)

Faults in the allocation mechanism will, if unsolved, inevitable have social, economic and ecological consequences for society.

Why collaboration between university, government, private sector and community?

In a constitutional democratically by legislation governed mixed monetary economic system such as United States, Canada, Germany and Sweden;

Unlimited human aspirations competing with scarce resources that have alternative uses, are allocated to economic production by a mix of knowledge, price and government planning and intervention. Hence, the key influences are the universities, government, voters and the private sector.

The allocation mechanism is defined as the means by which the society that makes up the economy, either through markets or governments or both, allocates resources to production and distribution of economic, social and political goods and services; and the economic, social, political and ecological consequences of such allocations.

The significance in a democratically governed mixed monetary economy is that not only does government have the accountability to protect each member of the society that makes up the economy from the wrongs of other members, the government also has to be accountable to protect society from the wrongs and negligence from the government itself. An example of negligence, would be failure to early enough detect and address faults in the economy's allocation mechanism, thereby allowing those faults to unnecessarily escalate into social, economic and ecological adversity.

Unsolved failures in any of the key sectors of university, government, and private sector have far reaching social, political and ecological consequences. Hence, the research approach is to involve universities, government and the private sector.

Why Interdisciplinary – social and natural science?

The general rationale for IISRE's interdisciplinary approach is that as it is inappropriate to attach value to science and technology outside of their social and economic contexts; it is also inappropriate to discuss economic development without understanding the scientific and technological contexts upon which it depends.

Social science and economics address issues and formulate solutions to the socio-economic and ecological issues facing society.

The problem is that social sciences and economics cannot develop the technological solutions without the use of the natural sciences. It is only through cooperation and collaboration between the natural and social sciences and society in general whereby research can support the development of solutions to the sustainable economic problems society faces.

Why the regional and comparative research approach?

National, state, provincial and supranational economies such as the EU and NAFTA are made up of regional economies.

Comparative research studying the allocation mechanism in regional economies is the most efficient method to increase understanding of the allocation mechanism and its faults in general.

By investigating the allocation mechanisms in regional economies and in different political versions of democratically governed mixed monetary economic systems, we can increase understanding by isolating the reasons or causes for success or failure. In the process, lessons will be learned in and between each region as well as between the provincial, state and national economies.

For example, by comparing the regional economies of Canada (British Columbia), the United States (Washington state) and Sweden:

1. Regional/county and municipal government fiscal structure, tax, revenue streams and planning strategies;

2. Health care resource allocation, planning and service delivery;
3. First Nation land rights and socioeconomic development issues;
4. Immigration issues;
5. Public opinion towards the perceived responsibility of national, regional and local governments in economic sustainability issues

We can isolate the systemic factors that either hamper or facilitate investment in sustainable economic production and hence, the social and ecological sustainability of each region as well as in the overall economy.

Through this, we can produce the understanding necessary to develop more sustainable policies, methods and systems that will early enough address the issues society needs to solve.

IISRE Abstract and Project Description 2010 – 2012 subject to change

Between 2010-2013, IISRE's aim is to compare the social, economic and political systems of a municipality in British Columbia, Canada; Washington, USA; and Sundsvall, Västernorrland, Sweden and the roles of the public and private sectors in service delivery and the provision and protection of the economic systems of each municipality. One outcome of this research will be the identification of government and market failures and the documentation of best practices for promoting sustainable economic development. The basic research goal of this project is to gain insight into the problems with the resource allocation mechanism in mixed economies.

The research report will describe the finances of the local government with a focus on amenities provided and revenue-raising capabilities. The report will also describe the democratic process at the municipal level.

Time series and regression analysis, and theoretical models of local taxation and expenditure will be employed, where applicable. We see this as the first step of a larger research journey and as the foundation for subsequent work exploring issues of sustainable economic development for municipal and regional governments.

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Another key aim of the IISRE project is to establish and strengthen academic, government and business links between British Columbia, Washington State and Sweden. It is believed that effective networks and opportunities will be created as a result of exploring sustainable development issues from an interdisciplinary perspective, which will benefit not only the involved municipalities and regions, but in so doing may also extend to other parts of the industrial and developing world.

IISRE 2012

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<p>IISRE's Board of Directors: Peter Wylie UBCO, Canada Eleanor Wint, Dalhousie, Canada Larry Derrickson, Westbank First Nation, Canada Kell Petersen, OISD Sweden & Canada Christer Fröjd MSU, Sweden, Susanne Öhman MSU, Sweden Hans-Erik Nilsson MSU, Sweden Lars Nelvig, liaison Sweden Ray Strafehl, liaison Canada</p>
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