

**Abstract**

IISRE the International Institute for Sustainable Regional Economies, Inc. (not for profit)  
a Canada/North American Swedish/ European Initiative; [www.IISRE-Institute.org](http://www.IISRE-Institute.org)

**IISRE**

IISRE is a unique Canada, North American-Sweden European partnership initiative, governed by a joint Canadian, North American-and Swedish board that facilitate cooperation between Universities, Government, First Nations and the Private Sector in interdisciplinary social and natural science research of global importance.

IISRE is formulated in a OISD Discussion Paper of 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".

**Impetus**

Contrary to conventional predictions, since the 1970s the world is facing increasing disparities in wealth and opportunities within and between communities, fuelling undesirable urbanization and fragmentation of communities and mounting energy and environmental problems.

**Problem**

The characteristic of humanity is that; sustainable social satisfaction, quality of life, a sound ecology, and political stability, entirely depends on sustainable economic production and distribution of real income in the economy.

The eternal problem is that human aspiration is unlimited, but the resources and time each generation has available to achieve their ambitions is limited and has alternative uses.

The purposes of a modern economy is to sustainably ensure that the economy's "allocation mechanism" rations and allocates scarce resources that have alternative uses between unlimited claims, so as to satisfy the ambitions of the present generation without denying future generations the capacity to achieve their ambitions.

Since the 1970s, globalization has shifted the economy from commodities driven and tariff regulated closed Cold War conditions, to knowledge driven open and rapidly shifting conditions with expanding political and trade block formation such as EU and NAFTA, and unrestricted movement of knowledge, investment and liquidity. From a more lateral flow in local economies, the flow of investment and economic activities is shifting vertically into the major capital, stock and bond markets. This affects the allocation mechanisms in local and regional economies and subsequently the overall economy. Government intervention methods developed and used in more closed conditions to assist regional and local economies, does not and should not be expected to work, in open rapidly shifting globalized conditions.

This presents tough challenges for regional and local communities and government.

### **Rationale**

National economies are made up of regional and local economies. The region is becoming the critical political unit for analysis of socio-economic and ecological issues. The so-called globalization paradox – as economic and social interactions are increasingly global, the determinants of our regional society's place in the globalized economy are increasingly local. Regions that are peripheral to the major growth poles in the global economy require unique analysis and solutions.

"Society therefore needs to increase understanding of the allocation mechanism and its failures that hamper sustainable economic production, issues that unsolved, cause social, economic and ecological adversity."

Understanding that is imperative for society and its' government; to 'early enough' develop more efficient policies that address the issues that hamper sustainable economic production, hence leading to not a perfect, but a more efficient allocation mechanism, and subsequently a better functioning society.

### **Approach**

Comparative interdisciplinary natural and social research isolating the causes for success or failure in the allocation mechanisms in two regional economic and political systems, involving one region in Canada/North America and one Region in Sweden/Europe, allowing hypothesis's to be tested and lessons to be learned in and between each region. For example, by comparing municipal models, or the education models, economic development or the social and healthcare models, etc., we can isolate the systemic factors that either hamper or facilitate sustainable economic production and hence, the social and ecological sustainability of each region. This will increase the understanding needed to develop more sustainable policies, methods and systems that 'early enough' address the critical issues facing society in North America Europe and elsewhere. The approach will identify the need for continuing social relevant research.

**Delivery**

The research will be conducted by faculty from the Canadian/North American and Swedish/European universities, primarily UBCO, UNBC, [WSU] and MSU, including participation and expertise and experience from other universities and from the government, First Nations and the private sectors.

**Cultural and business**

IISRE also offers business and cultural connections between Canada/North America and Sweden/Europe.

**Current**

IISRE's Board applied for matching funding with Sweden from Canada through Western Economic Diversification, and is discussing with US Organisations and Universities to move the comparable and further needed research forward.

IISRE welcomes discussion about IISRE and involvement to further IISRE's research.

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**Information**

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