Fragmenting Societies?

A comparative analysis of regional and urban development

David C. Thorns

ROUTLEDGE

FRAGMENTING SOCIETIES?

This book addresses a number of key themes in the debate about the nature of a contemporary capitalist society. It poses the question as to whether the present changes are creating a more fragmented society. Through a comparative historical analysis of Australia, New Zealand and Britain the book examines the restructuring of the workforce, the shifts towards more flexible work practices, rising unemployment, the growth of individualism, regional and local diversity, and the creation of new social formations. The book challenges both the more economistic versions of the New International Division of Labour thesis and the ethnocentrism of much contemporary debate on regional change. It argues for an approach based in the distinct experiences of localities, regions and nation states. Detailed empirical data are provided for Australia, Britain and New Zealand covering such areas as economic and employment change, regional diversity, restructuring of the state sector, consumption and home ownership and local social resistances and responses to change.

The author is an established and widely published researcher who has conducted intensive research into the three societies examined in this book. The book will interest students in Sociology, Geography, Regional Science, Urban and Regional Planning and Political Science.

David C.Thorns is Reader in Sociology at the University of Canterbury, New Zealand.

INTERNATIONAL LIBRARY OF
SOCIOLOGY
Founded by Karl Mannheim
Editor: John Urry
University of Lancaster

FRAGMENTING SOCIETIES?

A comparative analysis of regional and urban development

David C.Thorns

CONTENTS

FIGURES AND TABLES

FIGURES

TABLES

PREFACE

This book arises out of a concern to develop a comparative historically grounded approach to urban and regional sociology. In confronting changes which have occurred it is necessary to try and distil the general shifts from the particularities of nations, regions, and place. Much of the debate over the past decade has been based around models which point to universalising processes and tend to operate at a high level of abstraction. We are thus confronted with such propositions as the shift towards a more fragmented society in which the trend is towards more 'flexible' work and leisure practices and greater individualism rather than collectivism. The decay of the welfare state and of bureaucratic centralism are now centre stage in debate and reality. The implications of such wide-ranging changes need to be carefully assessed. In the present book these themes of global social change will be examined and questioned to see whether they are fundamental or merely adaptations. If the latter, then they become part of a continuing process of adjustment rather than a radical break with the past. A recent persistent theme has become that of 'fragmentation', a concept not precisely defined, rather a general notion of movement from a stable, regulated social world to one of greater choice and individualism as the older forms of social regulation give way to newer ones. The question mark in the title is meant to show that the 'fragmenting' of society is an issue to be debated rather than assumed. Much rhetoric exists but less systematic research and analysis. It is as a response to this need that the present study was designed. To demonstrate how far global trends and changes have spread and become common to all advanced societies it is necessary to adopt a comparative historical approach. In this book it is to the similarities and differences in the experiences of Britain, Australia, and New Zealand that attention is focused. These three

provide a mix of both metropolitan and more peripheral societies, hence an interesting group of nations to consider.

It is hoped that this book will stimulate further interest in comparative work which, despite the continued advocacy of the need for comparative urban and regional research, still is not extensive, particularly work which contains a North-South axis of comparison and draws the Pacific and Australasia into the mainstream of European and American debate. Comparison of this kind can, as this study seeks to show, assist in clarifying theory and bringing to light both the strengths and weaknesses of the more general level explanation provided of urban and regional restructuring and change.

ACKNOWLEDGEMENTS

1
INTRODUCTION

FRAMEWORKS FOR STUDY AND LINKS
BETWEEN THE THREE COUNTRIES

In the theoretical debates about the internationalisation of capital which have dominated the recent sociological research agenda, much of the argument has focused around distinctions between the 'core' and the 'periphery' and between exogenous and endogenous explanations (Boreham *et al.* 1989). For Wallerstein (1974, 1979) the present world system emerged in the sixteenth century with the discovery of the new world of the Americas and the subsequent development of industrial capitalism. The system was composed of 'core' nations which dominated the system, consisting of the first industrial nations of Britain, Netherlands, and France, which were joined in the twentieth century by the USA and Japan. The second group was that of the semi-peripheral nations of Southern Europe around the Mediterranean and linked to the 'core' through trading relations and a dependency which limited their internal development, leading to a relatively slow rate of economic and social development. The third was the 'periphery', the outer edge of the system, originally Eastern Europe, which sold cash crops to the 'core'. Finally, beyond these nation states there was the 'external area' of Asia and Africa which became incorporated into the 'periphery' as colonial expansion took place.

In the case of most countries allocation to one or the other of these categories is not particularly problematic, clearly the United States, Japan, West Germany, and Britain are centres of the world capitalist system whether this is identified in terms of systems of unequal exchange, control over financial markets, or location of multi-national companies which play a central role in the patterns

of capital accumulation. Similarly, countries such as Bangladesh, Ethiopia, Afghanistan on any definition would be peripheral with a high degree of dependency upon the capitalist core nations. But this leaves many nations lying in between these extremes; what of the Eastern European nations with their increasing financial indebtedness to the western banking system, or the newly industrialising countries of South East Asia such as South Korea, Singapore, and Taiwan with their rapidly growing consumer product industries. How are they to be fitted into such a model and what of the relatively high-income societies with advanced standards of living which still retain a high level of dependency such as Canada, Australia, and New Zealand?

To explore such questions further requires a comparative analysis of countries drawn from varying categories within the world system. In this text the three chosen are Britain, Australia, and New Zealand—countries which from their earliest days have been linked at a number of different levels with respect to their political and economic development. The three countries have been linked together through patterns of trade, flows of capital, political institutions, migration, and the movement of ideas. For example, the three countries share common traditions with respect to their parliamentary systems of government and through the interchange of 'expertise' within many areas.

A comparative analysis of the three countries, therefore, will allow the exploration of changes within both a core nation, Britain, and within two which have occupied intermediate positions. However, over time the links between the three have not just been from the core to the periphery but also strong links have been made between Australia and New Zealand. The most significant in recent years has been the agreement to develop Closer Economic Relations (CER) between the two countries through adjusting tariff levels and eventually creating a free trade zone to provide an expanded market for local manufacturers of consumer appliances and other similar products. The second is in the area of defence and collective security. With the ANZUS treaty becoming non-operational in 1986 as a result of New Zealand's non-nuclear position and thus a ban on American nuclear-armed or propelled warships from visiting New Zealand ports, a new set of defence arrangements with Australia have been initiated (Clements 1988). However, at the same time as moves exist to draw New Zealand and Australia closer together, economically and strategically there

are also moves within Australia to establish new sets of linkages with America as Australia seeks to adjust itself to a Pacific-focused future rather than one centred upon Western Europe. Such moves are likely to bring changes to patterns of trade and create new forms of economic dependency, a dependency, however, less reliant upon Britain and more linked into the USA, South East Asia, and Japan. American and Japanese capital is currently replacing British and so the nature of domination and dependency is shifting towards a position within a Pacific centred system of economic, political, and social relations. The 1980s have also seen Australian and New Zealand capital investing offshore, with, for example, New Zealand's largest company investing in Chile and Canada, creating multi-national enterprises.

The three countries vary considerably in size and resources. Britain is a nation of some 50 million whereas Australia has only 16 million and New Zealand 3 million people. All three have a significant degree of ethnic diversity created through migration and the revival of the indigenous population in New Zealand and Australia. The European population in all three is ageing with the greatest growth and potential growth amongst the ethnic minority groups. The demographic future suggests, therefore, one that is both ageing and ethnically more diverse. Finally, all are predominantly urban societies with a high degree of concentration in the largest urban areas. Australian states are dominated by their capital cities which in 1986 contained 64 per cent of the total Australian population and in New Zealand Auckland, a city of over 800,000, dominates the country and contains 25 per cent of the total population.

Britain, of the three societies chosen for this study, is a core nation. This is reflected in the patterns of economic and social development which have taken place. In the eighteenth and especially the nineteenth century there was a rapid growth in industrial production and urban living creating a large urban working class. The growth of these new factory-based settlements provided the first major period of new city formation since the thirteenth century and by 1900 four-fifths of Britons lived in urban areas. London was the dominant urban centre and during the nineteenth century grew from 1 million to 7 million people, and became firmly established as a centre for 'international cosmopolitan mercantile capitalism' (Lash and Urry 1987:94). One result of this rapid urbanisation was extensive poverty and poor

housing conditions amongst the urban working class, documented in many studies including those by Engels (1892), Mayhew (1861), and Booth (1889). As industrial capitalism developed there was a shift from the small-scale capitalist owner to the business corporation, utilising new forms of technology to produce consumer goods for a mass market. Alongside these changes to industrial ownership and the organisation of paid work, the twentieth century saw the rise of the centralised state increasingly involved in the regulation of social and economic activities. By the middle of the twentieth century the manufacturing base was beginning to be eroded by increasing competition from both other newly arrived 'core' nations such as Germany, America, and Japan and the greater internationalisation of production. This latter trend has seen British capital investing in the 'semi periphery' and in the newly industrialising nations of South East Asia such as Hong Kong, Singapore and Malaysia. Changes brought about by these shifts have resulted in restructuring within Britain leading to a rapid decline in manufacturing with a loss of 2.5 million jobs from 1971 to 1984, and the shift to a more service-based occupational structure leading to a realignment of the class structure. The rise of such a service class with different tastes and life styles has had a considerable impact upon patterns of consumption, especially housing tenure. The 1980s thus present a decade of considerable change both to the position of Britain within the international system and to the internal structure of class relations.

The economic and social experience of Britain is, then, different from that found in Australia and New Zealand, neither of which have been core nations. Consequently, it is necessary to consider how these nation states can be viewed within the world system and how their particular location has shaped the social and economic structure that formed. One way to approach this task is to see Australia and New Zealand as dominion capitalist societies. Armstrong (1978) in an important discussion of this concept draws attention to the fact that orthodox economic theory has seen dominion capitalist societies as a historical category of the nineteenth century. Other economists have, however, developed the concept, for example, Nurkse (1962) has noted that dominion capitalist societies had certain characteristics in common but that most significant was 'their high, though varying dependence on growth through primary commodity exports and on the private foreign investment which, directly or indirectly, was thereby

induced' (Nurkse 1962:15). He further points out that economic growth favoured the dominions by tying them into the 'dynamically expanding industrial economy of an industrialising Britain'. Armstrong (1978, 1980), however, sees the concept as having continued utility as in the twentieth-century Australia, New Zealand, and Canada have continued to share a particular niche within the international system and have maintained a high standard of living. The use of this framework directs our attention to aspects of the two societies where significant differences are found between such societies and Britain. Recent writing on the nature of white settler colonies by Baker (1983), Denoon (1983), and Pearson (1990a) draws attention to the fact that Australia and New Zealand were initially settled by the British and controlled for an extended period by the metropolitan government. The British government, therefore, retained important degrees of jurisdiction over 'native affairs' and foreign affairs in the initial phases of colonisation. Such societies were outposts of the British Empire and were settled at least initially, more for their geo-political rather than economic importance. For example, Australia was important as a staging post for trading, as a base from which to protect shipping and trading routes, and as a source of supplies for the British navy of timber for masts and flax for sail cloth and cables.

Australia and New Zealand were also settler rather than sojourner societies. Immigration was thus encouraged by a mix of public and private capitalist interests bringing to the new societies entire families who would recreate colonial versions of their mother country. However, the migrant nature of these societies meant that the nineteenth century was characterised by social fluidity with social organisation not as extensive as in the society of origin (Fairburn 1989). The extent to which this fluidity led to chaos or cohesion is still subject to vigorous debate.

Land provided a major inducement for many of the migrants who were often tenants in the 'mother' country and saw migration as one way of improving their status. The increasing scale of settlement inevitably led to conflict between the settlers and the indigenous people for control of this vital resource. The degree and nature of this conflict was influenced by the respective numbers of settlers and indigenes and the social organisation of the aboriginal population, the form of production they developed, the topography of the colony, and the set of colonial ideas shaping

metropolitan policy at the time of mass settlement. Central to the development of both class relations and that between the migrants and indigenes was, therefore, land. It is therefore useful briefly to examine the way that this rather different pattern of development has shaped the class structure, resulting in land and property being central issues around which conflict has developed and how the relationship between the settlers and the indigenous peoples emerged within the two colonial societies.

CLASS STRUCTURES

The social, political, and economic structures of Australia and New Zealand continue to reflect their place within the international division of labour and the class structure that has been shaped and reshaped by the particularities of their experience. For example, New Zealand towards the end of the nineteenth century through the introduction of refrigeration in 1882, the land-reforming initiatives of the Liberal government, and the emergence of the dairy industry set in train a set of social changes which created a significant class of owner-occupier farmers living on and working their farms with the assistance of mainly family labour. This provided a counterweight to the provincial landed class of the nineteenth century and provided one of the main elements shaping the social structure of the first half of the twentieth century. The other was the development of a local processing industry for the main agricultural products in meat-freezing works and dairy-processing factories. These led to the growth of small provincial towns built around services and the processing of farm products. Such small towns were the repository of small-town capitalism and provincialism and were centred on local forms of association such as rugby clubs, volunteer fire brigades, and lodges, where male mateship was strong (Pearson and Thorns 1983, Fougere 1981, Phillips 1987). A not-too-dissimilar story can also be told of Australia with its early dependence upon pastoralist production and small-town processing leading to strong endorsement of 'male' mateship as a key theme in social life (Oxley 1974). Out of these sets of social relations has emerged the belief in 'egalitarianism'.

Colonial production in both societies in the nineteenth and early twentieth centuries through to the depression in the mid-twenties and thirties was thus dominated by pastoralism; a form of production which required considerable land but little paid labour

over and above that provided by farm families. Therefore, the full incorporation of the indigenes into capitalist work relations did not occur in the earliest stages of settler colonialism. It took place only after the development of an import-substitution manufacturing sector during and after the Second World War. With this change came a movement of the indigenous population from rural areas to the major cities providing a semi– and unskilled urban labour force.

The strength of the belief in egalitarianism was sustained initially in the post-war years from 1945 to the 1960s as a result of the expansion and diversification of the economies of the two societies. Manufacturing expanded, labour shortages rather than surpluses occurred, prompting high levels of immigration, and the standard of living rose. However, by the end of the sixties the economy began to falter, unemployment reappeared and the incorporation of migrants into the workforce and society became more problematic. Class relations began to change with the appearance of sharper divisions between groups within society and a weakening of the ideology of egalitarianism. As the seventies have passed into the eighties the restructuring that has occurred has led to the decline in the manufacturing sector, the expansion of the service sector and the growth of unemployment which has led to even sharper divisions between those in the paid labour force and those excluded bringing about changes to the structure of class relations and further eroding the ideology of egalitarianism.

LAND AND PROPERTY

New South Wales was the earliest part of Australia to be settled and its early days were shaped by the fact it was a convict settlement with a clear structure of class relations between the convicts and their captors—the officers and soldiers of the British army as represented by the New South Wales Corp. The early and middle years of the nineteenth century were the years of land claims and expansion as the colonial elite established its dominance and acquired a major stake in the ownership of land. Land aggregation occurred, land sales and provisions for exconvicts ceased as the new emergent landowners required workers to assist in their farm production. So as the century developed the dominant class became that of the large-scale landowners, the merchants, and the financiers. This group had

strong links to Britain and a close relationship was forged at both the political and economic level.

In some of the Australian states, notably South Australia, the colonial development followed a slightly different path. Here, as in New Zealand, the path of colonial development was shaped by the ideas of Edward Gibbon Wakefield. Wakefield devised a scheme of systematic colonisation which was designed to reproduce the class structure of Britain and ensure a supply of labour to work on the land. The scheme attempted to set a sufficiently high price for land so that only those with some capital could afford to buy land, ensuring those arriving with little money would be required to work for a landowner until such times as they were able to accumulate capital. Wakefield, as Marx noted, therefore 'wanted to transfer the capitalist mode of production and accumulation from the old world to the new' (Marx 1979). Wakefield reformers through the vehicle of the New Zealand company were responsible for founding the first systematic white settlement of New Zealand and many of the major centres with the exception of Auckland. Auckland grew much more speculatively and reflected the role that mercantile and finance capital, much of it initially from New South Wales, played in the growth of nineteenth-century New Zealand. Land speculation became rife as the century developed with people making and losing fortunes (Stone 1973).

The Wakefield schemes were not very successful in either South Australia or New Zealand largely for two reasons. First, because of land speculation and the activities of absentee landowners. For example, in Wellington, Nelson, and New Plymouth absentee buyers accounted for 50 per cent of total purchasers in the early years of settlement. Also in Christchurch, perhaps the most successful of the Wakefield settlements, the practice of selling linked urban and rural land parcels provided the basis for speculation. Many of the initial purchasers of such parcels either never arrived in New Zealand or only stayed a relatively short time, as they had no experience of farming and rapidly became indebted.

The second was the fact that the land and farming which developed depended upon extensive grazing rather than cropping which required capital to establish flocks and some knowledge of stock management. Thus the form of agriculture which became established in the 1850s and 1860s was extensive sheep grazing and much of the stock and expertise came from the emerging

colony of New South Wales. The early years became dominated by squatters and runholders who acquired leases from the Crown to large tracks of the South Island and the Wairarapa in the North Island and by mid-century large sheep stations had been established and a grazier provincial upper class or 'gentry' had become a part of the New Zealand and Australian class structure. By the late nineteenth century both societies had established a dominant class structure built around agrarian and commercial capital. It was a domination of farming, landed interests, merchant importers and traders and financiers, rather than industrial capital. This group had a mediating role between the local producers of commodities. The chief sources of wealth in the nineteenth century were wool and gold. Further, it was the British markets and British capital which dominated the banking and transport areas of the economy.

A second dimension to the significance of land and property relations was the move to a freehold system. By the 1880s freeholding was replacing the early leasehold system. This was spurred along in New Zealand by the breakup of the estates, a process encouraged by the Liberal government. The move to owner occupation was within both rural and urban areas with assistance provided by the state to home owners. The result was that in both Australia and New Zealand high rates of home ownership became established by the early part of the twentieth century creating nations of home owners long before this occurred within Britain (Saunders 1990b). This raises interesting questions as to the impact such a tenure structure has had upon political and social development. Has it, for example, encouraged more conservative politics as so many had a financial stake in the system? These are important issues which the comparative focus of this study will allow to be addressed.

RELATIONS WITH INDIGENOUS PEOPLE

Land is also the key to understanding the relations between the settlers and the indigenous people. In Australia there was no treaty between the indigenous people and the new settlers whereas in New Zealand there was, and this fact has resulted in relations between the indigenous people and the migrants differing. In both Australia and New Zealand the story of the early experiences of white settlement is one of land alienation from the indigenous

peoples by various strategies which included purchase, confiscation, treaty, and force culminating in New Zealand's case in the 'land wars' of the 1860s.

In Australia the fencing of land which followed from extensions of settlement was a significant factor in disrupting and undermining the aboriginal way of life. The aborigines were a migratory hunting and gathering people who moved over large areas of the Australian continent without establishing permanent settlement. Consequently, the new migrants saw the country as empty without permanent settlement and owners in the European sense.

In New Zealand relations between the Maori and Pakeha (white settlers) during the early years of the nineteenth century were mostly harmonious with the white settlers relying heavily upon the Maori for food (Walker 1990). The Maori were numerically dominant at this time numbering some 100,000 to the 1,000 or so white settlers, most of whom were whalers and sealers living in coastal areas. The 1830s brought the beginnings of more systematic colonisation with the planned settlement of Wellington, Nelson, Wanganui, and New Plymouth by the New Zealand Company. It was at this point that the British government decided to formally annex New Zealand and instructed Governor Hobson to draw up a document to effect this with the native peoples. The result was the 'Treaty of Waitangi' signed in 1840 by representatives of the British Crown and over 500 chiefs.[1] Confusion surrounded the treaty from the beginning as there existed both an English and a Maori version with the text of the two documents differing. The treaty in the English version ceded to Britain sovereignty of New Zealand giving the Crown exclusive rights of pre-emption on such lands as the Maori people wished to sell. In return the Maori were guaranteed full rights of ownership of their lands, forests, fisheries, and other prized possessions and were promised in article three the rights and privileges of British Subjects. However, only thirty-five of the chiefs signed this version. The majority signed the Maori version, which contained a significant difference of emphasis in article two where the guarantee of 'the full exclusive and undisturbed possession of their lands and estates forests and fisheries' was replaced by *te tino rangatiratanga* (chieftainship) so that the treaty guaranteed the 'unqualified exercise of their chieftainship over their lands, villages and all their treasures', which for the Maori implied more than

simply possession and something much closer to sovereignty (Orange 1987, Cleave 1988, Kelsey 1989). The Maori version of the second article has become the basis for the Maori claim that the treaty allowed them to continue to manage their own affairs and resources so envisaging a partnership arrangement whereby Maori and Pakeha society would exist alongside each other in a bicultural relationship, one nation but two peoples. What the chiefs gave to the Crown in this reading of the Treaty was *kawanatanga* (literally governorship), a restricted form of authority which would be exercised within a framework laid down by the chiefs. The Maori view in 1840 was captured by Nopera Panakareao (paramount Northern chief) when he said the Treaty gave the 'shadow of the land to the Queen…the substance remains to us' (quoted in Kelsey 1989).

Maori and Pakeha continued in an uneasy relationship through to the 1860s when the issues of land, sovereignty and authority which had been at best resolved in an ambiguous fashion were solved in the traditional colonial way by war and political action. The wars of the 1860s led to the crushing of organised Maori opposition and the subsequent confiscation of 3.25 million acres of land from the defeated Maoris in the Waikato, Taranaki, and the Bay of Plenty. However, not all Maori took part in these wars against the colonists and in fact some Maori fought with the settlers (Pearson 1990a). The colonial government also sought to assert its control by assuming by the end of the 1860s full responsibility for Maori affairs and publishing a new translation of the Treaty of Waitangi which spelt out the official view that the Maoris had signed away their sovereignty in 1840 (Orange 1987, Pearson 1990a).

The Maoris kept alive their understanding and brought petitions to both the colonial and British governments during the 1880s. However, their numbers fell during the remainder of the century as they were affected by new diseases, wars and land losses so that by 1896 the population was only 39,854 and they were facing extinction as a group (Figures 1.1 and 1.2). The emergence of a new group of leaders in the early years of the twentieth century formed the 'Young Maori Party' and worked to help the remaining Maori to adopt European ways in order to survive (Pearson 1990a). There followed a period of reestablishment for the Maori population within which a further important element was the formation of the Ratana church in 1925 and the trip to London by
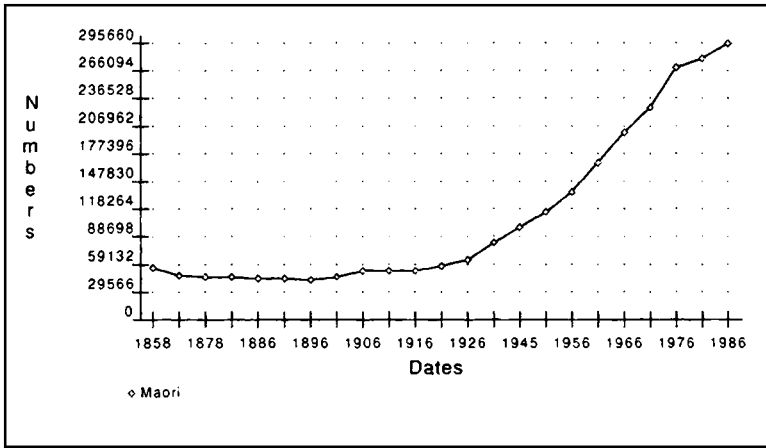
Figure 1.1 Maori population

Source: New Zealand Department of Statistics: Census Reports
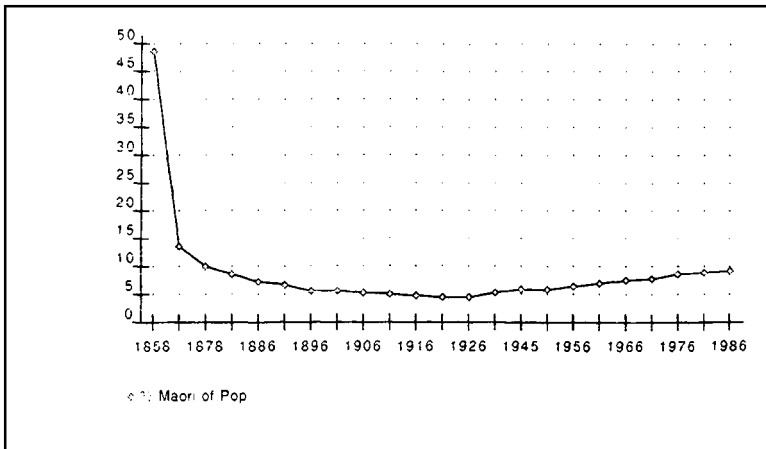
Figure 1.2 Maori population as percentage of total 1874–1986

Source: New Zealand Department of Statistics: Census Reports

Ratana in 1924 with a petition signed by 30,000 seeking ratification of the Treaty. The Treaty reappeared on the political agenda briefly in 1940, when the centennial of white settlement was celebrated. Again little further happened until the results of the post-war urbanisation of the Maori population during the
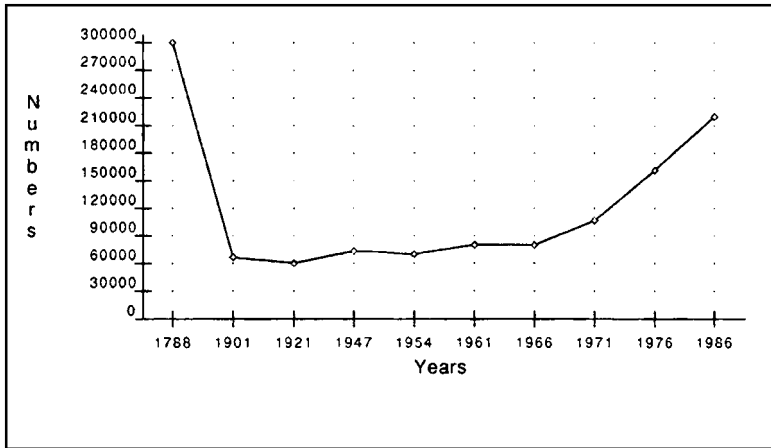
Figure 1.3 Aboriginal population

Sources: Various

1950s and 1960s brought Maori and Pakeha into much closer contact and into competition for jobs and resources.

In Australia no such treaty exists as the colonising authorities considered the aborigines were not a sovereign people. Thus the Aboriginal in their struggle for land rights and compensation do not have the same legal base to build around as the Maori and consequently their struggle has not yet reached the same level of dominance within the current political agenda. The Aboriginal people were mostly dispossessed by force in the early days of systematic colonisation as the settlers spread out from the coastal settlements in search of land, a process mostly complete by 1860. Unlike in New Zealand where a treaty was made with the indigenous people, the British colonialist deployed a legal doctrine of the empty earth *(terra nullis);* therefore it could be taken by settlers (Thorpe 1987). The native peoples were seen as savages to be forcibly removed. Even where reservations were founded in the late-nineteenth and early twentieth centuries, titles to ownership were not vested in the Aboriginal people but in the colonial or state government (Howe 1977). The loss of land led to the Aboriginal people being unable to continue their traditional hunting and gathering life styles. The number of native people fell rapidly after contact with Europeans as result both of forcible

encounter and disease from 700,000 in 1780 to 67,000 by 1901, when the federal state was formed constituting just over 2 per cent of the total Australian population (Figure 1.3).

A further limitation upon the activities of the indigenous peoples was the creation of reserved areas in states such as Queensland and Western Australia. In Queensland reserved areas comprise 1.3 per cent of the land area of the state. The government of Queensland has ostensibly pursued a policy of assimilation rather than attempting to recognise or protect the land or other rights of the indigenous people (see Broome 1989, Rigsby 1981). However, even within the reserve areas the state government has allowed multi-national companies to build ports, carry out open-cast mining and build workers' towns without even consultation with the local Aboriginals.

Aborigines were deprived of civil liberties (such as the right to vote) and excluded from coverage of the population census (Tait and Gibson 1987:6). Moves towards the restoration of their civil rights did not begin until the 1950s. In 1951 the Australian Council of Native Welfare discussed the issues of citizenship for Aboriginals. However, the council's recommendations were mostly ignored and it was not until the mid–1960s that action came. In the second half of the 1960s legislation was passed by providing equal voting rights and in most states authoritarian controls in Aboriginal institutions and legal restrictions on movement were abolished. However, not all states moved in this direction. Queensland, for example, continued restrictive legislation.

Aboriginal peoples in the 1980s make up only a very small part of the Australian population (1.3 per cent), and are fairly scattered. In contrast the New Zealand Maori population is a more substantial segment of the New Zealand population comprising over 12 per cent (1986) of the total population.

STATE STRUCTURES

Australia, unlike New Zealand, is not a single, unified nation state but rather a series of separate territories settled at different times which did not form a federal structure until 1901. Even though a federal structure has been in place since 1901 the various states have retained considerable autonomy and thus have followed varying paths as the policies adopted towards indigenous peoples demonstrate.

The New Zealand state structure has been a unified one since the demise of the provincial assemblies in 1876. Politically, government has been dominated by two parties (National and Labour) since the 1930s. In contrast to Australia it has been a centralised state within a high degree of concentration of government administration within Wellington (the capital) and relatively weak and fragmented local authorities. Auckland, the largest city until quite recently, was 'governed' by 44 different local bodies and statutory authorities (Bush 1977).

Gradually over the nineteenth century settler control was established over economic, political, and social institutions and moves were made for political independence. In the course of the move to political independence the white majority sought to establish a one-nation ideology, which required the other ethnic groups to shed their culture and practices and adopt that of the British or Pakeha population with a strong attachment continuing with Britain as 'home' and as the 'mother' country.

EXTERNAL VERSUS INTERNAL EXPLANATIONS

The analysis of Australia and New Zealand's development as dominion capitalist societies places greatest weight upon exogenous factors, the way the societies fit into the wider capitalist economic system and therefore the links to the core nations including Britain. An alternative approach to the development of the two societies is one that stresses endogenous factors such as the nature of the political class struggle, relations between settlers and indigenes, the gendered nature of early settler society, and the form taken by state institutions and structures. Here, it is important to recognise that in both Australia and New Zealand there was an early development of both working-class political parties and a trade union movement which became actively involved in labour struggles, indicating the existence of some form of organised working-class power in the nineteenth century. One result was the early introduction into both countries of a centralised wage-bargaining structure underpinned by conciliation and arbitration (Castles 1985). This produced a state-regulated labour market and wages and conditions which generally allowed workers to satisfy their material needs. This was in sharp contrast to Britain where there was no centralised wage-fixing system and state involvement

centred around the direct provision of basic necessities outside of the wage relation. This difference has had a number of significant impacts upon the shape of the societies, not least of which is the contrasting tenure structure which saw Australia and New Zealand as owner-occupier societies before this occurred in Britain (Berry 1988).

As the twentieth century progressed both countries had Labour governments following reformist/welfare programmes leading to the implementation of a policy of 'domestic stabilisation' (Boreham *et al.* 1989)—this policy comprising tariff protection, central Government control over wage bargaining, and immigration control. The combining of the exogenous/ endogenous factors offers the best way forward in analysing the patterns of economic and social development and assessing the impact of Britain and British capital upon this process.

There are, however, some important differences in the paths followed by the two colonial societies which reflect their resources, the patterns of migration, and the nature of the indigenous peoples. The nineteenth century was in both cases dominated by pastoralism. However, within the twentieth century manufacturing grew in varying degrees stimulated by wartime shortages and protectionist polices limiting imports via licence and controls. Further, in the most recent decades the exploitation of Australian mineral wealth has created new regional patterns of growth and a redistribution of wealth and political significance from the southern states of New South Wales and Victoria to Queensland and Western Australia. Migration to New Zealand has been with respect to the European population much less varied than the Australian pattern being almost entirely from the British Isles. Australia, particularly after the Second World War, in contrast, has received extensive migration from Southern Europe, especially from Italy, Greece, and most recently, Turkey and Middle-Eastern countries, such as Lebanon. New Zealand, however, in the post-war growth years has drawn migrants from the Pacific Islands and Auckland now possesses the largest concentration of Pacific island Polynesians in the world.

ORGANISATION OF THE BOOK

This chapter has so far identified the need for comparative analysis of social change as different countries have varied experiences and

different relations to the 'core' of the world capitalist system. A comparison which works with both 'core' and 'semi-peripheral' nations provides a framework within which recent social changes can be viewed. The selection of Britain, Australia, and New Zealand is valuable as it combines both 'core' and 'semi-periphery' and in addition provides opportunity to examine linkages between two 'semi-peripheral' societies which have shared a similar pattern of economic and social development. Further, at the outset it is important to recognise that such societies as Australia and New Zealand occupy a particular 'semi-peripheral' location which can be described as dominion capitalist. Such societies differ from metropolitan core societies in a number of ways. The most important are in respect to the class structure, the role played by land and property, the relationships that were established between the settlers and the indigenous people, and the state structures which emerged. Having established this base, the rest of the book is designed to explore the urban and regional changes within the three societies.

Chapter 2, therefore, examines the theoretical work stimulated by the New International Division of Labour (NIDL) perspective, as initially set out in the work of Froebel *et al.* (1980), which utilises the more general theory of core-peripheral development to explore the deindustrialisation, reindustrialisation, and urban and regional changes within the advanced capitalist societies during the 1980s. This is followed in Chapter 3 by a more detailed discussion of economic and employment changes within the three countries over the post-Second World War years as these are the key ones focused upon by the NIDL writers. The NIDL debate suggest changes in five areas of contemporary capitalist societies. These are in their occupational structure, with the increasing tertiarisation of employment, in the gender composition and casualisation of the paid workforce, in unemployment and in greater urban and regional diversity.

However, the NIDL position with its emphasis upon global economic changes as the determining factor in social and political change tends to underestimate the continuing role of nation states, regions and localities. Consequently, these issues will be addressed in a series of chapters (4–8), which builds a critique of the economism of some versions of the NIDL and so provides a firmer basis for the analysis of regional and urban development.

The final chapter has two objectives. The first is to review the main themes debated within the book and the second is to offer some ideas about likely future paths of change. The chapter will conclude by addressing the question of possible future paths of social and economic development, and point to the likelihood of increasing divergence between Britain and Australia and New Zealand.

2
THE NEW INTERNATIONAL DIVISION OF LABOUR
The restructuring and fragmentation of capitalism

The focus of this study is to be upon regional and urban change so we need to move from the general level of discussion in Chapter 1 where we considered the broader issues of paths of national development to that of cities and regions. At this level the debate has centred upon the extent to which global processes are impacting upon cities and regions producing similar effects. Without doubt the last few decades have seen significant change within the urban areas and regions of the developed societies. There have been fiscal crises for city administrations as their tax bases have shrunk with outward mobility of the more affluent into the growing suburban areas and the consequent rising level of welfare dependants.

In the USA, for example, there was extensive controversy between many city administrations and the USA census department over the results of the 1981 census (Choldin 1987), with city authorities disputing the level of population remaining within their jurisdiction. The dispute was of vital importance as the population levels are crucial for setting the size of federal government assistance to cities. With the increasing pace of urban change has come rising levels of urban problems, for example, crime rates have tended to rise, especially those associated with violence. Further, the number in severe housing difficulties has also risen with homelessness becoming a serious issue, with the homeless caught between national governments following austerity programmes, and local governments being required to assist the homeless with very little in the way of resources. The result has been rising numbers without permanent or adequate accommodation in many advanced industrial societies including the USA, Canada, France, Britain, Australia, and New Zealand (Morrissey and Gounis 1988, Freidrichs 1988).

The physical structure of the cities is also rapidly changing as the downtown areas become reconstructed into the familiar high-rise gleaming towers of glass and concrete, all competing for the privilege of being the tallest in the urban centre. The older buildings within the city centres have either been destroyed to make way for the new office towers or are now dwarfed and dominated by the new. The new towers are the physical expression of a further change, to the ownership structure of the cities. This has become increasingly internationalised as multi-national capital has acquired real estate around the globe, and as local national capital has reorganised through mergers and takeovers so simplifying the ownership and control of the commercial and retail areas of the cities. The pattern of change has been marked by property booms and busts (Marriott 1967, Ambrose and Colenutt 1975, Massey and Catalano 1978).

There was a strong boom in the 1960s, which saw office rents soaring and millions changing hands through property deals. Office blocks stood empty as their value rose more rapidly without tenants to fix the rents. Then came the crash and many lost money as fast as others had previously made it. Many small investors were the losers. Then in the 1970s property prices went on another spree. This time non-local investors were more important as major world city property had become an international trading commodity. For example, the late 1970s boom in Sydney was in part financed by money from Hong Kong investors beginning to look for outlets for their funds prior to the coming change in ownership for Hong Kong in the late 1990s (Daly 1982). Then again in the mid-1980s with the 'big bang', which followed financial deregulation, within the City of London there was a property boom. The share market boom created a new class of rich who for a short period enjoyed rapidly rising incomes from share trading and from the exponential growth of business and commercial services, of sharebrokers and financial analysts. These were the heady days for the whizz kids of the finance markets who became the prize acquisition of the corporate 'headhunters', who acquired whole sections from some of the leading finance houses in a frenzied state of hyperactivity as the boom took off. This new group adopted a conspicuous style of consumption creating demand for BMWs, chic restaurants, and boutiques to provide the fashion conscious with designer clothing (Thrift 1989). The concentration of this group in the south-east of England placed

pressure upon the housing market leading to rocketing house prices.

In Auckland, this newly rich set created a new niche within the urban landscape and generated a growth in the leisure service industry catering for the expensive end of the domestic market where restaurant meals were accompanied by expensive imported wines rather than local products and the latest trends of European-style eating were rapidly assimilated and adopted, such as nouvelle cuisine. After the share market crash in October 1987 this new industry has struggled to survive.

The ending of the central city property boom in the late 1980s as a result of the sharemarket crash has created an oversupply of office blocks in the downtown areas of British and Australasian cities. So much so that the latest schemes being floated are for the conversion of inner-city office blocks into residential apartments much as the old warehouses in New York were converted during an earlier period of inner-city change (Zukin 1982).

Cities have also been modified as a result of urban renewal and gentrification. Oil price scares of the early and late 1970s, which in New Zealand created carless days and speed restrictions to reduce petrol consumption, created pressure towards innersuburban renewal. This also led to a more intensive use of urban space especially in the cities of Australia and New Zealand where many of the early properties were on generous land blocks and therefore suitable for further subdivision. The early 1970s saw the passing of unit title legislation, which eased the way for the sale of small parcels of land and thus the intensification of inner city areas. Many of these areas have now seen nineteenth-century villas give way to town houses and many of the original family households replaced by childless couples (Kendig 1979, Smith and Williams 1986).

The modifications that have occurred within the major cities have further produced a reorganisation of the urban hierarchy both within and between nation states. The internationalisation of finance markets and accounting firms has created a number of world cities holding pivotal positions within this hierarchy, for example, London, Tokyo, and New York are at the centre of this new web of key cities. However, growing in importance are also a second group of cities. Within the three nations, which are the primary focus of this book, clearly London is the key centre and is still both an international and a national city of considerable

importance. London has always played a dominant role in the flow of capital and financial services to both Australia and New Zealand. No New Zealand city has yet made it into this superleague of cities. However, the growth of closer economic relations with Australia and the further development towards a free-trade area between the two countries is likely to have implications for the regional urban hierarchy. This may well not affect Sydney's dominance of the region but is likely to lead to increased competition between centres such as Melbourne, which had been the dominant internal financial centre within Australia and Perth and Brisbane, and within New Zealand, between Auckland and Wellington.

This brief discussion of some of the changes within cities over the past few decades raises a number of important questions. How far have the cities been restructured over the past few decades and what consequences has such restructuring had for their form, social and political organisation and for the nature and level of urban social movements and consciousness? What weight needs to be placed on internally generated change as compared to that which is externally generated? In some recent discussions cities are considered to have been restructured from sites of productive activity to ones of display, of festival and theatre where they have attempted to find new ways of surviving in a situation where their original *raison d'être* for existence has gone with the closure of their main form of employment. For example, in Baltimore in the USA the closure of the docks resulted in both a decline in the traditional employment base of the city and the potential dereliction of a whole area of the city as it no longer had a productive use. The solution adopted was a festival utilising the space created, turning the area into one of entertainment and display, thus providing both use for the area and some employment (Harvey 1989a). Wellington (NZ) has also adopted some similar lines of development, with the use of the old warehousing sheds along the waterfront as alternative art galleries and sites for exhibitions and the holding of a festival of the arts in the city every other year, attracting not just locals but also people from throughout New Zealand and also international tourists. London's dockland has also been the site of an extensive redevelopment programme undertaken by a specially created enterprise board, which has turned the area into one of expensive housing and office and shop developments leading to many of the

traditional residents and activities being forced out of the area as the price of land and property rose. The development has consequently been the source of lively debate and critique (Ambrose 1986).

In all these cases the city has moved from a productive base around traditional manufacturing and transport services (shipping and docking) into service-based leisure and entertainment activities. Such restructurings have profound impacts upon the nature of employment, with respect to skills, gender composition, and rates of pay and conditions of work.

Having identified some changes, it is now necessary to examine the question of what sets of explanations can be constructed to account for these shifts and changes to the internal structure of cities and regions and to the modifications in life styles which have ensued.

At one level the changes can be seen as simply part of a more general process of restructuring and change that is taking place within capitalist societies. Such societies are characterised by waves of development punctuated by crises during which the system becomes restructured to allow for the continuation of profitability to capital. However, not all capitalist societies follow exactly the same path as although all are affected by the general crises, these crises are mediated through the particular set of institutions within each nation state (Lash and Urry 1987). These institutions are part of the framework of strategies built up over time for resolving the inherent contradictions within the capitalist mode of production. The varied paths of development can be seen from the fact that not all capitalist societies exhibit the same level of urban problems such as homelessness, high interest rates, deficiencies within the private and public rental sector, crime rates, pollution, urban renewal, and so on. It is important, therefore, in any analysis to be able to recognise both the impact of global changes and the way the particular context and social structure mediate these processes and so moderate outcomes and create the particular features we can observe when we compare societies. In the case of this discussion we will be primarily interested in identifying some of the common and unique aspects of change within regional and urban development between Britain, Australia, and New Zealand. In providing a broad theoretical framework within which we can explore the questions we have raised, we need to turn to the regional and urban literature and debates and

develop a position which allows for both the general features to be identified and the particularities of our three chosen nation states.

Debate within the regional and urban literature over the past two decades has been strongly shaped by the writings of those working within the framework of the New International Division of Labour (NIDL).

NEW INTERNATIONAL DIVISION OF LABOUR (NIDL)

The NIDL set of arguments have developed out of earlier writings by Frank (1981) and Wallerstein (1974). Frank argued that development in South America was totally dominated by capital from the USA. This relationship led to the development of underdevelopment through a dependency relationship which was primarily economic but was also associated with forms of political control. This analysis gives little real power to local bourgeoisie but rather sees them as the local representatives of American transnational capital.

Wallerstein, picking up a similar theme argued that the world from the seventeenth century was dominated by patterns of trade and finance which flowed from the core nations, European initially, outwards to the peripheral nations, which were in a situation of dependency and had therefore much reduced autonomy over their paths of development. Core nations set the conditions for trade and extracted raw materials from the peripheral nations and in return sold them manufactured products. This pattern results in the continuation of a dependent status to the peripheral nations. The models associated with the writings of Frank and Wallerstein were important in shaping empirical and theoretical development. However, as further analysis was carried out questions and problems arose as to how universal was this set of processes. Were there other sets of categories and groups of nations sharing a similar set of relationships? As we argued in Chapter 1 there are grounds for seeing Britain, Australia, and New Zealand as one such group where the simple core, semi-peripheral distinction fails to capture fully the nature of the linkages. Similarly, work which identified a variety of paths of development within the so-called 'core' nations also raised the need for a more sensitive form of analysis which could link international- and national-level changes.

The next stage of the debate was the formulation by the New International Division of Labour writers. This builds on the previous work and sought to explore the latest phase of capitalist reorganisation, which they saw as producing a more global form. In this new form the production and distribution of commodities became more international producing the possibility of a single, world division of labour with labour forces around the world incorporated into the same hierarchy and contributing to the production of similar commodities.

Froebel *et al.* writing in the late 1970s set out the main threads of this position. The arguments developed are based around the fact that the imperative of the capitalist mode of production is that of expansion and accumulation of capital. The history of capital expansion over the last one hundred years is seen to have been one characterised by four periods. The first up to 1914 was one shaped by free trade and colonial expansion with the European powers, especially Britain, stretching their influence across the world through acquisitions in India, Africa, Asia, and the Pacific. It was the age of 'pax Britannica'. This period gave way to one of crises and change. The years from 1914–1945 were ones of increased national protectionism, import substitution policies, mass unemployment in the late 1920s and 1930s, world economic crises with the stock market crash and consequent business and financial failures, the rise of fascism and major inter– imperialist wars in 1914–1918 and then again in 1939–1945. By 1945 Britain was no longer the dominant power within Europe or the world that it had been and a new group of superpowers was emerging composed of the USA, the USSR, and China. The post–1945 years saw a reappearance of the international market and expansion in the capitalist economies as trade and industry revived from the wartime experiences. However, the period was also characterised by national liberation struggles as the old colonial system broke down and was replaced by new forms of dependency. By the middle of the 1960s a new period of crisis was beginning to emerge which has dominated the last two decades. This new crisis has brought a major adaptation within the capitalist world system resulting in major changes to the organisation and distribution of production, the consequences of which have included a relocation of manufacturing within the centre and periphery, changing patterns of investment and disinvestment, rising structural unemployment in some industrial regions and nations, and a growth in export-

oriented manufacturing, often in special zones, within the less developed nations.

The scene, therefore, had become set for the emergence of a New International Division of Labour, which was being shaped by a number of conditions. The first is the development of a large potential labour force consisting of those unemployed within the developed nations and those underemployed and unemployed in the developing nations of Asia, Latin America, and Africa and increasingly also in Eastern Europe.[1] In many of the less developed nations changes to agricultural production brought about by the so-called green revolution have resulted in surplus rural population drifting to the cities where they form a growing squatter population, either unemployed or working in marginal areas of the labour market, nearly all of which lie outside the regulated labour market. This supply of labour provides a potential workforce for the more mobile capitalist production and further acts as a control on the activities of workers within the older industrial areas as the new reserve army is increasingly in competition with them for jobs. The newly emerging reserve army of the world according to Froebel *et al* (1980) has a number of important characteristics. The first is that the costs of reproducing this labour force are less than that of traditional industrial workers as the wage levels paid are considerably less than in the industrial countries. For example, in the early 1970s wages in the less developed countries were about one-tenth of those of the USA. Second, the working day is much longer, up to as much as 20 per cent longer in some less developed countries. Third, labour productivity where studies have been conducted corresponds to that in industry in traditional industrial countries. Therefore the workers are no less efficient than those in the developed nations. Finally, because of the constant urban drift and high rates of population growth the labour force can be constantly replaced. This set of characteristics suggests that traditional industrial processes and labour can be carried out considerably more cheaply outside of the older industrial nations leading to the deindustrialisation of the core nations' productive capacity (Bluestone and Harrison 1983, 1986).

The second condition identified is the development of new technologies which allow the deskilling of tasks such that the new workers can acquire the requisite skills within a couple of weeks instead of requiring years of apprenticeships and training. This considerably reduces the margins of skill which have been of

central importance in the structuring of wages and conditions of employment within the older industrial nations. Further, newer technologies also make industrial locations more flexible hence increasing the mobility of capital. With the greater use of computerisation, electronic transfers via Fax machines, computer linkups, etc. new spatial arrangements are forged that are less dependent upon geographical proximity. Technological innovations also make possible forms of development which were previously impossible, such as deep-sea drilling or the use of satellites.

The third condition is the development of an international market for capital which is composed of a worldwide network of banks and financial service organisations like international accountancy firms.

Finally, there has developed an international superstructure of multilateral and bilateral agreements to ensure co-operation and monitoring of the international financial system, for example, the IMF and GATT.

What Froebel *et al.* see, therefore, is a combination of changes to the role and structure of labour, with an increasingly large reserve army, a set of new technologies which facilitate changes to the organisation of production and a set of reorganised financial systems which allow the more rapid flow of international capital.

A major consequence of these changes is a relocation of production as Froebel *et al.* (1980) write 'our main thesis is that in the 1960s a new set of conditions for capital expansion and accumulation became effectively operative resulting in industrial relocation of manufacturing towards the periphery'.

The process of change initially saw the USA moving outwards to locate in western Europe, and then Latin America. European capitalists also made use of similar strategies but they expanded southward into Greece and southern Italy or recruited reserve labour from the southern part of Europe to work in Swedish and German industry as 'guest workers'. As part of this reorganisation the role of the state was not incidental but was important in setting tax regimes and providing subsidies or in setting up special development zones insulated from the rest of the country and enjoying special conditions of both tax and employment.

The results of these complex sets of changes has been to shift capital to a more global level of operation in which capital has

become far more mobile than labour and nation-state boundaries have become increasingly less significant.

The position advanced by Froebel *et al.* has been taken up by other writers who have drawn attention to some variations within this sweep of change. Hill (1985), for example, has shown how there are at least two versions of the globalising process that can be observed when particular cases are examined. Hill has studied extensively the motor car industry and as a result draws a distinction between seeing a single world division of labour emerging in which the production of the automobile is spread across a large number of nation states, each making a particular component which is then shipped to an assembly plant and the manufacture of all components in an integrated industrial complex, which are then shipped for assembly and supply to local markets. These two models represent the solution adopted by the Ford motor company and Toyota. What this suggests is that it is necessary for further detailed research of the actual process of deindustrialisation and reindustrialisation across nation states and companies to establish the range and variety of responses to both the changing international and national contexts of change.

Research over the 1970s and 1980s broadly following this line of examination has focused upon the process of deindustrialisation, the shedding by the core industrial nations of jobs within their manufacturing industries. The work has shown both decline and growth as both industries die and as new forms of employment emerge. The debate has often been characterised as the decline of the 'smoke stack' industries creating the 'rust bowls' within the traditional manufacturing heartlands of the developed nations compared with the hi-tech 'sunrise' industries (Soja *et al.* 1983, Soja 1986, 1989). The declines have been most pronounced in such areas as iron and steel production, engineering, textiles, car production and so have disproportionately affected areas like Detroit, Pittsburgh, Ohio in the USA, the North-east, North-west, West Midlands, and parts of South Wales and Scotland in the UK, and the manufacturing and steel towns of New South Wales and South Australia. New Zealand is a somewhat different case as its industrial base has been built around agricultural processing.

The sunrise industries have different regional locations and are based around new or different sets of skills—often assembling work where female labour has been preferred or immigrant labour. For example, in Southern California there has been a rapid

growth in the number of migrants from both Mexico and South East Asia in the garment industry and much of this labour has the advantage to the employer of being non-union labour and illegal, making the workers prepared to accept wages and conditions favourable to capital (Dartman 1983).

The work to date has suggested five key areas of modification of the labour force as a result of the structural changes that have been identified. These are first, a considerable modification to the skill composition of the workforce. The sharpest decline has been in areas of traditional, male manual employment in the extractive and manufacturing sectors (mining, shipbuilding, steel, engineering). Consequently, the skilled section of the manual labour force has declined, and the margins of skill within the manual workforce have become much less. However, the white-collar workforce has expanded with the increase in technical positions, and the growth in upper and middle management with the growth of large corporate organisations produced by the rationalisation of capital produced through mergers and takeovers.

The second has been a considerable gender modification of the workforce. All advanced capitalist societies now have a considerable proportion of women in the full- and part-time workforce. This change is the result of both changes in attitudes and of structural adjustments within the economies. The growth of service occupations and clerical positions within both the public and private sectors have increased over the last decade the work opportunities for women during a period when traditional male employment was shrinking. The long-term implications of this trend are still to be felt but clearly raise the possibility of role reversal in many households where it may be the woman who is in full-time work and the man who is either unemployed or in part-time work.

The third is the growth of casualisation or the unregulated part of the labour market with the expansion of sub-contracting and the use of temporary, usually female, labour. This revival has meant that the predicted trend towards the disappearance of the informal sector with the advance of capitalism has not occurred either in the developing or the developed countries. The principal function played by the informal sector is that of bypassing the formal, regulated labour market covered by legislation under which wages and conditions are legally stipulated. The growth of unregulated sweatshop businesses has been substantial. Over the

1970s and 1980s it is estimated that 6,000 were opened in New York, Los Angeles, and Chicago employing 85,000 workers. The informal workers employed in these businesses are, as undocumented and often illegal immigrants, open to exploitation and the payment of much lower than award wage rates. This provides an improved rate of return to capital and indicates why so little pressure is mounted to stem the flow of illegal immigrants by, for example, fining employers who hire undocumented workers (Sassen-Koob 1985).

The increased level of industrial subcontracting and industrial homeworking in the advanced capitalist societies is in many ways a re-enactment of their industrial past and is characteristic of nineteenth-century practice. The shift to greater casualisation brings to capital the advantages of decentralised production permitting the utilisation of the cheapest available labour, more flexible labour practices and lower overhead costs as many of these can be transferred to the sub- contracting workers. In many of these changes capital has been assisted by the state sector through non-enforcement of regulations and controls or through more active measures such as the deregulation of the labour market and the inhibiting of trade union organisation and thus opposition.

The fourth has been a substantial increase in the rate of unemployment within the advanced industrial capitalist societies. For example, by the mid–1980s Britain had an unemployment rate of 11.4 per cent, Australia 8.1 per cent, and New Zealand 7.6 per cent. All of these rates had increased over the previous decade, for example, in the case of New Zealand the unemployment rate was less than 1 per cent in the mid– 1970s. By the end of the decade unemployment was still a substantial feature of the three countries with 9 per cent of the New Zealand workforce, 6.8 per cent of the Australian, and 8 per cent of that of the UK still unemployed.

The final area of change identified is that of increasing regional disparities within nation states as areas experience deindustrialisation and reindustrialisation. The consequences of these processes appear to be resulting in the emergence of more sharply spatially divided nations in which unemployment rates, incomes, property prices, and access to services are becoming much more variable depending upon the spatial location of the households.

ROLE OF MIGRATION

The emphasis of Froebel *et al* was on the increased mobility of capital, enabling it to move wherever the cheapest labour was situated. However, there are limitations to such mobility and an alternative strategy is to bring labour to the 'core' nations from the periphery. The experience of post-war Europe is one where migration of 'guest workers' and migrants from developing countries played a significant role in the post-1945 period of economic growth. The experience of mobility of the three societies being examined in this text are, however, somewhat different to this generalised pattern of 'core-periphery' movement.

Let us first examine the general model. This sees migration from the periphery as a central element within the post-war reorganisation of capitalist production and the move towards a New International Division of Labour. The post-war expansion of European, United States, and Japanese industry created a demand for labour. This demand could be supplied either from internal reserves of the countries concerned or through increased migrations. The various nation states had different capacities to satisfy their labour requirements and therefore required varying levels of migration. The patterns and sources of migrants also varied between the various countries reflecting their historical connections through colonialism, in the case of Britain, France, and the Netherlands with a variety of less developed countries. A further factor was the impact of refugee movements, for example, from East Germany to West Germany, which accounted for the movement of 3 million people during the late 1940s and 1950s providing a considerable boost to the West German labour force.

The United States was able to satisfy its labour requirements in the initial post-war period through incorporating 10 million married women together with more than 4 million sharecroppers and agricultural labourers into the urban economy. In addition, the USA had a ready, further reserve of labour in Central and South America which could be drawn upon. In Japan also there were large internal reserves both in the countryside and in the form of female labour with a 400 per cent increase in the numbers of women in the paid workforce from 3 million in 1950 to 12 million in 1970 (Cohen 1987).

In contrast in Europe, the possibility of increasing labour supply from within the various countries was much more limited. Most of

the available rural reserves had already been tapped. The impact of the First World War and the subsequent depression had depressed the birthrate leading to little in the way of population growth. The 1939–45 war further depleted the population. Consequently, in the post-war years most European societies were very concerned to boost their populations. This produced conflict over the role of women. If they were to fill the labour gap, they could not be assisting in the drive for population increase. Thus it was more important in Europe to find an alternative source of labour to assist with the expansion of production. Migration was seen as the answer. From the mid-1940s to the mid-1970s some 30 million entered Western Europe as either 'guest workers' or as colonial migrants making this one of the most significant migratory movements that has ever taken place.

The migrants played a particular part in the economic expansion through their location within the labour force. It was into the unskilled and semi-skilled sections of the workforce, especially in manufacturing, that the migrants entered. They generally worked in worse conditions and for lower pay than indigenous workers. They lacked organisational support and were usually denied civil rights and were not free to either select employment or residence. What they thus provided for capital was a cheap, flexible, and unregulated labour force which provided a solution to shortage and acted as a restraint upon the demands of the indigenous labour force.

The migration over the period from 1945 can be viewed in three phases (Castles and Kosack 1973, Castles *et al.* 1984). The first is that of mass labour migration which began in 1945, gained pace through the 1950s and 1960s and ended abruptly in 1973–4. Within Europe some variations occurred. Britain recruited most of its additional labour from its colonies and began to restrict movement in 1962, a decade earlier than most of the other European countries. West Germany did not begin recruiting until 1956, largely due to the movement of refugees from East Germany in the earlier period. The system which provided the bulk of the migrants in West Germany, France, Luxemburg, Sweden, and Switzerland was that of the 'guest worker' with the migration being temporary with no right to live permanently. In Britain, Belgium, and the Netherlands this system provided only a limited source with colonial migration being more important. The second phase, which became dominant by the mid-1970s was that of

family reunification. Over time, those who came initially as temporary workers became more settled, wives joined them or they married, children were born, and the families settled. The increased tendency to be settled led to greater collective organisation and the beginning of political action to secure rights and improved conditions. For example, in West Germany in 1973 there was a wave of unofficial strikes mostly involving migrant workers. One result was a ban on further labour migration. The settlement of migrant workers resulted in the social costs of the labour force becoming increasingly a concern for the European societies and the fact that they were less mobile and more militant was a further disadvantage to capital. The restructuring, which was brought about by the changing world economic conditions of the 1970s, brought a new reorganisation which this time involved not the mobility of labour but that of capital. It became cheaper to take the machines to the workers, so manufacturing began to move from the core countries of Western Europe, USA, and Japan to the newly industrialising countries where wages were low, labour surpluses were large, and political conditions existed which discouraged labour organisation and thus resistance to capitalist forms of production. In many of the settings the new manufacturing processes, such as in electronics, depended heavily upon female labour (Henderson 1989).

The final phase of the process has been the formation of permanent settlement and the creation of new ethnic minority enclaves within European and American society. The increased levels of unemployment which have accompanied the present restructuring of capital have impacted severely upon the former migrants at the same time as their increasingly visible presence has been used as a scapegoat for the level of 'indigenous' unemployment by nationalistic and fascist political groups fanning racist ideologies.

The general model of migrant labour as an international reserve army of semi- and unskilled labour has been reviewed. We need now to consider the impact of migration upon the three chosen countries. Migration has featured as a key aspect of the post-1945 experience of each of the three societies which form the focus of the present study. However, in all cases the migrants came mostly as settlers rather than as 'guest' workers. Further, a crucial difference between Britain and the other two countries has been that Australia and New Zealand have been recipient societies of

Table 2.1 Migrants as a percentage of population 1980

	%
Australia	21.6
New Zealand	16.6
Britain	8.5

Source: Collins 1988:74

European migration, whereas Britain has received its largest increase from the New Commonwealth. European migration to Australia especially that from Britain, Eastern and Northern Europe has provided the skilled and professional workforce whereas that from Southern Europe has mostly occupied semi- and unskilled jobs. Without substantial migration neither Australia nor New Zealand could have enjoyed the sustained expansion in their economies which occurred from the 1950s to the 1960s. However, New Zealand, unlike Australia, had greater internal reserves of labour which could be drawn into the labour force, in the Maori population. Until this period the Maori had remained mostly a rural-based people. This changed rapidly in the post-1945 years as they were drawn into the manufacturing and service economy of the cities. This source was not sufficient so in addition migration occurred from the Pacific Islands some of which was on a temporary-permit basis similar to the 'guest worker' system of Europe. The relative size of the migrant labour forces can be seen in Table 2.1. This clearly shows that Australia has been the most dependant upon migrants to sustain its labour force.

Australia

The history of Australia since colonialisation began in 1780 has been one dominated by migration flows which expanded during boom times and decreased during slumps. The policy of migration from the foundation of the Commonwealth in 1901 was a 'White Australia' policy set in place by the Immigration Restriction Act of 1901 (Collins 1988). This policy lasted until 1972 when it was finally abandoned. Migration from 1901 through to 1947 was predominantly from Britain or Ireland, thus by the 1947 census 75 per cent of the overseas born were from this source compared with

Table 2.2 The changing pattern of immigration (net settler gain) from 1947–83 by country of origin of immigrants (percentages)

Origin	1947 1951	1951 1961	1961 1966	1966 1971	1971 1973	1973 1983	Total
Britain	41.4	32.6	54.7	53.9	65.2	41.7	44.7
North Europe	7.5	26.3	0.8	4.9	–0.8	5.5	9.9
East Europe	37.3	5.0	6.6	13.3	7.6	7.0	11.9
South Europe	11.5	33.1	29.4	11.3	–3.5	7.5	18.0
Asia	1.6	2.3	5.2	11.2	21.2	31.6	11.8
Africa	0.1	0.2	1.5	1.5	2.8	0.9	0.9
America	0.5	0.4	1.8	3.8	7.5	5.9	2.9

Source: Collins 1988:24

only 7.2 per cent from Southern Europe and 6 per cent from New Zealand.

Major changes, however, were to occur in the period from 1947 to the 1980s in both the pace and the origins of the migrants. Australia in the 1950s and 1960s expanded with a period of sustained economic growth. In order to achieve this expansion a programme of migration was required to ease the labour shortages, particularly in such areas of employment as coal mining, timber production, steel building, and textiles. Initially in the late–1940s, 180,000 displaced persons were recruited to supplement migration from Britain. During the 1950s two different migration streams became established (Table 2.2), the £10 assisted passage which brought mostly those from Britain and Northern Europe to fill the more skilled jobs and the Southern Europeans who paid their own passage and filled the vacancies for service and unskilled workers. The result was immigration of a much greater ethnic diversity with Southern Europeans, particularly from Italy and Greece contributing one-third of the migrants. The sixties saw the numbers arriving from Southern Europe decline and the proportion of dependants increasing as the earlier wave of migrants established themselves, and in the first part of the 1970s more Southern Europeans left Australia than arrived. By the end of the sixties the new source of migrants was Asia rather than Europe. However, the figures for 'Asia' include Turkey, Lebanon, Israel, India, and Japan. In the 1970s, migration from Britain continued to be the dominant source. However, Asian migration grew steadily in significance. In the 1980s the Hawke

Labor government initially scaled down immigration as a response to the rising unemployment rate (10 per cent by May 1982). By 1985 they reversed this policy and moved to arguing that immigration stimulated economic growth and so created jobs. The new plan in 1985 suggested increasing immigration from around 80,000 per year to 150,000 by 1988 (Collins 1988).

The increased level of Asian immigration provoked controversy in the 1980s when Blainey, an Australian historian, set in motion a debate focusing attention on the increasing rate of immigration from South East Asia (Blainey 1984, Lewins 1987). In this debate the danger of Australia's European culture becoming affected by new Asian migrants was the theme. The result foreshadowed was a change from a European-based culture to an Asian one, where white Australians would become strangers in their own land as their jobs and suburbs become taken over by the Asian immigrants. The debate, however, failed to recognise that the changes initiated by the immigrants were less extensive than some of the processes of restructuring, which were increasing the vulnerability of both the new migrants and existing Australians leading to common rather than conflicting interests (Lewins 1987).

The migrants who arrived in the 1947–90 migration did not distribute themselves evenly across Australia but mostly settled in New South Wales and Victoria and within these states in the major cities. Sydney and Melbourne became the locations with the greatest number of migrants and thus acquired an increasingly diverse ethnicity. Ethnic areas became established in the inner city suburbs of both cities where especially Italians and Greeks settled in the 1950s and 1960s. In the 1970s and 1980s these groups have been added to by the more recent migration streams further diversifying the social compositon of the cities.

The migration over the period from 1947 to the 1980s was the largest ever within the history of Australia and saw the incorporation of three million people which meant that by 1981 21 per cent of the resident Australian population was overseas-born. When those born to the migrants are added then some 40 per cent of the Australian population by the 1980s were the direct product of the post-1947 migration. The only country in the world to have had a greater rate of migration was Israel. The impact of this migration has been extensive. It has established new divisions within the society and created a more ethnically diverse society.

New Zealand

New Zealand, like Australia is a society in which the now-dominant population is the product of international migration. The bulk of the European population in the New Zealand case is of British origin and although this has become diversified in the post–1945 period, this has not been to the same extent as has occurred in Australia. The long boom from the end of the war to the 1970s created a rising demand for labour, particularly within the agricultural processing industries and the newly established, protected manufacturing sector. Migration, both internal and overseas, played a key role in providing the labour necessary to sustain this period of growth. The existence in New Zealand, unlike Australia, of a substantial indigenous population meant that part of the need for labour could be satisfied through the greater incorporation of the Maori in the workforce. The Maori population during the first half of the present century was a rural-based one peripheral to European society. After the depression of the 1930s and the election of the labour government there was an extension of benefits to Maori and a series of measures which led to improvements in incomes, health, housing, and life expectancy. This contributed in its turn to an increased rate of population growth leading to difficulties of sustaining the population in rural areas. Over-population and rural unemployment were push factors which led to increased mobility to the cities. However, pull factors also existed in the form of economic opportunities as the demand for unskilled and semi– skilled labour expanded. The data in Table 2.3 shows the rapid redistribution that took place in the Maori population over the 1950s to the 1980s. However, the rate of increase varied over the various decades with the greatest rate of increase from 1966–70 with a 77 per cent increase in the urban Maori population. Interestingly, the largest volume occurred towards   the end of the long boom suggesting that internal migration was not the prime source of labour. The movement not only redistributed the Maori population spatially but also occupationally, with most being absorbed into the freezing industry, into construction as labourers, and into the transport industry as drivers (Calkin 1992).[2]

In the international migration to New Zealand over the same period two streams are discernible. There is the continuation of European migration, the majority of which was from Britain,

Table 2.3 Maori population distribution 1945–81

	Rural number	%	*Urban* number	%
1945	73,055	74	25,669	26
1951	90,563	71	25,020	29
1956	101,779	65	35,372	35
1961	109,675	54	57,411	46
1966	100,079	38	101,680	62
1971	94,604	29	132,970	71
1976	64,347	24	205,688	76
1981	56,800	20	227,200	80

Source: Census Population—various years

which supplied labour for the more skilled sectors of the economy, and Pacific Island migration, which provided additional unskilled and semi-skilled labour. Between 1945 and 1968 the net migration to New Zealand was 250,000 representing an addition of just over 8 per cent to the population. Much lower than that for Australia over a comparable period. Of the European component of this movement 85 per cent were British. Small numbers also migrated from Greece, Italy, Yugoslavia, Denmark, Austria, and Switzerland but only the Dutch provided a significant number. Under a post-war scheme jointly operated by the New Zealand and Dutch Governments 25,000 Dutch migrated.

The second stream, which was to have a major impact upon the ethnic makeup of New Zealand's major cities was that from the Pacific Islands (Bedford and Lloyd 1982, Gibson and Horvath 1983). Table 2.4 shows the growth of the Pacific Island population which grew from around 1,000 in 1936 to 128,000 in 1986. The figures show the greatest rate of increase through the 1950s and 1960s and a gradual reduction through the 1970s and 1980s. There exists considerable variation in the access of the various island communities to New Zealand. Some like the Cook Islands, Niue, and the Tokelau islands as New Zealand citizens have free entry, others such as Samoa, Tonga, and Fiji have been subject to temporary work permits and quotas which have operated in a similar fashion to the 'guest worker' system of Europe. In times when labour was in demand the regulations tended not to be vigorously enforced. However, from the mid-1970s with a decline in economic activity and an increase in unemployment migration

Table 2.4 Changes in total Pacific Island Polynesian population resident in New Zealand, 1945–86

Date	Soley Pacific Island Polynesian		Pacific Island Polynesian origin or descent	
	number	% increase intercensual	number	% increase intercensual
1945	557		2,159	
1951	1,684	202.3	3,624	67.9
1955	4,120	144.7	8,103	123.6
1961	7,889	91.5	14,340	77.0
1966	16,842	113.5	26,271	83.2
1971	32,419	92.5	43,752	65.5
1976	51,790	59.8	65,694	50.2
1981	76,739	48.1	93,941	43.0
1986	99,269	29.4	127,906	36.2

Source: Pearson 1990a: 117

from the Pacific Islands has declined and those in New Zealand have been subject to greater control and more vigorous enforcement of the work-permit and FRAGMENTING SOCIETIES? temporary visa system. By 1974 tighter immigration controls were brought in for both European and Pacific Island migrants. Associated with the increased level of restrictiveness was a more vigorous campaign to identify and eject illegal overstayers. The use of 'dawn raids' by police and immigration officials on suspected Pacific Island overstayers exacerbated inter-ethnic relations especially in Auckland where most of the Pacific island migrants had settled (Spoonley 1990).

Again, over time the content of the migration stream shifts from single people joining the workforce to one containing higher numbers of dependants joining members of families already in New Zealand. The migration has been mostly to the Auckland region which contains 66 per cent of the Pacific island population within New Zealand. As with the Maori migration to the cities the majority of Pacific islanders have entered the labour market as semi- and unskilled workers.

Britain

Britain, unlike Australia and New Zealand, was not a society which grew primarily through migration. None the less the post-1945 period was one which did see an important flow of people which led to greater ethnic diversity and established a new underclass within British society. The inter-war period had been one of depression and little in the way of population growth leading to labour shortages which became acute during the war years. These were partly solved by a greater incorporation of women in the paid labour force and partly through importing black colonial labour. For example, 10,000 West Indians were recruited to work as ground crews in the RAF (Layton-Henry 1984). At the end of the war, production expanded creating a demand for labour. At the same time concerns about juvenile delinquency and illegitimacy together with a desire to boost the birth rate led to pressure upon women to leave the workforce and return to their role as wives and mothers (Cohen 1987).

This policy shift consequently exacerbated the labour problem. The obvious solution appeared to be migration. Initially, labour came from Ireland and from amongst the refugees and displaced people of Europe with some 450,000 coming from the latter source between 1945–51. Such workers were not, however, free to work where they liked but were assigned to particular jobs and could not change without permission (Layton-Henry 1984). However, this was insufficient to satisfy demand particularly for semi- and unskilled labour so migration from the new Commonwealth grew to fill the gap.

Table 2.5 shows how West Indian migration built up rapidly through the 1950s followed a little later by that from India and Pakistan. The migrants entered particular sectors of the labour market, especially textiles, metal manufacture and vehicle building and transport and took up residence in the major urban conurbations—London, the West Midlands, Manchester, Merseyside, and Yorkshire.[3] Manufacturing accounting for the employment of 47 per cent of new Commonwealth migrants and 37 per cent of all migrants (Castles *et al.* 1984). The migration from the West Indies in particular involved both men and women, the latter finding work in the service sector (especially the NHS) and textiles. The majority of the jobs obtained by the migrants were in the low-paid sectors of the economy where the long hours

Table 2.5 Estimated net immigration from the New Commonwealth

	West Indies	India	Pakistan	Others	Total
1953	2,000				2,000
1954	11,000				11,000
1955	27,500	5,800	1,850	7,500	42,650
1956	29,800	5,600	2,050	9,350	46,800
1957	23,000	6,600	5,200	7,600	42,400
1958	15,000	6,200	4,700	3,950	29,850
1959	16,400	2,950	850	1,400	21,600
1960	49,650	5,900	2,500	−350	57,700
1961	66,300	23,750	25,100	21,250	136,400
1962	31,800	19,050	25,080	18,970	94,900
Total	272,450	75,850	67,330	40,220	485,300

Source: Layton-Henry 1984:23

and poor conditions, which included shift work, made the jobs unattractive to local workers. By the end of the 1960s a declining demand for labour, together with growing discontent and some racial violence led to the introduction of immigration control.

The initial legislation, which began the process of restriction was the 1962 Commonwealth Immigration Act (Ben-Tovim *et al.* 1986). This act introduced a system of employment vouchers to replace the free entry system for migrants from the Commonwealth countries. The first act was introduced by the Conservatives and opposed by the Labour party. However, by 1965 with the introduction of a White Paper on immigration the Labour Party had, as the party of government, shifted its position to support controls on immigrants. The shift within the party leadership was in part a reflection of the debacle over Gordon Walker's failures to get elected. First at Smethwick, where he was defeated by a candidate campaigning for tougher controls over immigrants, and then later in the following February this time in the previously safe Labour seat of Leyton. These defeats convinced the hierarchy of the leadership that a more strenuous immigration policy was required. The response was the 1965 White Paper which argued for reducing the quota of immigrants by cutting back on the number of vouchers issued (Dummett and Dummett 1982).

The year 1968 marks the next stage in the tightening of entry to Britain with another Commonwealth Immigration Act. The

continuing problem of United Kingdom citizens who were not British-born again hit the headlines at the beginning of the 1970s with the expulsion from East Africa of Indians, many of whom held United Kingdom passports. This spectre of a large influx of Asians refuelled the controversy and led to the demand for yet tighter immigration controls.

At this time the size of the overseas-born population had grown to 3 million of whom just under 1.15 million came from the New Commonwealth. In addition, there was a third of a million children who were born in the United Kingdom of immigrant parents providing a total of just 1.5 million resident from the New Commonwealth which, in a population of over 60, million was not a very large group.

The pressures to tighten further immigration continued so a further Immigration Act was passed in 1971. This act set out to clarify who was a United Kingdom national. The act delineated two categories—the first, British subjects, having the right of abode, which was established by at least 5 years' residence in the United Kingdom and the second, citizens of the United Kingdom and colonies who had no rights of abode.

Also in 1972 the system of employment vouchers was finally abolished. However, those who migrated to Britain prior to 1 January 1973 were entitled to bring in wives, and children under 18, as part of a family reunification scheme. The numbers of immigrants consequently continued to grow through the 1970s. However, members of these ethnic groups were increasingly likely to have been born in Britain. For example, at the 1971 census, 50 per cent of West Indians and 40 per cent of the Indian and Pakistan ethnic groups were in fact British-born.

The 1980s saw yet further legislative changes. The 1981 Nationality Act dismantled the category of citizens of UK and colonies and separated British citizenship from citizenship of British dependent territories. It was now a requirement that Commonwealth citizens, including many Australians and New Zealanders, apply for naturalisation in Britain in the same way as any other alien. In 1988 a new immigration act sought to make it even harder to bring in dependants and effectively reduce coloured immigration to zero.

International migration movements, therefore, have played a significant role in each of the three countries being examined over the post-1945 years. The impact has not been identical but in each

case one result has been the expansion and highlighting an ethnically defined section of the working class.

CRITIQUE AND EVALUATION

The NIDL thesis appears to be a plausible and powerful analytical tool for understanding the widespread changes that are occurring within contemporary capitalist societies. However, there are a number of quite significant problems with both the theory and the way that it has been utilised (Cohen 1987, Thorns 1989c).

The thesis has functionalist tendencies set within it as it ascribes all changes within the economic and social structure to a central process—that of capitalist accumulation. The process of causation is one way, from the core industrial nations to the periphery, from the decisions of the multi-national capitalist corporation boardrooms to the local plants and communities. A consequence of this emphasis is that it fails to explain actual patterns of development and change and much of the analysis generated has remained at aggregate levels. The empirical verifications attempted have focused upon aggregate statistical material to chart the changes within the division of labour of the nation states being observed. This does not usually permit analysis of changes between sectors or, equally important, within sectors. The service sector, for example, although it has increased in size is quite diverse. A growing gap has opened up between those employed in low-paid services such as routine clerical work, cleaning offices, domestic work, and work in the tourist, restaurant, and entertainment areas, and those employed in the newer higher-paid sectors linked into the hi-tech and corporate business sectors of the economy. There is a need, therefore, in any analysis, to be able to distinguish between the older services and the newer, more skilled and higher-paid ones. A further useful distinction can be made between services set within the public sphere and those in the private, which allows the changing balance between these spheres to be explored. It has generally been the private services which have expanded in the most recent decades, partly as a result of the privatisation policies pursued, which have reduced the range and content of the public services in many western societies.

The approach also leads to the disappearance of important categories of analysis. For example, the nation state becomes increasingly forgotten and irrelevant as a unit of study. Even if

there has been some decline in the importance of the nation state as an economic unit, there is considerable evidence that as a political and military unit it retains significance (Mann 1986, Skocpol 1979). Similarly, there is a tendency to downplay or ignore the role of working-class struggle and organisation therefore giving the impression of complete inevitability about the process of capital accumulation and economic and social restructuring. This is patently not the case as recent work demonstrates a variety of paths that have been followed both in the past and at the present (Offe 1984, 1985, Lash and Urry 1987). For example, as we noted earlier in Chapter 1, of particular interest is the fact that both Australia and New Zealand had organised labour movements in the early stages of their development which was a significant factor in the development of the welfare programmes in both societies. A further example would be that within the North European countries such as Norway and Sweden where unemployment is still low at between 2–3 per cent compared with the United Kingdom at around 10 per cent and Spain at 21 per cent. Clearly this points to differences in local economic and social conditions and to the political strategies adopted by these nation states to develop and shape their respective societies. A closer look is therefore required at national responses to global change than has often been the case within this particular framework of writing and research. Also, there is the possibility of within-state political variation arising out of the activities of 'local' state actions. In Britain in the last decade there has been considerable controversy regarding the role and power of local authorities to withstand and modify central government policy (Cockburn 1977, Duncan and Goodwin 1988). Therefore, the area of national-local political structures and actions is a further one which requires examination. The emphasis on explanations at global level and the tendency to 'read off from global patterns of accumulation effects at national and local level does not allow the thesis to take account of the context of change being considered and the contingent nature of many changes.

The tendency within the NIDL debate has been to focus upon deindustrialisation, which has meant often an over-emphasis upon the way the manufacturing sector of the economy has been reorganised. Increasingly, within the advanced capitalist societies, the manufacturing sector is no longer the major area of employment. This has now become the service sector. The

service sector, however, is organised along different lines and is being affected in somewhat different ways—by computerisation and the introduction of more flexible work practices than in the manufacturing sector. The concentration upon deindustrialisation has in some cases prevented the recognition that reindustrialisation has also occurred. The industrial proletariat has undergone a major reconstruction with the decline of manufacturing and extractive industries. Some of the consequences of this set of changes are greater dispersal of employment spatially and a return to smaller units of production with the implementation of new computer-based inventory and electronic transfer systems rendering many of the old economies of large-scale production within the one plant obsolete.

Morgan and Sayer (1983), for example, in a study of the electronics industry, show that forms of capital accumulation are influenced by technological developments in ways that require empirical investigation as the resulting outcomes are not always identical. The use of female labour, which has been identified as one of the major ways that capital has sought to cheapen the costs of labour, can through empirical study be shown to be simply one strategy. In the case studied by Morgan and Sayer, female labour in fact declined by 9 per cent between 1971 and 1981. Further, they show that the debate about whether deskilling or reskilling is dominant is an empirical rather than a theoretical question, to be resolved through careful research of particular areas of economic activity in which attention has been paid to what actually constitutes skill.

Further, when restructuring is examined within countries such as Australia and New Zealand, simply to focus upon the manufacturing sector would be misleading as the employment mix has contained both more service-sector workers and more primary-sector workers in both the agricultural and construction industries.

The most recent research which has attempted to link global changes and localities is that which has been initiated in Britain within the framework of the ESRC's research programmes on urban and regional change, and social change and economic life (Cooke 1986, Gallie 1984, 1986). The urban and regional research programme has established six studies of localities in order to see how global changes have impacted upon local social structures. The six localities are Middlesbrough and south-west Birmingham representing blue-collar proletarian workers employed in heavy

industry and engineering. Cheltenham, representing a locality dominated by a service class engaged in managerial activities with strong defence connections. Swindon, the Isle of Thanet, and Lancaster representing socially heterogeneous class localities predominantly engaged in the tertiary labour market, and finally, east Liverpool with its high unemployment rate representing a locality with a substantial underclass.

The programme therefore seeks to make links between the general processes set out within the NIDL and the specific local configurations found in the six selected localities. The latter is presumed to be shaped by historical experiences, patterns of employment, migration demography, etc. which over time have moulded the localities and given them their local character and forged the local culture. However, the research programme has generated a considerable volume of detailed empirical material, which documents the effects of changes upon the various chosen localities but for the most part the time scale adopted is relatively short therefore leading to the tendency to see the last change as the most crucial (Cooke 1986, 1989). Further, as yet the programme has not reached a stage where they have effectively theorised the links between the various levels that have been distinguished, from the local to the regional, to the national and global processes of change (D.Smith 1987).

Finally, there has developed a tendency to introduce and use the concept of local culture as an explanatory device for those things which are not easily explained by reference to broader processes of capitalist accumulation. This solution does neither justice to the earlier forms of global explanation nor provides a satisfactory alternative. It simply provides a catch-all category which describes rather than explains. The extent to which any of the variations found in patterns of work, gender divisions within the labour force, nature and forms of opposition, and workingclass organisation can be explained as a consequence of local culture, i.e. local values and beliefs, is still therefore very debatable and needs to be rigorously examined so that it does not just become a convenient explanation for the residual variation not explainable by other means.

As part of the developing critique of the NIDL there has emerged a revival of locality-focused approaches which have sought to document and explore some of the ways that individual and community experiences of change have been shaped by

processes at both structural and individual levels. Work in this area has been influenced by recent attempts to understand the impact of space and time upon how individuals and communities find a sense of personal and collective security within the contemporary world (Giddens 1981). It has also reflected the feminist critique of the limitation of work to paid employment thus ignoring much of the work that women have contributed both in the past and the present. Pahl's recent book on work rather poignantly has on its cover a picture of a woman ironing and Pahl points out that what sort of work this is relates to the social relations within which it is set (Pahl 1988)—whether this is being done for a garment manufacturer, a commercial laundry company, or as part of a reciprocity of task within the domestic household, for a husband, child, or lover, etc. Consequently, what constitutes work is not simple and unambiguous. Again within the broader debate we have been engaging, it is necessary to recognise that the manufacturing/industrial focus is quite limited and ignores other forms of work and organisation within the domestic economy of the household and within the informal economy where skills may be exchanged and tasks done on the basis of barter or cash. The domestic and informal economies have also experienced extensive changes partly as a result of new technologies, which free some forms of production from the need to be centralised thus allowing increasing outwork. Also, the greater range of tools and equipment owned by the household allows a more complex set of tasks to be undertaken within thedo-it-yourself economy.

LOCALITY-BASED APPROACHES

Locality-based approaches are more firmly based upon detailed empirical study of one particular area than the NIDL with its concentration upon the macro-level and aggregate data analysis. Locality approaches reflect the critique levelled at the NIDL that it operates too much at the aggregate level and thus disregards the contingent nature of changes to household organisation, employment structure, and local communal forms of association and organisation. The theoretical attention has been directed towards whether localities are simply convenient bases for observing macro-processes of change or whether localities have significance in their own right. A number of writers have taken up the discussion of locale as a suitable theoretical category through

which to explore the place-specific features of change (Saunders and Williams 1987).

The impact of uneven regional development over the past decades has brought with it quite marked differentiation between local areas, bringing into greater prominence spatial variations and thus the need for locality-based research. Within the localities affected by change there is considerable divergence between those in the sunbelts where there has been job growth and expansion and in the declining areas where the local economy has shrunk. These variations in turn have an impact upon the nature and consciousness of the working class, increasing the level of internal fragmentation as the sections advantaged in terms of jobs and income are increasingly separated both spatially and socially from those in declining industry and regions (Castells 1985).

Patterns of paid work have changed and with this has come modifications to domestic work and household organisation. Pahl (1984) notes that if a somewhat longer period of history is inspected than the post-1940s decades, then the most striking result is that unemployment and limited opportunities become the more usual state for many working-class people with 'getting by'strategies and forms of self-provisioning being a very significant part of local community life. The fluctuations in these patterns of household work are clearly important in building any understanding of resistances and reactions to de-industrialisation within localities.

The regional and uneven nature of the processes of change have another important consequence which has been revealed through locality-based research. This is the growth of consumption sector cleavages as a result of more varied life styles flowing from the greater differentiation of wealth and income resulting from the reorganisations within local and regional labour markets. The research findings from this group of locality-based studies suggest that changes brought about within capacities to consume are creating a new 'fault' line within capitalist societies as the class structure becomes reorganised around those in paid work and those on benefits and forms of temporary work and self-provisioning and amongst those in paid work between those in the expanding sectors and those in static and declining ones (Saunders 1990a, Hamnett 1989c, Dunleavy and Husbands 1985). Evidence from the UK and NZ shows that income distributions over the

1970s and 1980s have become less equal, with those in the lowest income category suffering declining real incomes.

The regional nature of the disparities together with the rise of multiple-income households has created a move towards a sharply divided society, but one not easily divided along traditional class lines. The division between dual-earning and single-earning households is one such division; another is between those dependent upon the state for their income through the welfare benefits system and those in paid work would be yet another. These changes collectively are giving rise to a more fragmented and individualistic society—fragmented by consumerism and the re-emergence of market individualism as the basis for the restructuring of both the public and the private sector. This in turn pushes more of the costs of change upon individuals and local communities.

An alternative local approach, not so centred upon local ethnographies is that provided by those researchers who have developed a local political economy of space. Their focus has been upon how macro-changes are mediated through local social structures and therefore produce a varied pattern of outcomes (Massey 1984, 1985, Urry 1984).

The work here points to a growing localism within many industrial capitalist societies at a time apparently when global processes have become more central in determining the shape of national societies. How can this apparent paradox be explained? The attempts to document this variation have advanced further than the attempts to theorise the relationship and satisfactorily solve the problem of providing an adequate framework to link macro-level changes and local community experiences. Clearly, there has been a re-emergence of the politics of place and the ideology of localism. In part this is a reflection of the increased emphasis upon individualism and the weakening of collective forms of association in the wake of the shift towards more flexible forms of accumulation and the increased significance of individual forms of work based on local agreements and individual contracts in place of nationally determined awards and collective agreements. The ideology of localism has emerged as part of the new emphasis upon decentralisation. This has been a movement of both the left and the right of the political spectrum. The 'left' has seen greater decentralisation as a way of developing greater grassroots participation and an extension of democratic

practices and enhancing the power of local communities to shape their futures. For the 'right', decentralisation is a way of reducing the burden of central state expenditure and increasing consumer sovereignty and choice.

TOWARDS A THEORETICAL FRAMEWORK

We have now reviewed the current theoretical debate and identified a number of problem areas within the NIDL which have given rise to a renewed interest in locality-based approaches. However, there is still a necessity to reconcile the global level of explanation with those at the national, regional, and local levels. The processes are not one-directional but rather a complex set of interactions between the various levels within which conflicts and their resolution take place and the path of the broad structural transformations of capital arising out of the accumulation logics are mediated through local sets of contingent relationships. Increasingly, both marxian and non-marxian analyses of change are coming to appreciate the necessity to identify both underlying causal and contingent processes for a more complete understanding to emerge, which is sensitive to the variety of paths and responses that can be empirically identified within advanced capitalist societies (Sayer 1984).

The first stage in any analysis must be to identify the international context and the key changes that are taking place at this level. Currently, the key aspects are the internationalisation of production and finance and the concentration of ownership within a decreasing number of corporate multinational enterprises. The internationalisation of finance has been aided by the adoption of financial deregulation within many nation states and by the growth of worldwide financial and accounting firms greatly speeding the flow of information and 'expertise'. The adoption of computer trading on a number of stock exchanges is the latest innovation produced by this burgeoning information technology and also the expansion of electronic credit via plastic cards and banking machines giving access to cash and credit. In addition to the flow of money within the international system, there is also the flow of people. International migration flows are a crucial part of the restructuring of capitalist economies. In the nineteenth and early twentieth century, 37 million migrated to the USA, 32 million of which came from Europe. This migration provided the labour for

the emerging manufacturing industry and enabled American capital to become dominant in the post-war period. The significance of migration flows has, however, not lessened appreciably and both European and American industry is still highly dependent upon 'guest workers', in Europe drawn from the Southern European countries whereas in the USA it is Mexico and the Latin American countries which provide the chief source of migrants. Many of these migrants travel as undocumented workers and presently up to 11 million such workers are in the USA having no legal rights to residence making them a vulnerable and exploitable workforce (Cohen 1987).

Australia and New Zealand as settler societies have always been dependent upon migration to provide the necessary labour for their economies. The sources of recruitment have varied over time. Australia until 1972 operated a 'white' Australia policy which favoured migration from Europe. However, the source of migrants here extended from Northern Europe to Southern Europe with large numbers of Italian and Greek migrants in the 1950s and 1960s. New Zealand's patterns of migration have been less diverse in their European content with most coming from the British Isles. However, in the 1950s and 1960s to solve its labour shortages, migration increased from the Pacific Islands and the indigenous Maori population was more fully incorporated into the urban industrial economy.

The resulting pattern of accumulation is consequently one characterised by much greater flexibility and less regulation. In such a flexible mode, capitalism often appears to be less organised as the pattern of change is harder to discern. However, the disorganisation may be more apparent than real. The strategy being followed is designed to weaken and reform the structure of labour through creating a greater sense of individualism. More flexible forms of accumulation do, however, increase the likelihood of fragmentation and variability within the international system as old patterns of trade, markets, and credit give way to new ones. Further, old forms of specialisation producing mass products from an assembly line necessitating an extensive division of labour and complex managerial hierarchies representing 'just in case' forms of manufacturing are being replaced by 'just in time' forms, with an emphasis on product variation and customer/consumer responsiveness and computerised inventory and control systems (Dickens 1985). Within this pattern of change labour flexibility is

sought and celebrated by international capital and the success of the restructuring strategies is seen to depend almost entirely upon changes within the labour force. Workers must come to identify with their plants and develop an enterprise culture in which entrepreneurial skills can be encouraged and celebrated. They are the new 'players' in the game of economic restructuring and the regulations developed over the previous 50 years to protect the living and working conditions of the population are the obstacles to the new game of market-led growth and enterprise.

Increasingly, the capitalist economy is drawing other nations into this network including Eastern Europe, which has many debt obligations to western capital's banking system and China, which through its enterprise zones is creating conditions to promote the flow of capital and new practices into sheltered export-oriented zones where new practices can exist insulated from the rest of the Chinese economy.

The second stage of analysis is the investigation of a given set of national contexts—in the case of this book these contexts will be those of Britain, Australia, and New Zealand. The structure of state organisation that emerged in these two former colonies and how the relationship with Britain has developed over time are crucial mediating factors in the process of economic and social restructuring that has occurred. For example, the form and development of the major urban centres of both countries has been closely associated with the fact that as immigrant societies they were built around the export of primary goods and the import of manufactured goods. The cities were entrepôts for people and goods. Consequently, all the major cities are coastal and have port facilities, which have played a key role in their growth and economic well-being. Australia developed as a federal country with the building of a new capital in the 1920s in a separate federal territory, whereas New Zealand abandoned a provincial form of government in the nineteenth century in favour of a centralised state administration. This suggests some differences and similarities which need to be explored if we are to appreciate the way in which state activity has shaped the past and present urban and regional structures.

This leads to the issue of how we conceptualise the frameworks adopted by the respective states. Here we need to examine the workings of the state to see how far they are structured around bureaucratic, corporatist, or market forms. However, these are not

static forms but ones which can change over time. For example, New Zealand from the 1930s to the early 1980s was a country with a predominantly social-welfare, bureaucratic state organisation with a fairly high degree of centralisation within decision making, and a high degree of incorporation of labour into the process of state control via the arbitration and conciliation system. However, after 1984 the state has shifted its form of control and attempted to restructure its bureaucracies into state corporations reflecting the move towards a more market-based system of regulation and competition where the sovereign consumer is supposed to provide the spur to efficiencies as organisations compete for their dollars.

Within the nation state, social life can be broadly divided into those activities which are related to production and those that are related to reproduction. Productive activities do not only take place within the paid arena; however, this is still the most significant. This is the arena of wealth creation through the interrelationship of capital and labour; it is in the arena of paid work that the struggle between capital and labour for shares of the output takes place. This arena as noted above has become more fragmented and the role of national organisation and practices has been somewhat eroded. Consequently, many of the struggles and conflicts which were previously situated at the national level have been displaced to either the regional or local level. Regions have varying resources and also varying degrees to which they can exert control or influence over these resources. In some cases there is the possibility afforded by control over local tax levels and rates to offer attractions and incentives to capital to locate within a particular region. However, this generates uneven growth and encourages competition between regions so enabling capital to secure concessions and advantages. Regions may also be involved in struggles with the central state over the allocation of resources; this is particularly important within a federal system like that found within Australia.

Regions may also not be homogeneous, thus, further diversity can exist within the various local areas within a region. At this level there may also be conflict between local areas to try and attract new forms of economic enterprise and this again can lead to local conflicts and divisions which may not advantage the local working population. For example, in the 1960s the South Australian Housing Trust, an arm of the state government,

provided considerable assistance to the Broken Hill Proprietary Company (BHP), one of Australia's largest multi-nationals to establish ship building at Whyalla. The state government provided the infrastructure and housing for the workers, BHP provided the shipyards. However, BHP also forged an agreement which restricted other industrial activity within the town thus preventing competitive wage rates. Consequently, when the world prices for ship building and labour costs turned against Australian production in favour of South East Asia and BHP closed the shipyards, little alternative employment was available for the laid-off workers and the state government was left with a town it had helped build in need of further industrial infusion (Aungles and Szelenyi 1979, Kriegler 1980). The greater mobility of capital is thus neatly illustrated as is the relative immobility of labour with their connections with local communities, their housing, and links with the social and cultural life of the localities.

In the activities related to reproduction and consumption there are also a number of kinds of operation which can be identified. Resources here, too, can be mediated through regional structures which have a role in the allocation of benefits and the promotion of styles and forms of consumption. At the local level the key unit is the household. The household is the unit which is involved in human reproduction and in generative reproduction. It is also the major unit of consumption within society. The dominance of owner occupation in all three societies creates tremendous demands for individual consumer goods as all households require their own cookers, fridges, cars, lawnmowers, videos, hi-fi systems, and televisions.

Productive and reproductive activity therefore come together within localities which are the everyday living places of the population. It is within their localities that people experience change and have to come to terms with it, adopt strategies either of coping or of change, either individualistic ones or collective ones. The study of the locality can therefore provide clues to the likely patterns of changes in the future and is the place where the extent of powerlessness can be gauged. Here we will need to consider whether capitalism in its latest phase is creating more disorganisation and so fragmenting and confusing resistance and responses to change, thus enhancing the power of capital and the powerlessness of local communities.

SUMMARY

In this chapter we have examined the approach to restructuring set out within the NIDL thesis and have found this to be limited in a number of respects, particularly in its economism and its emphasis upon a 'top down' explanatory approach. The second part of the chapter moved to a review of the critique of the NIDL which has emerged over the 1980s. Finally, a scheme was set out for examining the process of restructuring. The scheme recognises the importance of linking both the international level of explanation and the locality. In making this link attention needs to be taken of the nation state, region, and locality as units of analysis. Developing a framework which includes the international, national, regional, and local levels is considered crucial to the full analysis of change.

   The chapter has also noted a number of 'fragmenting' trends which have been identified within the present debate. The most significant are the restructuring of the workforce, migratory movements which have produced more ethnic segregation, greater regional diversity, and rising numbers of unemployed.

3
ECONOMIC AND EMPLOYMENT CHANGES

In the last chapter we set out a revised approach to examining regional and urban development which argued that we needed to move from the international level down to that of localities. At the international level and with respect to broad economic and employment changes, there is valuable insight within the NIDL framework. It is therefore appropriate to begin our more detailed analysis of Britain, Australia, and New Zealand with the economic and employment changes which have led to the restructuring of the paid workforce over recent decades. This allows the discussion in Chapters 4 to 8 to develop as an extension and critique of the limitations we have identified within the NIDL framework.

The theme of this chapter therefore will be that of the economic changes that have occurred over the past four decades. In order to set these in context it is necessary to reflect more broadly upon the post-1945 experience of the three countries being compared. New Zealand and Australia in contrast to Britain, were primarily countries where the wealth was generated from an efficient capital-based primary production sector. Manufacturing which developed strongly in the war years and post-war decades was developed behind a protective wall of import controls and licenses, and through subsidies to manufacturers. Such a structure affected both the shape of development and the political power balances within the societies with the farming primary-production lobby being a particularly significant group (Hawke 1985). The post-war 'long boom' was a time of expansion and growth in real incomes and thus in the capacity of the population in both nations to increase their consumption demands, which were supplied by both domestic manufacturers and through importing. However, the range of products tended to be limited and often suffered from problems of supply arising out of both the import control system

and local manufacturers' actions. The burgeoning consumer society of Australia and New Zealand had one of the highest standards of living within the OECD and Australia firmly acquired the tag of the 'lucky country'. The post-war years saw a housing expansion as the populations grew from both natural increase and from immigration. In New Zealand the consolidation of owner occupation as the principal tenure form was aided by the state through the State Advances Corporation, which provided loan finance at attractive rates to first-time home owners buying their own house (Kilmartin and Thorns 1978, Wilkes and Shirley 1984). Also in Australia home ownership was supported by the federal state which, through the various commonwealth housing agreements, made monies available to the state housing authorities (Neutze 1977). The expansion of the cities was thus a characteristic of these decades with a strong suburbanisation of the population leading to land speculation as developers competed for the land around the major cities. In fact, Australia's national hobby was seen by at least one writer to be that of land speculation (Sandercock 1976).

The development of a more consumer-oriented society began to weaken many of the previously integrating aspects of the local social structure. The period from the 1950s to the 1970s saw the gradual demise of the centrality of the small-town society built around the processing of primary products which had grown up in the last decades of the nineteenth and early part of the present century. In such small towns, male mateship had been a strong element in the local culture built around participation in locally organised recreation and leisure activities, with the club and pub being central (Calkin 1992). The rupture of this culture as a dominant motif in New Zealand society was demonstrated in the opposition to the Springbok rugby tour in 1981 which split the country along rural and urban lines (Fougere 1981). In these small towns, class was not one of the central divides as work places were small and relations with bosses were personal rather than formal. The bonds across economic divides were further strengthened through membership of local associations and in an ambivalence about negotiating and getting into conflict with bosses you knew (Hall *et al* 1983, 1984, Oxley 1974).

The expansion and diversification of the economic base thus set in train a series of changes to both the occupational and social structure leading to a decline in local communality and a move to

a greater degree of organisation around occupational groups and class alliances. The emergence of the New Zealand Labour party, as the party of government in the mid-1930s, precipitated the amalgamation of the other non-Labour parties into the National Party, setting in place a two-party structure which is still largely intact. In Australia, Labor emerged to contest for power against a coalition of the National-Country Party representing pastoral and agrarian interests and the Liberal Party dominated by urban capital.

In Britain the post-war years were also boom years in which the image became again one of expanding consumption and growing affluence. So much so that an elaborate theory and debate emerged claiming a fundamental shift was occurring within the social structure leading to the embourgeoisement of sections of the working class which, as a result of full employment, rising incomes, and the acquisition of home ownership, were becoming incorporated into the middle class in terms of their standard of living, attitudes, life styles and political action (Goldthorpe *et al.* 1968). The shift in the tenure base in the post-war years has become a central feature in much of the 1980s debate about the restratification of British society in the 1970s and 1980s (Dunleavy 1980a and b, 1985, Saunders 1988, 1990b, Hamnett 1989a and c, Marshall *et al* 1988). The base of this expansion and seeming affluence was in fact fragile and, as the 1960s and 1970s showed, not sustainable. It was a false affluence based on the destruction of European manufacturing, which lulled British manufacturing and delayed the introduction of rationalisation and new technologies until the 1960s by which time both European, American, and Japanese manufacturers were operating more modern plant. The 1960s, 1970s, and 1980s have consequently been shaped by the needs for restructuring to arrest the decline in profitability and incorporate new forms of processing and products. This has led to extensive changes within the occupational structure, gender composition of the workforce, and the regional location of employment.

Part of the debate here about restructuring raises the question as to what is the form that the regulation of economic activity has taken. Debate has centred upon whether it is a Fordist one based around mass production of consumer products from large plants with mechanised and highly developed divisions of labour and specialised management structures, or whether it is now moving to

a more flexible system of production and labour organisation in which a more fragmented workplace characterised by core and peripheral workers is emerging (Dickens 1988, Allen and Massey 1988, Hudson 1989, Pollert 1988, Harvey 1989a and b).

In each of the countries being considered the industries which best represent this set of changes varies because of the product bases represented. However, it is not so much what is produced but how it is produced and the system of social and economic organisation which has accompanied the changes. For example, in New Zealand there has been the move from small processing plants in each local town (e.g. separate cheese- and butter-making factories) to a small number of multi-product factories which manufacture the full range of dairy products and in the last few years of the eighties some movement back again to smaller more flexible plants and a workforce organised on the basis of local awards rather than national agreements. In Britain the changes have been from a type of Fordist production represented by the organisation of car production within the factories of BL at Longbridge to the new 'Nissan way' plants of the north-east of England, based on more flexible forms of working (D.Smith 1987, Garrahan 1986). The Nissan plant assembling cars was established in the North-east in 1986. The location of the company was assisted by regional development grants of 22 per cent of costs and selective financial assistance of a further 12 per cent of costs from the Department of Trade and Industry. The trade-off was a commitment by Nissan to work towards 60–80 per cent of 'local' content. However, local is a 'refined' term under EEC regulations and covers the whole of the EEC area. To ensure a more flexible work environment the company has established a single union plant (the AUEW). In the agreement reached between the union and management effectively a 'no-strike' deal has been made whereby disputes first go to the company council, then to conciliation, and if that fails, to final and binding arbitration. Garrahan (1986) suggests that the AUEW has in this agreement 'traded its independence during a period of high unemployment and declining union membership'. Associated with these shifts have been those towards greater worker flexibility and the use of computer control and inventory systems especially in the service sectors of the economy such as retailing and financial services with a corresponding change to the structure and skills required within the workforce.

The NIDL debate reviewed in a previous chapter points to a set of interrelated economic changes which have arisen as a consequence of new forms of production and the new transnational forms of capitalist organisation. The next stage of the assessment of this and other related debates requires some documentation of the economic changes and employment that have occurred over the last few decades.

DEINDUSTRIALISATION OR RESTRUCTURING

The changes which have been taking place over the past decades within the three countries under consideration have been quite marked. There is considerable debate as to whether these changes constitute deindustrialisation, which for the majority of writers means simply a decline in manufacturing or a more general economic and social restructuring (Massey 1988, Redclift and Mingione 1985). The present debate about deindustrialisation has been too limited as a result of the fact that much of the research work that has taken place has concentrated on those nation states which were central to the first industrial revolution and consequently had well-developed manufacturing bases to their societies. Manufacturing has declined in each of the countries under examination. However, its relative importance within each economy has been quite different. Britain was a major manufacturing country in a way that was true of neither Australia nor New Zealand. The configuration of the particular national economies is therefore an important factor in assessing the ways that change has taken place. The varied processes of change that can be seen require the debate to be set within a wider framework of discussion than that allowed by simply focusing upon deindustrialisation.

What is taking place is rather a more fundamental restructuring of the economic and social structure. In this wider debate it is necessary to explore the growth and increasing diversity of the service sector. Does this represent as some have suggested a movement towards a post-industrial society? Such a society would usher in a new regime of accumulation and consumption based more around services and knowledge-based industries rather than industrial manufacturing. An alternative view, however, is that the shift is the latest in the continuing modification of capitalism as the

base of activity shifts to ensure continued profitability to capital (Mandel 1975, Hudson 1989).

To assess this debate, data at a number of levels needs to be explored. Consequently, the remainder of this chapter will examine the overall configuration of the three economies, trace out the recent patterns of change, and explore the compositional changes that have taken place in respect to occupations and the gender and 'race' composition within the workforce. The move towards a more flexible workforce has brought an increased level of temporary and part-time work, which has disproportionately been filled by female labour, heightening the significance of gender and 'race' relations. The spatial reorganisation of work and residence which has flowed from these changes will be examined in following chapters.

GENERAL TRENDS

The data contained in Figures 3.1–3.4 shows that there are a number of interesting differences between the three countries. In Britain (Figure 3.1) the absolute decline in the level of manufacturing employment did not occur until the mid-1960s, with the peak year for the numbers employed being 1966. However, in relative terms manufacturing was in decline from a decade earlier in the mid-1950s (Allen and Massey 1988). By the mid- 1980s service employment was by far the largest sector within the British economy employing 65 per cent of the workforce. This increase which has been particularly rapid in the 1980s is not entirely the result of the creation of new jobs but is in part the result of the contracting out of services from within manufacturing industry rather than the services being done 'in house'. This represents a change in the organisation of business activity rather than the creation of new jobs.

Accompanying the growth of services has also been the increase in the part-time and temporary labour force. Between 1951 and 1987 the number of part-time workers rose by 4.7 million to represent 23 per cent of the total workforce by 1987. The increase has been the result of the expansion of the service industries, particularly those relating to health, education, retailing, hotel, and catering. In contrast, over the same period part-time manufacturing employment has fallen. The use of part-time workers in the 1970s and 1980s is part of a general process aimed
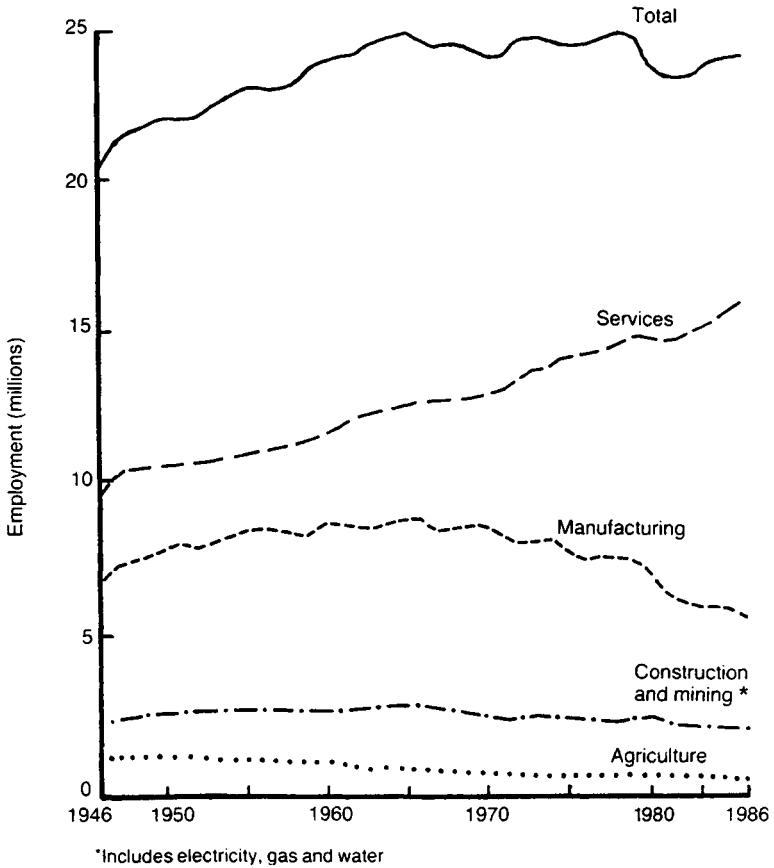
Figure 3.1 Employment by sector in the UK 1946–86

Source: Allen and Massey 1988:52

Note: Includes electricity, gas, and water

at increasing the flexibility within the workforce to have workers available to match the demands of customers.

   A further important dimension of the increased level of part-time employment is the gender composition, with part-time work being predominantly female (Beechey and Perkins 1986). Temporary workers, although as a category they are difficult to obtain precise data on, also appear to have increased over the past two decades and are estimated to constitute between 6 per cent and 8 per cent of the workforce (Allen 1988a and b). Here there is
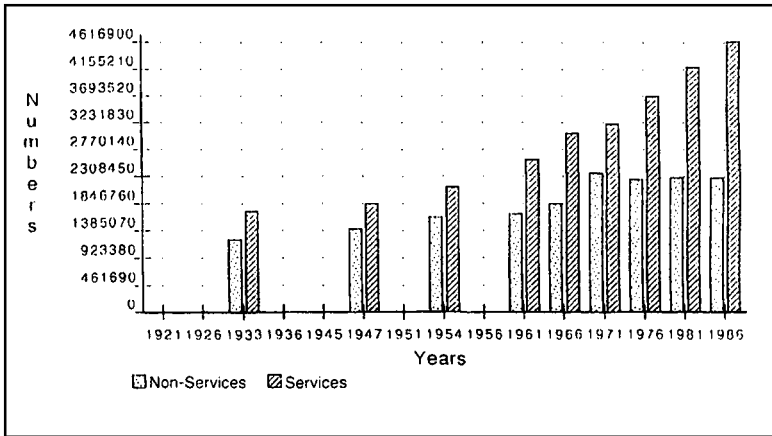
Figure 3.2a Services/non-services Australia (numbers)

Source: Australian Year Books, 1921–90
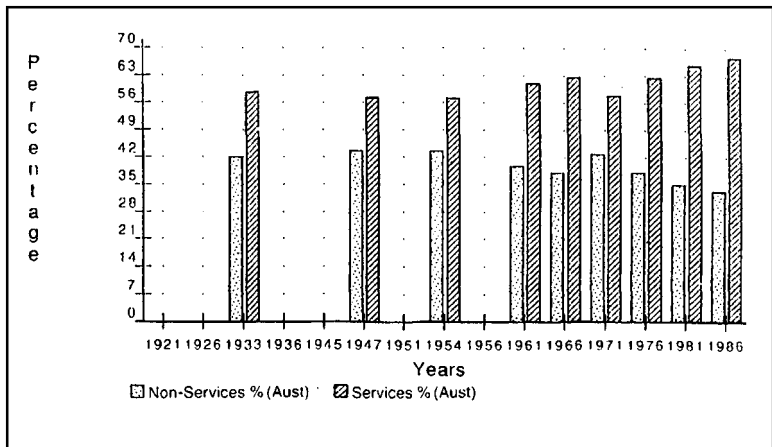
Figure 3.2b Services/non-services Australia (percentages)

Source: Australian Year Books, 1921–90

some evidence of the increasing use of temporary workers as part of a process towards the casualisation of areas of activity so that employers can increase the flexibility of labour. It also provides a way of reducing the employer's commitment to using permanent workers who have to be paid redundancy money when demand for their labour contracts.
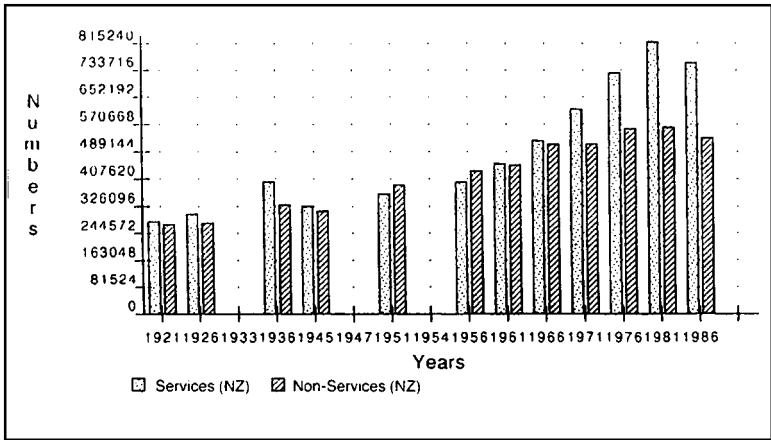
Figure 3.3a Services/non-services NZ (numbers)

Source: New Zealand Department of Statistics: Population Census 1981–6
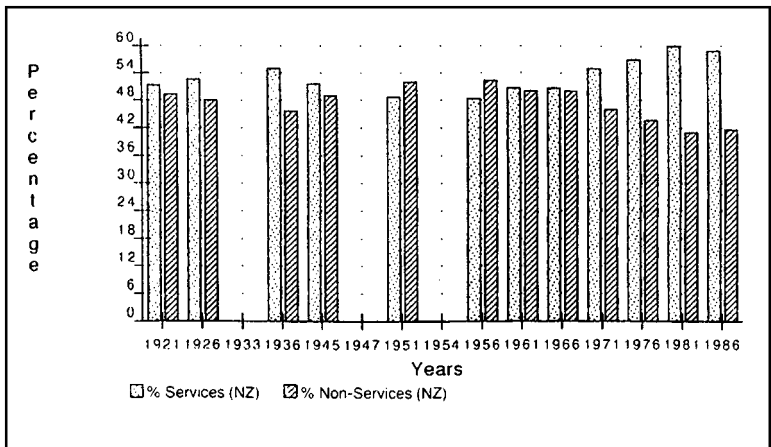
Figure 3.3b Services/non-services NZ (percentages)

Source: New Zealand Department of Statistics: Population Census 1981–6

The other important change to the structure of employment over the post-war period has been the reappearance of a substantial number of those unemployed. The 1950s and 1960s were decades in which the numbers registered as unemployed were extremely low with just under 2 per cent in the 1950s and 3 per cent in the 1960s. However, the 1970s and 1980s saw a considerable increase
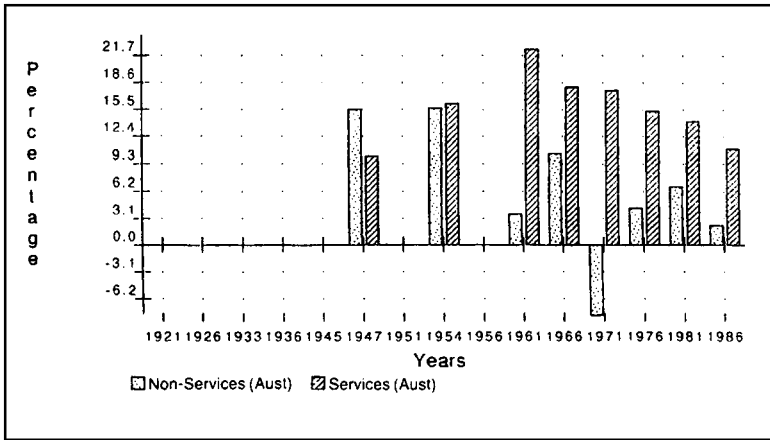
Figure 3.4a NZ percentage change non-services/services

Source: see Figure 3.2
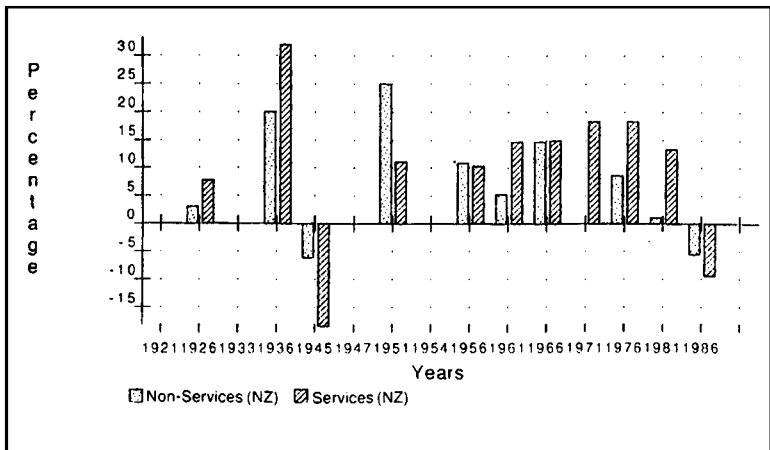
Figure 3.4b Australia percentage change non-services/services

Source: see Figure 3.3

with the numbers out of work rising to 12.8 per cent by the mid-1980s. This was the peak and there is now some decrease in the unemployment levels. However, there are problems with the figures which tend to underestimate the extent of female unemployment. For example, the official figures for the 1950s and

1960s disguise the number of women seeking work. Clearly the last two decades have produced a significant sector of the population dependent upon unemployment benefits.

The changing balance of employment from full-time through to temporary work is a reflection of both the general economic conditions which have existed in Britain over the 1970s and 1980s and the restructuring which is taking place through which employers are moving to create a more flexible and mobile workforce less committed to 'traditional' work practices and labour organisation.

The shifting balance between manual and non-manual work, paid and unpaid work, women and men, and the old industrial heartlands where union strength was concentrated and the suburban and smaller urban centres where services and the hi-tech industries have located are having quite a marked effect upon the structure of the trade union movement. These workforce changes have seen the unions as a whole declining in numbers from the end of the 1970s when 55 per cent of the workforce belonged to 45 per cent by the mid-1980s. This decline has been steepest among the general manual unions such as the TGWU (1976–86 –29 per cent), AEU (–26 per cent), NUR (–31 per cent), EETPU (–20 per cent). Gains where they have occurred have been in white collar unions in the service sector e.g. BIFU (banking +42 per cent), post office engineers (+25 per cent), and NAS-UWT (teachers 44 per cent) (Allen 1988b). Such changes suggest that a more fragmented and thus potentially less radical form of unionism may be produced.

In the Australian case the number of those employed in manufacturing rises in absolute terms until 1971 (Figure 3.2). After that date it moves into decline and the rate of increase within the service sector increases. However, service employment has always been the sector employing the greatest number for the greater part of this century. Consequently, the suggestion that deindustrialisation has occurred recently is somewhat misleading. What has occurred is that the manufacturing sector has experienced structural changes which have led to its decline and job losses. In part this is a reflection of the peculiarities of the sector which grew under heavy protection to meet mainly internal demand. With the restructuring of the economy towards export-oriented growth drawing upon primary production and minerals extraction, the manufacturing sector suffered decline and became

open to greater international competition in a climate of reduced border protection (Stillwell 1980).

The changes in the employment structures in the 1980s have been ones which have led to increased levels of part-time, and female employment. In 1985 part-time work constituted 18 per cent of the Australian workforce and between 1983 and 1985 it grew at 6 per cent per annum (Daly 1988). The impetus is therefore towards greater flexibility, which means more part-time work, more casual workers, and less labour organisation.

The shifts in the 1970s have resulted in plant closures and rationalisations leading to rising levels of unemployment in the established manufacturing regions. By the end of the 1970s the Australian unemployment rate had moved up to 5.8 per cent of the total workforce with 4.8 per cent of male workers and 7.7 per cent of female workers out of paid work.

In New Zealand the service sector as in Australia has been the the one where the majority have found employment since the 1920s (Figures 3.3 and 3.4). The pattern of shifts from the 1920s to the 1940s show that services grew more rapidly than non-services during this period. However, in both Australia and New Zealand in the 1920s and 1930s it was the primary sector which employed the greatest proportion of the workforce within the non-service sector rather than that of manufacturing. From the 1940s through to the 1950s the non-service sector expanded as a result of growth of manufacturing which during this time expanded more rapidly than did the service sector. This was the period during which New Zealand developed much of its manufacturing through a deliberate strategy of import substitution with import controls and licensing policies put in place by the first Labour government. The industries established were mainly ones in the consumer-goods areas concentrating upon assembling commodities (Sutch 1966, 1972). The period from the mid-1950s to the mid-1960s shows a period of consolidation rather than change whereas that from 1966 to the 1980s is one in which signs of economic and social restructuring become apparent. Further, growth occurs within the service sector relative to the non-service sector and a decline in manufacturing is sustained. However, the data also show that unlike the other two countries there has been a decline in both forms of employment in the early 1980s. This is because New Zealand has been affected by a recession resulting from an extensive restructuring of the economic and social base leading to

changes in both the manufacturing and service sector. The latter being as a consequence of the public sector restructuring programme followed by the government after 1984. Between 1984 and 1987 the corporatisation of government departments was carried out and since 1987 further moves have seen some of these corporations sold as part of the government's privatisation policy which again has led to some job losses (Boston 1987, Deane 1985).

The other feature to emerge has been the rising level of unemployment. In the post-war years New Zealand experienced low levels of unemployment with not more than 0.2 per cent of the labour force registered as unemployed. This pattern continued during the first half of the 1970s with registered unemployment remaining below 1 per cent (Hawke 1985). However, from the mid–1970s through the 1980s the unemployment rate has steadily risen to reach 9 per cent of the workforce by 1990.

As was noted with respect to Britain the last few decades have also been ones during which part-time and temporary work has expanded.

The changes within the composition of the workforce with respect to manufacturing and service activity have resulted in the relative power of the unions within the movement as a whole undergoing changes. The formation of the Combined Trade Unions (CTU) in New Zealand in 1987, which brought together the Federation of Labour representing unions in the private sector and the Combined State Unions (CSU) representing unions in the public sector to form the CTU, has been one of the responses of the union movement to the restructuring within the workforce. Within the new organisation the relative importance of the 'traditional' manual unions within the labour force has declined to be replaced by the white-collar unions representing primarily service workers such as the Bank Workers Union. With this change has also come a gender modification of the power structures with greater attention now being sought for such issues as pay equity and the provision of quality child care.

CHANGING OCCUPATIONAL AND SOCIAL STRUCTURE

The development of the British occupational structure shows how over the last one hundred and fifty years the country has shifted

from an agricultural-based economy through industrialisation which brought about the development of a manufacturing base leading to a time when Britain was the workshop of the world. Change from this situation has led to the present period during which the character of the economy is increasingly that of a service economy with the growth of both commercial and community-service occupations. The other significant change over time shown in Table 3.1 is the decline in the importance of the domestic-service class. This group played a substantial role in the nineteenth century providing a major avenue of employment for female labour working for the new, urban middle class. The members of this new class were one of the major beneficiaries of the expansion of the industrial base of Britain as it created a need for business and professional services, which in turn formed the base for the 'middle class', who were not owners of capital but of skills.

Deindustrialisation within Britain is thus the result of the rise of non-domestic services and the decline after the 1950s in employment in the manufacturing sector. Even though this sector has declined, it is still quite substantial and Britain has the largest manufacturing base of any of the three countries. By the mid–1980s Australia's manufacturing sector employed 16 per cent and that of New Zealand 21 per cent compared to the 37 per cent within Britain.

The initial years after the Second World War were ones of generally expanding output and labour shortages rather than the reverse. Consequently, by 1955 the British economy in employment terms had reached its most highly industrialised state. It was at this time the most highly industrialised economy which had existed within the capitalist world. There was little unemployment and labour was drawn into the United Kingdom from both overseas and from an increasing level of female participation in the paid workforce to meet labour shortages. Old plant was given a new lease of life as a result of shortages created by the destruction of much European and Japanese industry, leading to markets for products being less competitive.

From 1955 onwards this pattern began to move into reverse and over the next 30 years Britain experienced an enormous reduction in manufacturing employment, greater than that in almost any other advanced capitalist country. As a result it was the country which generated much of the debate about deindustrialisation followed by the USA, which also experienced a decline in its

Table 3.1 Sectoral distribution of British labour force 1801–1981 (as percentage of total population)

Date	Agriculture	Industry	Commerce	Private domestic	Armed forces	Comunity and other
1801	35.9	29.7	11.2	9.0	4.8	9.4
1811	33.0	30.2	11.6	9.2	6.2	9.8
1821	28.4	38.4	12.1	9.9	2.1	9.1
1831	24.6	40.8	12.4	9.8	1.9	10.5
1841	22.2	40.5	14.2	11.3	2.0	9.8
1851	21.7	42.9	15.8	10.1	1.4	8.1
1861	18.7	43.6	16.6	11.2	1.3	8.6
1871	15.1	43.1	19.6	11.9	1.2	9.1
1881	12.6	43.5	21.3	11.3	0.9	10.4
1891	10.5	43.9	22.6	11.2	0.9	10.9
1901	8.7	46.3	21.4	9.5	1.1	13.0
1911	8.3	46.4	21.5	8.5	1.2	14.1
1921	7.1	47.6	20.3	6.9	1.1	17.0
1931	6.0	45.3	22.7	7.7	0.9	17.4
1951	5.1	47.6	22.0	2.3	2.5	20.5
1961	3.7	47.7	23.4	1.6	1.3	22.3
1971	2.7	44.8	23.4	1.1	1.0	27.0
1981	2.3	37.5	25.4	0.4	1.0	33.4

Notes: Industry=mining, manufacturing, construction, gas, electricity, and water; Commerce=transport, distribution, and finance.

industrial base as the revived European and Japanese industry expanded. This led to the closure of plants in the so called 'smoke stack' industries.

By the end of the 1950s Europe and Japan had recovered from the effects of the 1939–45 war and were reconstructing their industrial base with greater use of new technology than was the case in much of British industry, which had been more insulated from the need to change as a result of the immediate post-war boom. By the late-1950s profit levels in much of British industry were falling and a restructuring was beginning to take place which involved the closures of some of the oldest plant and a move towards redevelopment taking greater account of the new technologies which were emerging. Government policy in the 1960s was concerned with schemes to assist restructuring and the greater application of more modern practices to transform British industry and make it more competitive (Massey and Meegan 1982).

Foremost among the restructured industries were the state-owned ones of coal, steel, railways, etc. The restructuring undertaken resulted in a considerable modification to the occupational structure as traditional areas of male employment in manufacturing, mining, and agriculture declined and the service sector of the economy expanded, this latter sector being one where female employment was the more dominant.

The pattern of change within the service sector, however, was not uniform. The total share of the workforce grew from 45 per cent to 62 per cent from the late-1950s to the 1980s. The total change was made up of both increases and decreases. Employment fell in public transport (all forms approx. –37 per cent) and personnel services (–41 per cent). These falls, however, were outweighed by increases in such areas as business services (130 per cent), welfare services (160 per cent), and health and education (+99 per cent).

The patterns for New Zealand are shown in Table 3.2 and Figure 3.3. The data show that primary sector employment has declined over the entire period from 1951, falling from 14.4 per cent to 10 per cent of the total. Manufacturing maintains a fairly constant proportion of the total through until the mid- 1960s, after which it declines as a consequence of the restructuring that has taken place.

The area where the greatest growth has occurred has been in the commercial and financial service sector where the increase has been from 18.5 per cent to 28.5 per cent of the total workforce. In the public and personnel services section in contrast, employment has fallen, from 27 per cent to 24.7 per cent.

These broad changes, however, hide the extent to which the labour force is being modified. The extension of publicly provided services in the post-war years was reflected in the growth of community and governmental services. This growth expanded employment for both women and men in white-collar occupations expanding the size of the new middle or service class. However, in the most recent period of restructuring there has been a reduction in state-sector employment and a changed pattern of recruitment as the demands move from welfare activities to those of revenue collecting and financial administration with the introduction of indirect taxation and corporatisation of government departments. These changes have impacted upon the gender composition as male employment in the public administrative sector has increased

Table 3.2 NZ occupational structure 1951–86

	1951	1956	1961	1966	1971	1976	1981	1986
Primary	14.5	11.5	11.5	10.5	9.5	9.0	10.5	10.0
Manufacturing	24.0	23.5	24.0	25.5	24.0	23.0	22.0	21.0
Construction	6.0	7.0	7.0	6.5	6.5	6.5	5.0	6.0
Transport and communications	8.5	8.5	8.5	8.5	8.0	8.0	7.5	7.5
Commerce and finance	18.5	20.0	20.5	20.0	26.0	25.5	25.0	28.5
Social services public administration	27.0	27.0	27.0	27.0	23.0	24.0	25.0	24.7

Source: Population Census 1951–1986. New Zealand Department of Statistics

by 5 per cent whereas for females this sector has declined in relative importance by 10 per cent. Clearly, in analysing patterns of occupational change, it is necessary to carry out more detailed work on not just changes between sectors but also that within sectors as new skills are demanded and patterns of recruitment established.

The Australian pattern has many similarities in its early development with that of New Zealand. In the nineteenth century local manufacturing was poorly developed with most products imported from Britain. The dominant sector was that of merchants and traders involved in exporting the primary products such as wool and in return importing manufactured commodities so incorporating Australia into the British colonial economy. After the 1890s downturn in both the international and national economy, some manufacturing began to appear locally. However, they were initially small in scale, with only one-third of Sydney's factories employing more than thirty people by the turn of the century (Butlin 1964).

The repercussions of the 1890s depression were to have an important impact upon the next decades. The depression led to erosion in the power and financial well-being of the mercantile capitalists and allowed the growth of a local manufacturing class. The disruption to world trade brought about by the First World War further assisted local manufacturing with the state in the twentieth century moving actively to support local production. This sector grew, therefore, from only 16.5 per cent of the workforce in the 1920s to 27 per cent by the mid-1950s, and as a

Table 3.3 Manufacturing employment change 1918–85

Period	Australia (% change)
1918/19–1928/9	32.3
1928/9–1938/9	25.4
1938/9–1945/6	31.9
1945/6–1955/6	42.3
1955/6–1967/8	6.1
1973/4–1984/5	–21.7

Source: Rich 1988:138

proportion of GNP from 16 per cent in 1930 to 30 per cent by the 1960s.

The form that this growth in manufacturing took was again shaped by the role Australia played in the world economy, as a peripheral rather than as a core nation. It was a manufacturing industry strongly influenced by overseas, mostly British companies, establishing 'branch plants' (Wheelwright and Buckley 1978). The first wave of this activity from 1920–1930 set up plants in the south-eastern states of New South Wales, Victoria, and South Australia. It was this group of states which were to become the manufacturing centre of Australia. Some of the more significant areas of industry to develop at this time were those of motor vehicles, iron and steel, and chemicals. The development was aided by tariff barriers which protected local domestic production. The second wave of expansion to the manufacturing base occurred in the post-Second World War boom years during the 1950s and 1960s. This expansion was based largely on migrant labour from southern Europe. During these years the bulk of overseas investment (61 per cent) flowed into manufacturing, the majority of which was located in the south-east corridor bounded by Newcastle in the north-east and Whyalla in the south-west. By the end of the 1960s foreign ownership and control had become substantial and begun to outweigh local ownership, especially in the larger plants. The exception was a group of heavily protected and state-assisted, local multi-product companies including BHP, CSR, APM, and ACI. The small-scale domestic-oriented producers were to face in the 1970s an increasingly difficult national and international environment produced by the reshaping of both the local and the international economy, which diverted investment

from manufacturing into resource extraction and financial activities including real estate.

The concentration of manufacturing within the three states of New South Wales, Victoria, and South Australia resulted in a rapid increase in the population levels within these states and a marked 'core' peripheral development. The major centres of each state, Sydney, Melbourne, and Adelaide, attracted an increasing percentage of the total state population and were dominated by manufacturing with, for example, 31.4 per cent of Melbourne's population and 28.3 per cent of Sydney's within this sector.

Table 3.4 shows in some detail the extent to which the last two decades have marked a period of considerable change within the occupational structure. Manufacturing, for example, has declined from 24.7 per cent of total employment in 1971 to 16.4 per cent in 1986, which takes it back to the level experienced in the 1890–1930 period. The growth areas of the economy are those of finance, property, and business services, which have increased from 7.2 per cent to 10.2 per cent, and community services, which have grown from 11.2 per cent to 17.7 per cent. Overall the data show a general shift towards the service sector and a decline in both the agricultural, mining, and manufacturing sectors of employment. Despite the resource boom which has occurred in the 1970s little employment has been created largely due to the capital-intensive nature of such resource-based extractive industries as open cast mining in Queensland. Stillwell notes that:

> the amount of job creation associated with capital intensive mineral extraction and processing activities will be small given the buoyant international demand conditions on which this strategy depends. It is also apparent that the links between these primary sectors and the rest of the economy are minimal so that multiplier or secondary effects of any expansion are likely to be slight.
>
> (Stillwell 1980:165)

The shifts in the 1970s and 1980s are to be explained by both changes in the external environment in which Australia functions and the actions of local capital and the state. The collapse of the post-war boom precipitated a restructuring of Australian capital.

One aspect of the restructuring was a shift from manufacturing to the extractive and energy-based sectors. This necessitates in

Table 3.4 Employment structure, Australia 1971–86

Industry division	1971 Employed persons ('000s)	%	1976 Employed persons ('000s)	%	1981 Employed persons ('000s)	%	1986 Employed persons ('000s)	%
Agriculture, mining	501.6	9.1	464.8	7.9	515.0	8.1	510.7	7.4
Manufacturing	1,364.9	24.7	1,281.6	21.7	1,236.0	19.3	1,126.7	16.4
Electricity, gas, water	102.6	1.9	102.7	1.7	125.0	2.0	137.0	2.0
Construction	469.9	8.5	493.8	8.4	474.6	7.4	491.0	7.1
Wholesale & retail	1,113.6	20.2	1,156.9	19.6	1,273.9	19.9	1,383.6	20.1
Transport & storage	294.2	5.3	321.1	5.4	350.7	5.5	394.2	5.7
Communication	118.0	2.1	121.2	2.1	130.9	2.0	148.2	2.1
Finance, property & business services	394.8	7.2	456.3	7.7	559.4	8.7	699.2	10.2
Public adminstration & defence	208.4	3.8	277.9	4.7	299.2	4.7	324.0	4.7
Community services	615.6	11.2	852.4	14.5	1,029.2	16.1	1,216.0	17.7
Recreation, personal & other services	332.0	6.0	369.7	6.3	399.8	6.3	455.0	6.6

Source: Daly 1988:151

many cases the development of joint ventures between local mining

capital and foreign, multi-national capital. For example, in Queensland in 1981–2 foreign ownership accounted for 15 per cent of all mining establishments but 71 per cent of fixed capital expenditure. The ensuing resource exploitation boom pushed up the Australian dollar and so cut manufacturers' export profits at the same time the demand for capital for the new ventures pushed up domestic interest rates and attracted overseas capital. The result of these processes was pressure to change the financial system to allow greater capital inflow. The state, consequently, in the 1980s moved from protective policies to deregulative ones which included the floating of the Australian dollar in 1983 and the allowing of foreign banks to enter the Australian market. Between 1985–6 sixteen foreign banks established themselves. The new deregulative environment led to a property and stock market boom from 1985–7. However, the instability of this form of activity was shown by the crash which occurred in late 1987 and the subsequent collapse of finance and property investment companies (Daly 1982, 1988).

As part of the boom, however, considerable realignment took place among the major Australian and foreign companies as they competed for market share and adjusted their activities to take account of the changing economic climate. BHP, for example, moved out of steel and shipbuilding and into energy-based resource development, resulting in closures and redundancies. The motor vehicle and whiteware industries were similarly rationalised with significant impacts on Adelaide, which lost out to Melbourne in this reorganisation. Sydney also changed its role and became the leading financial centre more firmly tied into the international circuit of finance capital than Melbourne, which had previously been the leading Australian financial centre.

The impact of the macro-changes upon the regions and urban centres have been extensive. The manufacturing cities of the south-eastern seaboard have lost employment as local manufacturers have been forced out of business as a consequence of rising costs resulting from both increased interest rates raising their debt-servicing levels and overseas competition. In contrast, there has been migration from these regions to the 'sunbelt' areas of Queensland and mid-north-coast New South Wales. Much of this movement has been stimulated by local state policies, including the abolition of death duties leading to an increase in the attractiveness of such areas as retirement zones. The mineral boom in itself has not created much employment due to the capital

intensive nature of the production processes involved. However, there is some limited downstream impact upon the construction and service sectors. The growth of tourism and leisure industries on the Queensland Gold Coast has created a further set of growth pressures (Mullins 1981a, 1987b) as has the development of retirement complexes for overseas migrants particularly the Japanese.

GENDER VARIATIONS IN OCCUPATIONAL CHANGE

The impact of restructuring upon female and male workers has not been even from the sixties to the eighties. The variations in impact arise out of both the nature of the restructuring that has occurred and the process by which job losses are determined within each enterprise. The underlying shift which has occurred within the economy is a movement from manufacturing to service employment. This has tended to favour those areas of the economy in which females work, whereas the majority of job losses have occurred within the manufacturing and extractive sectors where employment is predominantly male. Women in the mid-1980s in Britain, for example, constituted 45 per cent of the workforce which was an increase in both absolute and proportionate numbers from the end of the 1950s, whereas over the same period male employment initially rose until 1965 and then subsequently declined (Walby and Bagguley 1989).

The process of arriving at which workers will be made redundant is also, however, of some significance. As Walby (1986) has shown, the negotiation of job losses by unions and employers generally gives priority to the claims of the longestserving workers. Using this principal tends to disadvantage female workers who often have had broken service with their employers due to the child-care needs of their families or are part-time rather than full-time workers. Walby, from a study of thirty establishments in the north-west of England, shows that the criteria used to select workers laid off was 'more likely to select women than men' (Walby 1986:228). However, this tendency is offset by the fact that the major impact of restructuring has fallen upon employment in the manufacturing sector, which employs a relatively high percentage of men and the service sector has suffered less contraction with some parts actually

expanding, those concerned with financial, professional, and miscellaneous services.

Britain

Over the first half of the 1960s there was an overall rise in employment of 1.3 million workers within Britain. The majority of this increase is, however, accounted for by the increases sustained within the service sector (989,000). Manufacturing in contrast only rose by 194,000. The totals, however, do not tell the whole story as they are composed of patterns of growth and decline. Within manufacturing, for example, job losses were sustained for both women and men. For women heavy losses occurred within textiles where over 50,000 jobs were lost constituting just under 50 per cent of all losses. For men it was shipbuilding, and metal manufacturing, which showed the greatest reduction with 55,000 and 31,000 lost respectively. Variation also occurred within the service sector with declines in the level of male employment in transport and communication (73,000), distribution (59,000), and public administration (63,000). In contrast women increased their levels of employment in all these areas with a 40,000 increase in transport, 187,000 in distribution, and 76,000 in public administration.

The second half of the 1960s shows further erosion within manufacturing and a slow growth in the service sector. The declines were, as in the first half of the decade, gender-related. Women's role in manufacturing shrank within textiles 108,000 and clothing and footwear 45,000 and overall a loss of 271,000 was sustained which constituted 60 per cent of all jobs lost in this sector. For men the late 1960s were years in which metal manufacturing, shipbuilding, and food, drink, and tobacco, in addition to textiles, accounted for most of the losses of 180,000 jobs. In the service sector men also lost jobs in transport (64,000) and distribution (123,000). In contrast for women the service sector continued to expand with 186,000 extra jobs. Most of these were in public administration. The patterns of change within the 1970s continue to show the importance of gender variations in areas of growth and decline. Table 3.5 shows that male employment shrank in all sectors except in the service areas where it was professional and business services which showed the most gain (17 per cent and 14 per cent). For females a similar decline in

manufacturing is shown but a far greater increase in public administration was sustained. Further, part-time work for women increased twice as rapidly as that for men. Although part-time work grew and full-time work fell for both women and men, the increase for women was twice that for men, indicating a move towards a greater degree of casualisation within the economy, especially for work carried out by women.

The largest fall for women was in the areas of textiles, whereas for males they were in the areas of metal manufacture and mechanical engineering. What emerges, therefore, for this period is the lack of symmetry either between the occupational skill levels or between the locations of the growing and declining sectors. The result of this is that the skilled manual workers made redundant through closures and rationalisation had little prospect of acquiring employment in the growing sectors for which they had neither the appropriate level of skill nor were they in the right location.

Table 3.6 shows a continuation of the trends demonstrated by Table 3.5 for the first half of the 1970s. Both women and men continued to lose jobs with an overall decline for women of 52,000 jobs and 945,000 for men; the only areas of growth were those of banking, finance, and business services (11 per cent increase for women and 10 per cent for men). In respect to job losses the only significant differences were in the greater decrease of female employment in other manufacturing (9 per cent compared to 4 per cent for men) and the greater decrease for men in construction and transport and communications (12 per cent compared to 6 per cent, and 11 per cent compared to 3 per cent).

Manufacturing, for example, has declined throughout the 1970s encouraging the view that Britain was in this decade experiencing deindustrialisation. The growth areas of the economy were those of finance, property, and business services, which have increased from 7.2 per cent to 10.2 per cent, and community services, which grew from 11.2 per cent to 17.7 per cent. Overall the data show a general shift towards the service sector.

The end of the 1970s saw the election of the Conservative government headed by Mrs Thatcher and the reinforcement of the trends established within the 1970s aided by government monetary policies which restricted the growth of credit and encouraged rationalisation. The 1980s saw British manufacturing losing jobs at a greater rate than any other country except Belgium. By 1983

Table 3.5 Employment change by industry, males and females, full- and part-time, Britain 1971–77 (percentages)

	Male		Female		Total
	Full-time	*Part-time*	*Full-time*	*Part-time*	*Total*
Agriculture, forestry, fishing	-10.56	-3.63	-6.18	-18.60	-10.17
Mining and quarrying	-12.11	12.54	-3.51	30.84	-10.71
Food, drink and tobacco	-8.40	0.17	-9.52	1.72	-7.29
Coal and petroleum products	-17.79	9.09	-17.81	-25.12	-17.85
Chemical and allied industries	-0.56	11.04	-2.47	9.11	-0.41
Metal manufacture	-13.19	4.25	-17.22	-0.05	-13.21
Mechanical engineering	-11.97	6.50	-16.04	5.18	-11.90
Instrument engineering	-10.23	27.33	-14.81	13.95	-9.71
Electrical engineering	-5.58	17.33	-9.18	-9.01	-6.84
Shipbuilding, marine engineering	-6.56	42.11	-6.52	33.63	-5.90
Vehicles	-7.47	5.61	-15.44	-10.60	-8.39
Metal goods NEC	-5.11	0.04	-13.62	-5.53	-6.97
Textiles	-15.77	-16.00	-23.68	2.32	-17.37
Leather, leather goods, fur	-16.73	15.74	-16.81	14.57	-13.17
Clothing and footwear	-21.19	12.42	-16.61	19.29	-13.82
Bricks, pottery, cement, glass, etc.	-16.97	9.75	-10.38	17.93	-14.39
Timber, furniture	-5.46	29.44	-7.76	23.32	-4.26
Paper, printing, publishing	-10.11	16.37	-15.94	9.56	-9.89
Other manufacturing	-1.08	13.44	-8.36	7.26	-2.18
Construction	-1.43	64.75	10.53	63.96	0.83
Gas, electricty, water	-11.74	-7.55	5.89	17.98	-8.48
Transport and communications	-7.87	4.92	-4.12	20.76	-6.32
Distributive trades	1.37	32.49	-8.51	27.85	5.67
Insurance, banking, finance, business	13.97	34.99	11.11	42.73	17.15
Professional, scientific services	16.95	3.65	15.38	37.53	21.64
Miscellaneous services	8.34	27.71	2.60	56.55	20.33
Public admin. and defence	0.35	-3.99	19.05	13.39	6.17
Total employment	-3.47	16.55	-0.63	31.20	2.20

Source: Frost and Spence, 1984

Table 3.6 Changes in men's and women's employment by industry group 1979–81 (Britain)

	Women		Men	
	Actual change (thousands)	*% change*	*Actual change (thousands)*	*% change*
Agriculture	−11	12	50	12
Forestry, fishing, energy & water	6	6	44	7
Supply industry, extractive minerals, manufact. metals, chemicals	−92	30	−307	−30
Metal goods, engineering, vehicle	−163	−21	−530	−19
Other manufacturing	−150	−9	−61	−4
Construction	−7	−6	−202	−12
Distribut., hotels, catering, repairs	144	7	0	0
Transport & communications	−8	−3	−142	−11
Banking, finance, insurance, business services, leasing	81	11	89	10
Other services	−1	0	−12	−1
No reply, inadequately described, working outside UK	84	68	124	70
All industries	−52	−1	945	−6

Source: Walby 1986:228

there were almost two service workers for each industrial worker and the public service alone employed 75 per cent as many workers as the whole of the manufacturing industry.

A common explanation advanced to account for the changes in gender composition of the workforce has seen women as a reserve army of labour (Massey and Meegan 1982) and therefore moving in and out of the workforce dependent upon the general state of the economy or as a result of restructuring, which has led to the expansion of 'female'-dominated areas of the economy, especially services. Such explanations fail to recognise the full importance of regional variations in gender composition. When such variations are inspected a more complex picture emerges than that allowed

for in many versions of the 'reserve army' of labour position. In a recent study of five local labour markets it has been shown that in the four localities with an overall decline in male employment there was an increase in women's employment. In these cases there was clearly a 'reserve' of both male and female labour so the use of females was not simply because there was a shortage of male labour. Much of the increase recorded, however, was for part-time work (Walby and Bagguley 1989). The spatial dimensions of the gender restructuring of the labour force are therefore an important area for examination. In the next chapter the question of regional structures will be central.

New Zealand

The gender composition of the New Zealand workforce has also undergone considerable change over the post-war years, with changes in the composition of service-sector employment with an increasing level of participation of women in the full-time paid workforce. In the set of changes that have occurred we can see both parallels and contrast with the British experience identified.

The data presented in Table 3.7 show how the patterns of employment have shifted over the period from 1951–1986. This period falls into two, the years up to 1966 and from 1966–86. In the first period employment for men is shaped by the decline in the primary sector and growth in manufacturing; services occupy a fairly stable segment of employment. However, from 1966 services grew and manufacturing declined in relative terms as a source of employment. For women there is less of a contrast between the two periods. Manufacturing employment declines in relative terms throughout as does employment in personal and administrative services. Growth is found, however, after 1966 in the business services.

In the 1960s 27 per cent of women were employed in the full-time paid workforce and by the 1980s this number had further increased to 34.3 per cent (Department of Statistics 1986). These overall figures, however, mask the real extent of changes that are taking place. If full– and part-time paid work among, for example, married women is examined, then this shows that the proportion of married women in the paid labour force has increased from 23 per cent in the mid- 1960s to 53 per cent by the mid–1980s (Penhale and Wigbout 1982, Hall 1987).

Table 3.7 Gender and occupational structure 1951–86, New Zealand (percentages)

	1951	1956	1961	1966	1971	1976	1981	1986
Primary								
– male	23	18	19	16	14	12	14	13
– female	6	5	4	5	5	6	7	7
Manufacturing								
– male	24	24	25	28	26	26	25	24
– female	24	23	23	23	22	20	19	18
Construction								
– male	11	13	13	12	12	12	9	11
– female	1	1	1	1	1	1	1	1
Transport, communications								
– male	12	12	12	11	11	10	9	9
– female	5	5	5	6	5	6	6	6
Commerce, finance								
– male	15	15	16	16	20	19	20	23
– female	22	25	25	24	32	32	30	34
Social services administration								
– male	12	13	14	14	14	16	17	17
– female	42	41	40	40	32	32	33	32

Source: Population Census 1951–1986. New Zealand Department of Statistics

Despite these changes employment for women is still largely confined to particular sectors of the economy. In the 1920s it was largely in government and personnel services. During the 1950s and 1960s growth occurred in the numbers of women working in the manufacturing sector. However, in the most recent period of restructuring during the late 1970s and 1980s, manufacturing employment for women has shrunk more rapidly than for men.

Table 3.8 shows that generally the ratio of male to females in the various sectors of the economy has declined over the period covered.

However, in the key sectors of the economy the changes have not been extensive. For example, in manufacturing in 1921 there were just over three men employed for each women compared with 2.6 in 1981.

In the area of government, community, and social services there has been a reverse move with male workers entering areas

Table 3.8 Ratio of male to female employees by sector of employment (New Zealand)

	1921	1936	1966	1986
Agric., etc	14.3	24.3	8.1	3.8
Mining	247.2	177.4	58.9	13.1
Manufacture	3.1	2.8	3.3	2.6
Construction	167.8	141.2	41.6	18.2
Power and water	31.1	19.0	13.1	10.6
Transport &				
communications	19.4	25.6	5.3	3.2
Commercial	2.6	2.9	1.7	1.7
Finance	4.1	4.7	1.6	1.1
Govt./comm./				
social services	0.3	0.3	0.7	2.1
Public administration	1.2	1.3	1.0	0.9

Source: New Zealand Population Census 1921–1986

previously dominated by female labour. Even with these sectoral shifts, however, there still exists substantial differences in pay and conditions between women and men.

Australia

The pattern of change within the Australian workforce mirrors in many respects those of Britain and New Zealand. Table 3.9 sets out the overall changes. The most significant are the decline for men in agriculture and manufacturing from, in the latter case, a high point of 28.8 per cent in 1966 to only 20 per cent by 1988. The growth which has occurred has come almost entirely from the expansion in business and financial services. The rise has been from 2 per cent of the male workforce in the mid-1950s to 9.5 per cent by the late 1980s. Employment for women shows a continuous decline in the manufacturing sector from 26 per cent of all employment in 1954. However, the actual numbers employed rose until 1971 when they reached 352,400. Since this date the numbers and the proportion of the workforce in this sector have fallen so that by 1988 it contained only 10 per cent and 316,400 workers. The majority of female workers have been employed in the service sector throughout the period covered in Table 3.9. In 1954, community, recreation (including hotels and restaurants) and commerce accounted for 56 per cent of all female work compared to 21.9 per cent for men. By 1988 these same areas had

Table 3.9 Gender and occupational structure, Australia (percentages)

	1954	1961	1966	1971	1976	1981	1984	1988
Primary production								
– male	16.1	13.2	11.1	8.5	7.9	7.9	7.4	7.0
– female	3.8	3.7	5.2	4.1	3.3	4.3	3.8	3.8
Mining & quarrying								
– male	2.1	1.6	1.6	2.0	1.9	2.1	2.2	2.0
– female	0.1	0.1	0.2	0.3	0.2	0.3	0.4	0.3
Manufacture								
– male	28.0	28.0	28.8	25.2	24.5	23.1	24.1	20.2
– female	26.8	23.9	22.5	18.9	16.3	13.7	11.9	10.6
Electricity, gas, water, sanitary								
– male	2.4	2.8	2.9	2.3	2.9	3.1	3.3	2.3
– female	0.5	0.5	0.5	0.5	0.5	0.5	0.7	0.4
Building & construction								
– male	11.2	11.5	12.1	12.9	12.5	10.7	9.4	10.5
– female	0.5	0.1	1.0	1.2	1.7	2.2	2.1	2.2
Transport, storage, communication								
– male	10.6	10.3	7.4	6.6	7.4	7.2	7.6	6.9
– female	3.7	3.5	3.4	2.1	2.1	2.2	2.4	2.5
Finance & property								
– male	2.1	2.7	5.5	5.7	6.5	7.5	7.9	9.1
– female	3.9	5.2	5.1	9.5	9.9	10.9	12.0	13.5
Commerce								
– male	13.6	14.3	14.0	16.7	17.7	17.6	17.8	19.1
– female	22.5	22.1	21.3	23.4	23.3	23.8	22.9	22.3
Public authority/defence								
– male	4.4	4.3	4.8	5.9	4.8	5.0	5.3	4.6
– female	3.5	3.2	3.2	4.1	4.9	5.2	4.4	4.1
Community/business								
– male	4.8	5.7	6.7	6.2	7.9	9.5	10.3	10.5
– female	18.7	21.5	22.0	20.6	24.9	26.8	28.6	28.4
Recreation								
– male	3.5	3.6	3.7	3.1	4.1	4.2	4.7	5.1
– female	14.8	12.8	11.8	9.6	11.2	9.6	9.4	10.3

Source: Australian Yearbooks—various dates 1956–1989. Australian Bureau of Statistics

increased in importance for women to 61 per cent of all jobs, whereas for men only 34.7 per cent.

Table 3.10 Ratio of male to female employees by sector of employment (Australia)

	1954	1966	1976	1988
Agriculture	14.3	5.1	4.4	2.5
Mining	56.8	23.3	14.6	11.1
Manufacturing	3.5	3.0	2.8	2.8
Electricity, gas, water	16.9	13.8	*	8.9
Building construction	84.8	27.5	13.2	6.9
Transport, storage	9.6	5.2	6.6	4.2
Finance, property	1.8	2.5	1.2	1.0
Commerce	2.0	1.6	1.4	1.3
Public admin./defence	4.3	3.5	*	1.6
Community	0.9	0.7	0.6	0.5
Recreation	0.8	0.7	0.7	0.7

Source: Australian Yearbooks—various dates 1961–1989. Australian Bureau of Statistics
Note: * Data not available.

The gender ratios within the various sectors of employment have undergone some changes over time with a general decrease in male dominance in areas where they have traditionally held most jobs, for example, in agriculture and mining the ratio has fallen from 14.3 to 2.5 and 56.8 to 11.1 (Table 3.10). However, in those areas of the economy which were dominated by women in the mid–1950s, namely community and recreation, the extent to which women dominated employment had increased rather than lessened by the 1980s. The picture therefore is one of a still gendered occupational structure. Community, personnel, and recreational service areas of the economy have become even

more female dominated while male areas of employment have become slightly less male dominated but in all such cases females are still in a minority.

ETHNICITY

The migration movements which were identified in Chapter 2 over the period from 1945–90 resulted in greater ethnic diversity. The migrants and their descendants, however, became trapped into a particular segment of the labour market creating an ethnically distinctive section of the working class. In all cases the coloured migrants occupied the lowest levels of the occupational structure

where they were the unskilled and semi-skilled labourers. As a consequence they have also been among the first to be affected by the restructuring of traditional manufacturing industry and by the movement of production from the three societies to relocate in Third World countries. For example, manufacturers in the garment trade from both Australia and New Zealand have in the 1980s relocated to Fiji where the cost of labour is much lower and the goods are then exported to Australia and New Zealand. This process has been aided by the lowering of tariffs on imported goods.

Australia

The Australian labour force consists of a number of segments. The most favoured segment is that of men born in Australia or those who are English-speaking migrants. This group is over-represented in professional and administrative jobs and is likely to earn above-average incomes. For example, migrants from mainly English-speaking countries in 1984 earned on average $433 compared to the Australian average of $392 (Collins 1988). This differential is not through a recent phenomenon but has characterised the post-1945 migrant flows (Sherington 1980). The second section is made up of the non-English-speaking migrants who are concentrated in manufacturing (Table 3.11) and within this sector occupy semi-skilled and unskilled jobs. For example, in the early 1980s 73 per cent of migrants born in Yugoslavia, 59 per cent of Italian-born migrants, and 56.4 per cent of Lebanese-born migrants, were employed as tradesmen or production labourers in an unskilled or semi-skilled capacity. With respect to earnings, the averages were below that for Australians ranging between $334–$363 per week.

The female labour force is divided similarly along ethnic lines. The women born in Australia and English-speaking migrants were concentrated in white-collar positions and received the highest pay rates. However, all received lower rates than men. The female average in 1984 being $304 compared to $392 for men. However, those born in non-English-speaking countries were concentrated in blue-collar manufacturing, particularly clothing, textiles, and footwear, and low-paid service areas. Consequently, the data show that the non-English-speaking women are the most disadvantaged in terms of both employment opportunities and wage levels. Unemployment rates as they have increased in the 1980s have also

Table 3.11 Employed persons by industry and birthplace, August 1986

Industry group	Australia		MES		Other	
	Males	Females	Males	Females	Males	Females
Agric., forestry, fishing, hunting	8.7	4.7	1.8	2.3	3.4	3.2
Manufacturing	17.3	8.9	21.7	11.4	30.1	25.7
Construction	9.5	2.5	11.5	2.7	12.6	2.1
Wholesale/retail	18.7	23.0	18.6	20.4	17.9	21.1
Transport/storage	8.1	2.6	7.0	2.3	6.5	2.4
Finance, property, business services	8.6	13.0	11.1	12.3	7.1	9.8
Community services	10.8	28.9	12.8	33.7	7.7	22.0
Recreation, personnel, other services	4.7	9.6	4.8	9.6	5.3	7.9
Other	13.5	6.9	10.6	5.3	9.5	5.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

Source: Collins 1988:85
Note: *MES—main English-speaking countries.

impacted unevenly. For example, in 1984 the unemployment rate for those born outside Australia was 10 per cent compared with 8 per cent for those born within the country. However, the rate varied considerably according to country of origin. The highest rate being migrants from the Lebanon (29.45 per cent), followed by those from Asia (16.5 per cent), and Yugoslavia (11.5 per cent). The impact is greatest upon the most recently arrived from these locations. In 1985 21.5 per cent of males and 20.9 per cent of females who had been in the country less than 20 months were unemployed. Given the marginality and visibility of the new migrants, they have often been targeted as the cause of domestic unemployment a strategy which generates 'racist' feeling and deflects attention from the underlying problems of the economy and society.

A further underclass section of the labour force is that made up of the Aboriginal population. Since the 1940s there has been a growth in the Aboriginal population and this has been accompanied by a movement to the fringes of towns and into the

cities. In the cities they have formed inner city 'ghettos' where they live in overcrowded housing conditions. Most occupy unskilled jobs or are unemployed. They thus form one of the lowest socio-economic groups within Australian society (Howe 1977).

Britain

In Chapter 2 we noted that migrants from the new commonwealth entered particular sections of the labour market, especially manufacturing and low-paid sections of the service industry such as cleaners, bus drivers, and nurse aides within the NHS. Also since 1945 there have been created significant ethnic sub-communities in the major urban centres with an increasing proportion of British-born people, which had reached 40 per cent by the mid- 1960s. However, there are some differences in the experience of the different ethnic groups. Table 3.12 shows the job levels attained by both male and female members of the various ethnic groups which became established.

These figures indicate that for males, whites are strongly represented in the professional, employer and manager categories whereas in contrast in the semi-skilled and unskilled manual areas of employment non-whites are more strongly represented. The differences are greatest with respect to West Indians where 83 per cent are engaged in manual work compared to 58 per cent for white workers (Sarre 1989).

However, within the manual section West Indians are concentrated into the semi-skilled and unskilled jobs, with 35 per cent of West Indians being in semi-skilled and unskilled work compared to 16 per cent of white workers. At the other end of the occupational structure 19 per cent of whites are in professional, employer or managerial positions compared to 5 per cent of West Indians. For the other ethnic groups, however, there is a higher proportion in this category demonstrating the existence of professional migration, for example, doctors from India, and the greater social advance of these groups via entrepreneurial activity.

The data for women also show variation with white women less likely to be in semi-skilled and unskilled manual occupations than non-white women. However, the discrepancies between white and black women are less than for men. Again the greatest difference in experience is between white and West Indian women, with 43 per cent of West Indian women in semi-skilled and unskilled work.

Table 3.12 Job levels of men: all employees by ethnic group (percentages)

Industry group (Males)	White	West Indian	Asian	Indian Pakistani		Bangla-deshi	African Asian
Professional, employer, management	19	5	13	11	10	10	22
Other non-manual	23	10	13	13	8	7	21
Skilled manual and foreman	42	48	33	34	39	13	31
Semi-skilled manual	13	26	34	36	35	57	22
Unskilled manual	3	9	6	5	8	12	3
Base: Male employees (weighted) (unweighted)	1490 591	972 467	2167 1041	847 401	611 298	177 96	495 227

(Females)	White	West Indian	Asian	Indian	African Asian
Professional, employer, management	7	1	6	5	7
Other non-manual	55	52	42	35	52
Skilled manual and foreman	5	4	6	8	3
Semi-skilled manual	21	36	44	50	36
Unskilled manual	11	7	2	1	3
Base: Female employees (weighted) (unweighted)	1050 495	1020 502	760 340	431 195	237 102

Source: Brown, 1985:197, 198

Unemployment in the latest period of restructuring over the 1970s and 1980s reflects the fact that the migrants and ethnic minorities have been over-represented in those areas of the economy suffering the greatest amount of change. Table 3.13 compares the experience of white workers with other ethnic groups; this shows clearly the extent of the differential. The rate of unemployment for

Table 3.13 Unemployment rate by sex and ethnic groups (Britain)

	Men %	Women %
White	13	10
West Indian	25	16
Asian	20	20
Indian	14	18
Pakistani	29	28
Bangladeshi	29	52
African Asian	17	21

Source: Brown 1985:189

white women and men in the mid-1980s was 10 per cent and 13 per cent, respectively compared with 16 per cent and 25 per cent for West Indians, and 20 per cent for Asians. The ethnic groups which have experienced the greatest level of unemployment have been those from Pakistan and Bangladesh.

The concentration of the migrants and the ethnic communities that formed in the inner areas of the large conurbations has led to a high degree of spatial concentration of the black unemployed. For example, in inner London, Birmingham, and Manchester the West Indian male unemployment rate rose to 29 per cent and Asian 24 per cent in the mid- 1980s (Brown 1985), creating conditions which have led to sporadic outbreaks of 'racial' violence during the 1980s.

New Zealand

The New Zealand data show a trend towards an ethnically segregated labour force similar to that which we have already reviewed for Australia and Britain. Maori and Pacific Island workers are concentrated in the unskilled and semi-skilled sections of the labour force in a narrow range of industries. Table 3.14 shows the industry group distribution for males from 1951–86 and Table 3.15 that for females. In respect to Maori employment for males agriculture has declined steadily over this period from 39.4 per cent in 1951 to 13.1 per cent in 1986. This reflects both the general trend towards less employment in this sector overall and the urbanisation of the Maori. In contrast, employment in manufacturing rises from 24 per cent to 32 per cent and by 1986

constitutes the major arena of Maori employment. Within manufacturing the greatest numbers are employed in the food, beverages, tobacco, and fabricated metal-products sectors. Maori female employment patterns show how services and manufacturing have accounted for the bulk of employment. The most significant change here has been the decline in the proportion employed in services, from 54 per cent in 1951 to 30 per cent in 1986 as manufacturing has become a more important arena of employment, rising over this period so that by 1986 it accounted for 32 per cent of all employment. Most Maori women were employed in textiles and the food, beverage, and tobacco sectors of industry.

For Pacific Island Polynesians, manufacturing throughout the period under review has been the major sector of employment. In 1951 this constituted 52 per cent and in 1986 57 per cent of total employment. This supports the view that it was initially the Pacific Island migrants that provided the labour for the expansion of New Zealand manufacturing during the 1950s and early 1960s and it was later that Maori migrated to the cities and became incorporated into the manufacturing sector and urban economy. For Pacific Island Polynesian females the pattern is similar with manufacturing constituting by far the largest arena of employment with 44 per cent in 1951 and 45 per cent in 1986. In terms of areas of manufacturing the car assembly plants were one of the chief areas of Polynesian employment for men and for women textiles accounted for 40 per cent of the total. This, however, declined over time and the proportion of women employed in the fabricated metal-products industries increased from 5.6 per cent in 1951 to 22 per cent by 1986. Employment in services also increased slightly from 6–10 per cent for Pacific Island Polynesian males.

Within the various sectors of employment identified Maori and Pacific Island Polynesian workers mostly occupy the semi-skilled and unskilled positions. Some 59 per cent of Maori men and 47 per cent of Maori women were in unskilled paid manual work in 1986 compared with 31 per cent of European men and 17 per cent of women (Table 3.16). This is not a recent situation but one that has existed for the whole of the period from the 1950s to the 1980s. In 1951 69 per cent of Maori males and 57 per cent of Maori females were employed in unskilled paid work within a workforce where only 26 per cent of jobs were in this sector. A

Table 3.14 Proportions in industry groups 1951–86 NZ (males)

Industry	1951	1956	1961	1966	1971	1976	1981	1986
Maori								
Agriculture/hunting/ forestry/fishing	39.4	31.6	26.1	21.0	16.9	13.0	14.9	13.1
Mining/quarrying	2.5	2.8	2.5	2.0	1.5	1.0	1.0	1.3
Manufacturing	24.1	25.7	29.1	32.0	35.6	37.3	35.6	32.7
Electricity/gas/water	1.4	1.6	1.9	2.5	2.2	2.3	2.3	2.5
Construction	14.7	17.8	18.1	18.4	16.0	16.6	12.3	14.6
Wholesale/retail	2.4	2.6	3.1	3.3	4.9	6.1	6.0	8.4
Transport/storage/ communication	9.9	12.4	12.9	14.1	13.8	12.9	11.5	10.8
Finance/insurance/ real estate, etc.	0.3	0.0	0.1	0.1	0.6	1.0	1.2	1.9
Services	5.3	5.5	6.2	6.6	8.5	9.8	15.2	14.7
Pacific Island Polynesian								
Agriculture/hunting/ forestry/fishing	–	4.0	2.5	2.3	2.4	1.7	2.2	2.4
Mining/quarrying	–	0.6	0.5	0.4	0.2	0.2	0.2	0.2
Manufacturing	–	52.2	55.8	62.5	63.1	65.6	63.0	57.6
Electricity/gas/water	–	1.8	2.0	2.0	1.2	0.9	1.0	1.0
Construction	–	11.9	12.5	11.1	8.8	7.8	5.6	7.7
Wholesale/retail	–	5.6	5.4	3.8	5.3	5.9	6.7	9.3
Transport/storage/ communication	–	17.6	14.3	11.8	11.4	10.0	9.1	8.6
Finance/insurance/ real estate, etc.	–	0.2	0.2	0.4	0.8	1.1	1.7	2.5
Services	–	6.8	6.8	5.7	6.8	6.8	10.5	10.7

Source: Ongley, 1990

similar trend is shown for Pacific Island Polynesian with 52 per cent of men and 47 per cent of women in unskilled work (Table 3.16). Over time there has been some decrease in the proportion in unskilled work and slight increases in clerical, supervisory, and professional and managerial work. However, such increases have done little to change the overall position of these ethnic groups. For example, professional positions constitute 14 per cent of male and 19 per cent of female European employment but only 4 per cent for Maori men and 9.6 per cent for Maori women. Here there has been some increase from the 1950s when such positions only accounted for 1.8 per cent of Maori male and 10.7 per cent for females (Ongley 1990).

Table 3.15 Proportions in industry groups 1951–86 NZ (females)

Industry	1951	1956	1961	1966	1971	1976	1981	1986
Maori								
Agriculture/hunting/ forestry/fishing	14.6	11.3	9.5	10.1	8.9	6.6	9.2	7.1
Mining/quarrying	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.2
Manufacturing	22.4	22.0	30.3	35.8	38.9	37.4	34.4	32.1
Electricity/gas/water	0.2	0.2	0.2	0.1	0.1	0.2	0.2	0.2
Construction	0.3	0.4	0.4	0.3	0.5	0.6	0.7	1.2
Wholesale/retail	3.2	4.5	5.2	5.5	16.3	16.4	15.2	16.2
Transport/storage/ communication	4.2	7.1	8.1	8.1	7.6	8.8	8.5	8.2
Finance/insurance/ real estate, etc.	0.6	0.4	0.4	0.6	1.9	2.6	2.9	4.6
Services	54.5	54.1	45.9	39.5	25.8	27.4	28.8	30.2
Pacific Island Polynesian								
Agriculture/hunting/ forestry/fishing	–	1.0	0.7	0.8	0.6	0.7	1.2	1.0
Mining/quarrying	–	0.1	0.0	0.0	0.0	0.0	0.0	0.0
Manufacturing	–	44.6	52.1	56.4	55.3	53.2	49.5	45.3
Electricity/gas/water	–	0.0	0.4	0.1	0.2	0.1	0.1	0.2
Construction	–	0.3	0.4	0.4	0.3	0.4	0.4	0.5
Wholesale/retail	–	6.3	5.9	4.9	10.7	9.4	10.3	12.8
Transport/storage/ communication	–	1.4	3.6	3.7	3.8	4.8	5.6	6.8
Finance/insurance/ real estate, etc.	–	3.5	1.1	0.6	2.2	2.9	3.5	6.2
Services	–	42.8	35.8	33.1	26.9	28.5	29.4	27.2

Source: Ongley, 1990

These differences in sectoral location and occupational position are reflected in the incomes received. Maori and Pacific Island Polynesian men and women on average earn less than their European counterpart. For example, in 1986 the average male non-Polynesian wage was $16,067 compared with that of the average Maori male of $13,004 and Pacific Island Polynesian male of $11, 802. For women a similar differential exists. However, all women earned less on average than the men. The average female non-Polynesian wage being $9,043, Maori—$7,714, and Pacific Island Polynesian females—$7,547 (Pearson 1990a).

The marginal position of the ethnic minority groups within the labour market is further shown by the way in which unemployment has grown amongst Maori and Pacific Islanders during the

Table 3.16 Occupational groups by ethnic origin 1986 NZ (percentages)

Occupational groups	European	Maori	Pacific Island Polynesian
(Males) (N=841,338)			
Proportion of paid workforce	89.8	7.5	2.7
Professional	14.2	3.9	2.9
Admin./Managers	11.5	2.4	1.2
Clerical	5.2	2.9	4.6
Sales	7.4	2.1	1.5
Supervisors	4.6	3.9	4.0
Skilled manual	31.8	24.0	28.9
Unskilled manual	24.5	58.9	52.6
Not specified	0.8	2.0	4.3
Total	100.0	100.0	100.0
(Females) (N=436,866)			
Proportion of paid workforce	89.3	7.6	3.1
Professional	19.5	9.6	5.7
Admin./Managers	5.8	2.1	1.2
Sales	10.1	4.5	1.9
Clerical	32.3	17.3	16.8
Supervisors	2.9	3.1	1.9
Skilled manual	11.6	14.1	21.5
Unskilled manual	17.2	47.3	47.5
Not specified	0.6	2.0	3.7
Total	100.0	100.0	100.0

Source: Pearson, 1990a: 139

restructuring of the economy which has taken place since the mid-1970s. This has resulted in unemployment rates many times that of the non-Polynesian population by the end of the 1980s. In 1989 non-Polynesian unemployment for men was 5.9 per cent and for women 5.8 per cent, whereas for Maori males it was 20.8 per cent and for females 19.2 per cent. Figures for Pacific Island Polynesians were little different for men, at 20.2 per cent but substantially lower for women at 12.8 per cent.

The formation of an ethnically segregated underclass or fraction of the working class therefore appears to have been one of the consequences of the economic and employment changes of the post-1945 period.

SUMMARY

The issues which this chapter has identified have been those surrounding the debate between deindustrialisation and restructuring. The discussion has shown that the former has focused too narrowly around manufacturing changes which, when examined in relation to such countries as Australia and New Zealand, is less relevant given the nature of their economies and the greater weight that has been attached in both to the primary sector and to services. Further, when the three societies are compared variation is seen in the compositional changes that have taken place in the workforces and in the gender and ethnic variations. These findings point towards the continuing significance of the nation state, which is the concern of the next chapter.

The changes noted within the occupational structure by sector, and the balance between part-time and full-time work, and between women and men, and between different ethnic groups, raise important questions about the future shape, size, and political significance of traditional labour organisations and class formation. The direction of change is suggestive of a tendency towards greater fragmentation rather than class consolidation.

4
THE NATION STATE

In Chapter 2 a number of levels were identified which required exploration; one of these was that of the nation state. In Chapter 3 we identified a diversity of paths of development which suggests that the role of the nation state is not insignificant in shaping both internal patterns of development and of affecting the role each nation plays within the international division of labour. It is, therefore, necessary to devote some attention to the nature of the state and to the extent of its role in shaping or modifying change. The nation state, even if it has become somewhat less significant as an economic entity, has over the 1980s acquired greater significance as a social and political entity in many areas of the world. Changes in Eastern Europe have been characterised by the growth of nationalist movements which have resulted in political and social struggles for greater independence. Nation states thus retain a degree of independence and the ability to shape policy and practice within their territory.

The question of the state within advanced capitalist society has been extensively debated at both the theoretical and empirical levels. Much of the debate remains inconclusive. The postSecond World War years have been ones during which the shape of economic and social development has been influenced by technical, rational planning much of which operated through state institutions prominent amongst which was that of the welfare state. The welfare state, that system of publicly funded and administered services and benefits, became the dominant mode of operation within many western capitalist societies in the post-1945 years. It was associated with the economic theories of Keynes, which provide the basis of economic management, and was underpinned by a strong commitment to the development of technical expertise within the decision-making bodies.

Consequently, there was an expansion of post-school education, with the founding of new universities and the expansion of technical colleges and polytechnics, many of which became upgraded into universities as this sector expanded during the 1960s. The reports commissioned to provide advice and direction for further education were expansionist and based around the need for increased scientific and technical skills to extend and develop the economy and society. In Britain an important milestone in the 1960s was the Robbins Report which looked to an increase in higher education and the founding of new universities. In New Zealand it was the Hughes/Parry Report and the move from a number of constituent colleges of the University of New Zealand to a system of autonomous universities. The size of the university sector increased steadily within a framework of 'open' entry and the range and diversity of courses increased. In Australia, similar expansion took place with a diversity of institutions of higher education being developed from technical institutes to universities.

Within this post-war expansion the social sciences were particularly significant with the sixties as a golden age of rapid expansion. New departments were created in most universities in Britain and courses expanded necessitating the rapid recruitment of new teaching staff. The social sciences were seen to offer the expertise for social planning, the engineering of an improved society through rational activity. The sixties was the time of national plans, of commissions, of advisory bodies and schemes, of public participation programmes and the advocacy of a wider base for the democratic process. The analysis and reflection upon these changes led to the emergence of a vigorous debate as to the nature of the state in contemporary capitalist society, especially how far the growth in state activity had led to an improvement in the well-being of the population. Was the welfare state capable of delivering on its promises or was it in fact a 'con' whereby working-class taxes were recycled through state agencies with little real gain and where individual freedom and choice were buried under a centralised and unresponsive bureaucracy?

This chapter will address the issue of the theoretical debate about the nation state and then move on to discuss the particular shape and form that the state has taken within the three societies.

THEORETICAL DEBATE

A number of positions exist with respect to the theoretical debate regarding the state. These are the pluralist, marxist, neo-marxist, and neo-weberian positions.

The pluralist view, which emerged from writings of political scientists in the 1950s especially within America where the community power study by Dahl (1961) of New Haven, was particularly influential.[1] In this view the state is essentially a holder of the ring between competing interest groups which put pressure upon the political decision makers through a variety of tactics including lobbying, petitions, and protest action. Liberal democratic societies are seen here to be sustained by this process centring around issues. The combination of interests will vary depending upon the issue. Thus, little consistency will exist, protest and pressure groups will come and go with the state institutions acting as mediating forces within the society and governing with the consent or compliance of the majority. The pluralist model reflected the dominant ideology of the USA in the post-war years. This was a time of seeming abundance, the mood was one of confidence verging on complacency about the perfectibility of American society as Hodgson observes at the end of the 1950s: Americans worried about 'their own personal lives, about their health and status' (Hodgson 1976:75). The ideology transformed a modest and temporary decline in inequality as a result of post-war full employment and economic growth into a social revolution in which individuals had opportunities for success if they were prepared to work and the democratic system of decision-making was open and responsive to popular pressures. The power elite of critics of the system such as C.Wright Mills was a minority view (Mills 1956).

The pluralist model suggests an open society in which power is competed for by opposing interest groups. Consequently, it allows that well-organised minority groups can exert considerable influence upon the political process through their lobbying and the nature of their organisation. The women's lobby would be such a group which has, over the past decades, been successful in forming itself into an effective and formidable pressure group on such issues as abortion, pornography, equal opportunities policies, and equal pay for work of equal value. The formation of women's sections within political parties, trade unions, etc. testifies to the

extent to which women's groups have become a fact of social and political life and a prominent lobby group. Another set of groups which emerged in the 1960s would be the environmental groups which have again been active in pressing for pollution controls, the retention of native forests, and greater environmental protection for endangered species.

A final example would be the peace movement, prominent in all three societies stretching back to the late-1950s. Within Britain there was throughout the 1950s the annual marches to Aldermaston by the Campaign for Nuclear Disarmament; in Australia there was protest against uranium mining and visits by nuclear ships. In New Zealand the 1980s have been characterised by a vigorous campaign against visits by nuclear-powered and armed warships to local ports. This culminated in the refusal of the 1984 Labour government to allow a visit by *USS Buchanan* and the subsequent enacting of legislation declaring New Zealand a nuclear-free zone (Clements 1988).

All these groups could be seen as pressure groups within a pluralist framework operating within the conventional political arena as reformist groups seeking to bring about modifications to governmental policy. The groups follow separate agendas and therefore, may be at times in conflict and at others in coalition. Thus no one group could be seen to be dominant and occupy a particularly crucial role with respect to decision-making. This model of the state role fits easily into a liberal/democratic ideology of state operation and also *laissez-faire* market individualism as it gives the role to the state of mediating rather than intervening, planning, and directing the path of change. Consequently, it leads to debates about the precise role and form that the state plays in the formation and development of social policy.

There have been two perspectives developed within the general framework of the pluralist model. The first is what could be described as a conservative-liberal position. In this version the sole function of the state is to facilitate growth and development. The state occupies essentially a passive role and only intervenes when some ameliorative action is required.

The second, which could be described as a social democratic tradition, sees the state and its institutions as an organisation which can be captured and then used for reforming the worst excesses of capitalist productive relationships to produce a welfare-based capitalist society. This view would see the emergence of

Labour governments in the post-war period and the development of the welfare aspects of state activity in some advanced capitalist societies, such as Britain, Sweden, Australia, and New Zealand as evidence to support this contention (Castles 1985). In these cases the state was captured by reformist Labour governments, which sought to manage the economies to ensure full employment and the extension of basic social provisions in health, housing, education, and income support. In contrast in the United States the relative weakness of the labour movement and the absence of a workers' party in power meant that the post-war years were dominated by liberal rather than social democratic government and thus a much less extensive welfare programme was put in place, and the emphasis upon individual opportunities in an expanding market economy were much more emphasised. The 1950s were the high point of the American expansion and the belief in the constant improving of opportunities. Social mobility was a possibility for all who worked hard. The class-divided societies of Europe were seen to be in sharp contrast with that of America where class did not exist and the only place for left radicals was abroad!

The second position is that held by traditional marxist theorists. This group sees the state as a repressive apparatus working as an instrument of the ruling class (Miliband 1969). The state therefore acts to further the interests of capital. Therefore, the capitalist state, contrary to the claims of the social democrats, cannot be used as a force for social transformation. It needs to be replaced by social revolution. The bourgeois state is thus seen as an obstacle to change and progress rather than as an aid. The state serves to give legitimacy to capital through helping in the development of an ideology of acceptance and assisted in the reproduction of labour power through the provision of publicly funded welfare and education systems. In examining the structure of the state and the nature of state policy, therefore, marxists focus not on the internal pressure and protest groups as a source of explanation for change and direction but upon the global requirement of capitalist accumulation. The state as an independent or even quasi-independent force is downplayed and seen as dependent upon economic conditions and changes. The state's changing role in western capitalist nations and its 'crisis' are attributable to the falling rate of profit within capitalist enterprises leading to restructuring with a consequent relocation and reorganisation in

the costs and structure of their labour forces—leading either to global mobility by capital in search of cheaper labour or the replacement of labour through technological change. The state, therefore, is seen as having a role in this process as the agent of capital and to assist capital through underwriting the costs of change and maintaining order.

In this theory of the state, unlike in the first position, no independent role exists for it, rather the state is completely subservient to the needs of capital. The theory underestimates the tensions and contradictions that exist between capital and the state as neither are in fact the homogeneous entities which the theory assumes. For example, capital may be fragmented into local capital and trans-national capital, financial and industrial capital, private or state capital. These potential divisions create the possibility of coalitions and thus domination by particular groups within capital leading to competition and conflict over the control of the state and thus the direction of policy and action.

A further fragmenting tendency within capital, which also weakens the 'ruling class' position, is that of the dispersal of ownership of capital more widely. The separation of ownership and control began with the joint stock company becoming the dominant form of business corporation at the turn of the century. However, in the 1980s two contradictory trends have appeared. One is the increasing dominance of financial institutions as 'owners' of capital and the other is the increased level of employees who hold shares in their workplace. The latter trend has been assisted by the British government's privatisation programme which has led to the sale of British Gas, British Telecom, and British Airways during the 1980s, contributing to the lifting of private share ownership from 4.5 per cent of the population in 1979 to 19 per cent by 1987. Of the holdings of financial institutions, much of the money invested is derived from workers' pension funds. All these changes point to a more complex relationship between ownership and control of productive resources and between capital and labour than is provided for in traditional marxist views of the state and capital (Saunders 1990a).

Developing these ideas of potential divisions within the capitalist class and therefore the possibility of relative if not complete autonomy of the state have been a group of neo-marxist and neo-weberian writers. In all cases the neutrality of the state found in

the pluralist position is rejected in favour of some versions of a ruling-class model. One of the earliest developments of this position is found in the work of Mills in the late-1950s. Mills (1956) was a writer critical of the main stream of American sociological writing with its emphasis upon culture and individualism. Mills emphasised instead the links between an individual's biography and the social structures which shaped their lives and in so doing drew attention to the need for explanation to be set at the structural rather than the individual level and for the identification of the permanent features of the society. In the analysis of these levels Mills emphasised the way the class structure was being changed with the growth of a white-collar class of managers and technicians and the central place within American politics of what he called a power elite. The power elite was the group that dominated decision-making and was composed of the military, business corporation managers, political leaders, and the government bureaucracy. This group essentially ran American society excluding the 'mass' of the population and in its collective interests.

The possibility of the state having some degree of autonomy from capital was taken up in the writing of a number of French neo-marxist writers prominent among which was Poulantzas (1975, 1978). The argument advanced by this group was that the state has to cope with the general needs of the capitalist mode of production but the manner in which it does so will be highly variable depending on the conjuncture of a wide range of not only economic but also social and political forces as they operate within the context of a specific society—thus the existence of important differences in the structure of relations between the state and capital in different countries and during different time periods. These variations affect the nature of class relations. For example, the United States, Sweden, West Germany, United Kingdom, Australia, and New Zealand are all countries within the capitalist mode of production yet the state has not met the needs of capital within these societies in a uniform manner. Also, differences exist in the extent to which the state has directly intervened in determining contracts of employment, systems of industrial relations and wage-bargaining structures as well as in the provision of facilities necessary for the reproduction of labour power, such as housing, social welfare benefits, and education.

A second neo-marxist position to develop within the 1970s was that of the state derivation theorists. This group argued that the focus should be placed not upon the political role of the state but that of the economic. How the state acts to ensure capitalist accumulation becomes the key question for this group to explore. It is important to appreciate that capitalism is in fact a formation made up of a large number of actual capitalists pursuing their own self-interest; the consequence of this is a tendency towards anarchy which would lead to the breakdown of the system. The state therefore exists to prevent this anarchy and create the conditions necessary for the successful reproduction of capitalism. One such element was the development of the welfare state. The difficulty faced by the state in maintaining this role of facilitator of capitalist accumulation is the periodic fiscal crises which have affected the capitalist state (J.O'Connor 1973, 1987).

In both of these neo-marxist positions the state is given some degree of independence from the economy and attention is turned to the actual processes of state regulation and control. Corporatist and neo-corporatist theory of the state, which also became popular in the 1970s, also directs attention to such questions (Jessop 1982, Cawson 1982, Cawson and Saunders 1983). Research, therefore, over the latter part of the 1970s and into the 1980s began to examine more extensively the nature of state 'management' of the economy and the form that intervention into the working of the process of capitalist accumulation took, and the types of 'social contracts' which were forged between capital and labour.

In the late 1970s and increasingly in the 1980s the theory of the state which has gained significance in western societies is that of the 'new right' (Dunleavy and O'Leary 1987, Sawer 1982, Spoonley 1987). In this view the state occupies a minimal role and operates to ensure the maximum amount of individual liberty compatible with the maintenance of social order and the protection of the political rights of its citizens. The theory reflects the ideas of a diverse group of writers—Hobbes and Locke, who saw the state as the product of rational, prudent, self-interest, Jefferson, with his faith in common people and dislike of centralised professional administration, public choice theorists within political science who build on neo-classical economics to develop a theory of choices based upon individual tastes and preferences, and finally, the Austrian school of economics of the late-nineteenth century who rejected Marx's theory of value to replace it with one based on the

abstract notions of the utility and opportunity costs of goods, services, labour, and other resources possessed by individuals. The result of this heritage is a theory of the state which stresses individualism and sees the necessity to remove as far as possible the restraints to individual choice and action. The growth of the welfare state and the size of the public bureaucracy consequently becomes their target. The state is seen as inefficient where public administrators are more concerned with maximising their own welfare than with providing services to the public. Heads of government departments are more concerned with increasing the size of their budgets and establishments than with providing the public with an efficient service. The recipe for change is to roll back the frontiers of the state and increase competitiveness by streamlining government departments, reducing waste, and maximising choice (Thompson 1984). Small local units of government are preferred to centralised large units as these are considered to be more likely to respond to the needs of individuals. The level of dissatisfaction can be expressed effectively by individuals simply moving from one area to another where rates are lower or the set of local services are more attractive. Decentralised competitive provision becomes the new model for welfare delivery with the state no longer having a monopoly. The reduction achieved in the oppressiveness of the bureaucratic state by these changes will improve efficiency and allow more productive investment to occur.

The analysis of capital-state relations therefore needs an analytical framework that is more sensitive than that found within the traditional marxist position on the state, where it was seen simply as a repressive instrument of the capitalist class. Such a model is misleading as it directs attention away from how particular societies have developed and the relative importance of capital, state institutions, and workers' organisations and non-production-based social movements within each society. We need to be able to identify both the features which are common to our three societies and those which are unique, reflecting the particular path of development they have followed as they have been shaped by the interrelationships of capital, the state, and labour movements with increasingly also the impact upon these groups of race, gender, and regional politics.

The development of capitalism is always mediated through historically specific institutional forms such as wage relations,

forms of competition, nature of capital, worker legislation and control, size and structure of business operation, the degree of ownership dispersal through the population, links between the local economy and the international, and so forth. The understanding of the processes surrounding the structuring and restructuring of societies in the mid- to late twentieth century therefore requires an understanding of their historical evolution and an assessment of the specific institutional forms that have arisen over time to mediate between capital and labour, the local economy and the international and the forms that state structure and organisation have taken. We will now examine the growth and development of the nation states within New Zealand and Australia and identify their similarities and differences both with each other and with Britain.

THE DEVELOPMENT OF THE NEW ZEALAND STATE

The New Zealand state emerges at the end of the nineteenth century as New Zealand moved out of a period of local provincial parochialism to one in which national politics are formed and coalitions emerge amongst the regions rather than along regional lines. Between 1840 and 1890 New Zealand had passed through a period of provincial government with six provinces each with their own elected chamber and a general assembly composed of two houses. The structure of voting for these assemblies was one based on property qualifications rather than universal adult suffrage. Political power at both the local and the national level tended to be in the same small group dominant within which were the squatters and runholders who were the initial group of the wealthy. This group formed a southern gentry and established elitist institutions to help perpetuate their power and influence, e.g. private schools such as Christ College in Christchurch modelled after the English 'public' schools. At the national level this group in the early and middle part of the nineteenth century was quite small and thus a high degree of interpersonal relationships existed within the ruling group. In 1876 the provincial governments were abolished in favour of a national assembly, which for its first few years of existence until 1880 operated along non-party lines. However, with adult male suffrage in 1889 and the rise to power of the Liberal Party in 1890 this pattern changed. The Liberal Party of

the 1890s was made up of small business and property interests, farmers rather than the large landholders and pursued a reformist policy aimed at broadening the base of the bourgeoisie. One aspect of this was land reform with the attempt to provide more land for the landless Europeans. This meant both attacking the large estate holders and increasing the rate of alienation of land from the Maori. During the years of the Liberal government it is instructive to note that 1.5 million acres was redistributed through land reform compared with 3 million acres alienated from the Maori and 4 million from private subdivision (Brooking 1981). The liberals also began the development of New Zealand's system of social welfare and labour control through a series of 'progressive' measures including the introduction of old age pensions, an Advances to Settlers Act (1894) aimed at providing finance for households to buy land and property and the Industrial Conciliation and Arbitration Act (1894) which provided minimum conditions in return for workers accepting the arbitration of disputes and a degree of wage control. The latter Act began the process of incorporation of the New Zealand labour movement into the structure of state decision-making.

The programme of the Liberals, over the closing years of the nineteenth and the first decades of the twentieth century, can be seen as one of assisting in the creation within New Zealand of a property-owning society amongst the Pakeha population.

During these years the state played an increasingly important role in facilitating the path of development of New Zealand capitalism. Initially, the state was crucial in the alienation of Maori land and its transfer to the European migrants (Oliver 1988), and then as the century progressed the state was centrally important in opening up the country for pastoralism through the provision of the necessary infrastructure especially the rail system. The funding of this was through loans raised from overseas by the government. The twentieth century, therefore, saw the emergence of a welfare system and state-initiated pattern of development. One consequence of this pattern was the growth of the public sector as an employer.

The next major period of change was in the 1930s. New Zealand was severely affected by the depression of the late-1920s which affected all the capitalist nations. Its central agricultural commodities declined in price creating financial losses and bankruptcies and rising levels of unemployment. It was also a time

of political changes which were to colour the next decades. In 1916 the New Zealand Labour Party had been formed and initially was very much a workers' party with a strong socialist base. However, by the 1930s the party had become rather less strident and moderated into a reformist party and in the elections of 1935 it became the party of government. In many ways the Labour Party assumed the reformist mantle of the Liberal Party and much of their activity was a consolidation and extension of the welfare provisions and public works activities started by the Liberals. The period from 1935 to 1949 of Labour Party government, then, saw the establishment of the welfare provisions which in the 1970s and 1980s have come increasingly under attack in the areas of housing, health, education, social services, and benefits. The formation in 1936 of the National Party meant that from then until the present New Zealand politics has been dominated by two political parties, with third and fourth parties appearing but never making much inroads on the parliamentary position of Labour and National.

In the post-1950 period politics and state activity have been characterised by the emergence of class-based political parties representing different sections of the population with the Labour Party drawing more of its support from the unions and manual workers whereas the National Party has been the party of farmers and business. However, as the most recent decades have arrived and with the restructuring of the employment base the lines between the two parties have become much less clear cut as both parties have sought to capture the elusive middle ground so essential for election success. Alongside this change has been the growth in the size and complexity of state activity, with the increasing recruitment of technocrats into public administration and the expansion of specialist services and growth of greater professionalism. A consequence of this has been the emergence of new alliances as the old networks become more difficult to maintain.

The 1970s and 1980s have been decades of restructuring within the state both as regards the range of activities undertaken and in the forms of organisation.[2] The necessity to solve the fiscal crisis which emerged in the 1970s with respect to the increasing gap between state income and expenditure led to the move towards the withdrawal of the state from some of its areas of welfare provisioning. The first to be effected was that of housing where increased emphasis was given to the role of the private financial

sector in providing loans for home owners and to the selling of rental housing. The size of this sector was never very large in the New Zealand case so the process of sale has not been as dramatic as in the United Kingdom nor has it provided the same financial return to the government. Subsequently, the other areas of state spending have experienced austerity as restraint has been sought in the growth of welfare spending. The 1970s saw the government attempt to restructure the economy through the adoption of a five-pronged strategy. The first was the shifting of resources into manufacturing to try and create an export-oriented sector through providing a range of tax and other incentives. This was to encourage export-led growth within manufacturing to complement New Zealand traditional agricultural commodities (Gidlow 1982). The second was the continuation of subsidies to farmers through guaranteed minimum prices and fertiliser and fuel subsidies. This resulted in a sizeable proportion of farmers' incomes actually coming from the government in the form of subsidies. The third was an attempt at industrial reorganisation and rationalisation through a government-appointed industrial reorganisation commission.

Action here led to rationalisation within textiles, leather and non-metallic mineral production leading to 11 per cent of jobs being shed in the first two sectors and 9.5 per cent in the last (Scott 1980). The fourth was the promotion of a new capital-intensive sector, the 'think big' projects as they became known. These were all capital-intensive energy-related projects and included a synthetic petrol plant, the building of a large hydroelectricity dam in the South Island, the construction of an additional pot line at the Comalco aluminium smelter at Bluff, the expansion of the country's only oil refinery, the electrification of the main trunk line, and new forestry mills for timber processing. The state involvement in these projects was partly financial and partly in providing the necessary infrastructure such as roads and housing and in putting through Parliament the National Development Act in 1979 to permit 'fast track' planning for major projects. The verdict on these schemes in the late-1980s increasingly sees them as costly and as having contributed little to the maintenance or expansion of local employment, one of the main planks on which they were sold to the public. The final part was overseas borrowing, which pushed up the government deficit and a reallocation of state spending from the welfare arena, which

required a reduction in the levels of spending in 'real' terms. With this move there was also the initiation of schemes for the privatisation of some areas of public provision and the emergence of the rhetoric of community care with moves to deinstitutionalise areas such as mental health and care for the aged.

The 1984 election saw the replacement of National with a Labour administration which has extensively restructured the public sector and taken a much more market-oriented approach to macro-economic policy. During the first term of the fourth Labour government from 1984–1987 many areas of government activity were recast into the form of state corporations which were then required to trade at a profit, pay taxes, and make an annual return to the government. Thus mines, energy, electricity production, the postal, telephone, and broadcasting services were all turned into corporations. In the second term of the Labour government from 1987 to 1990 a programme of asset sales to balance the budget began with the sale of some of the newly formed corporations on the agenda. For example, Postbank, the former post office banking operations, was sold to the Australia and New Zealand Banking Group and Air New Zealand was sold to a consortium including Quantas, American and Japan Airlines, and in 1990, Telecom was put up for sale and sold to American telecommunications companies.

In New Zealand local government is very much the arena of local amenities and services with small area councils with responsibility for land-use planning, building codes, rubbish collection and disposal, water, and storm water drainage. Many of the urban areas have been serviced by a variety of councils and single-purpose boards, for example, drainage boards, which have arisen in a relatively *ad hoc* fashion over the years. In Christchurch, for example, prior to the most recent local government reforms in 1989, the metropolitan area was served by a city council, a borough council, and three county councils, whilst Auckland, New Zealand's most populous urban area was served by 24. There have been a number of attempts at local government reform to reduce the number of authorities and build a regional tier into the planning and co-ordination of services and developments. Partly because of the opposition of locally entrenched interest groups, reform proposals did not succeed until 1989 when a comprehensive re-organisation of local government took place creating new and larger multi-function authorities (Barber 1988).

THE DEVELOPMENT OF THE AUSTRALIAN
STATE

The Australian state, unlike the other two under discussion in this text, is a federal state. This provides a range of quite different issues from those found within unitary states, particularly with respect to local-national relations. The provincial structure reflects the pattern of early settlement and the size and relatively concentrated nature of the population distribution, with the majority in the coastal regions and located within the capital cities of each state (64 per cent of the population in 1989).

Australia in the nineteenth century was governed by six colonial governments which were established in each of the colonies as they were settled. For example, in New South Wales a legislative council was formed in 1850 and a draft constitution prepared by 1852. The nineteenth century was dominated by

Table 4.1 Proportion of state population in capital cities 1921–86 (Australia)

	1921[a]	1947[a]	1961[a]	1971[a]	1976[b]	1981[b]	1986[b]
Sydney	42.8	49.7	55.7	63.8	63.4	62.7	62.8
Melbourne	50.1	59.7	65.3	71.5	71.5	71.1	70.1
Brisbane	27.8	36.3	40.7	47.6	47.8	46.7	45.6
Adelaide	51.6	59.2	60.5	71.8	72.5	72.3[c]	72.6[c]
Perth	46.6	54.2	56.3	68.2	70.7	70.9	72.0
Hobart	24.5	29.8	33.1	39.2	39.9	40.1	40.1
Darwin[d]	36.2	23.4	27.7	45.0	45.0	46.1	48.4
Canberra[e]	79.7	89.7	96.0	99.2	99.4	99.5	99.6

Source: Australian Yearbook 1989:122
Notes:
[a] Census counts actual location (not adjusted for under-enumeration).
[b] Estimated resident population at 30 June.
[c] Estimate based on Statistical Division boundary as redefined at 30 June 1985.
[d] Urban area for years 1920–1961. Darwin Statistical Division for years 1971 onwards.
[e] Includes Queanbeyan urban area for years 1921 and 1947. Canberra Statistical District for years 1961 onwards.

pastoral interests and it was representatives of the landed families who formed the political elite. Confrontations did occur with this elite from time to time over the second half of the century, especially as a result of the gold rush in Victoria. The activities of

the newly formed state governments were largely directed at providing the infrastructure to permit the expansion of pastoral production. As in New Zealand, the construction of railways was a high priority which was begun by private companies but rapidly taken over by the emergent state governments due to the rapidly escalating costs of construction. It was not only railways that were required but the whole range of services. Consequently, state activity extended into the provision of communication (telegraph) gas, lights, water, and sewerage. By the turn of the century the state governments owned 50 per cent of total fixed capital (excluding land), conducted the largest enterprises, and employed 5 per cent of the total workforce. State governments were also active in encouraging population growth through assisted migration programmes. These had accounted for 350,000 by 1900 (Butlin 1964).

In the twentieth century the Australian constitution providing the basis of a federal society was enacted in 1901 bringing together the six states in one single federation with the provincial governments becoming the basis of the state administrations. The initial distinction between the federal government and those of the states was one which had the federal government as one of decision and finance and the state governments as more concerned with the provision of services and facilities. The state governments until 1942 retained the ability to levy income tax independently of the federal government so were able to fund operations from both their own revenue and from grants received from the central treasury. The states' activities in the first half of the twentieth century were, as in the nineteenth century, directed largely at providing the infrastructure to permit private capitalist development. Typically, states had responsibility for such areas of administration as education, transport (railways are state-owned and operated), town planning, lands, labour relations, mines, forests, health, justice (including prisons, courts, police), and many social services. In their activities they are therefore agents of development and providers of welfare.

In 1901 when the federation was formed, the population was mostly centred within the capital cities of the various states, for example, Melbourne contained 41 per cent of Victoria's population and Sydney 35 per cent of that of New South Wales. This imbalance in the population between the capital cities and the rest of the territory has continued and led periodically to conflict

between the rural small-town hinterlands and the metropolitan centres, which has at times led to the emergence of 'new' states movements in, for example, the Riverina, New England, and Northern Queensland (Table 4.1).

The relations between the states and the federal government have been characterised by shifts towards greater centralisation over time. For example, when the federation was formed in 1901 the federal government had only seven departments, those of Postmaster-General, External Affairs, Trade and Customs, Defence, Attorney-General, and Home Affairs. However, by 1970 this had grown to twenty- seven and the early distinction between the federal government as decider and state government as provider was being eroded by the extension of federal activity in the provision of services, for example, within the education area the federal government assumed full financial responsibility for tertiary education in 1974.

Major shifts in the moves towards greater centralisation have come during periods of Labor administration in Canberra.[3] In the 1910–13 Labor government a commonwealth bank was established and the Old Age Pension was liberalised to cover more of the population. The next important shift was in 1942 when the states gave up their ability to levy income tax in return for an improved system of grants from the federal government. This change resulted in state spending coming under increased federal scrutiny and thus a source of continuing disputation. The post-1945 development of the welfare state in Australia was less dramatic than, for example, in Britain as many of the basic provisions had been set in place over the previous decades. It was, therefore, more a time of consolidation rather than innovation. However, it was a period of commitment to Keynsian economic management with full employment as a goal.

The growth of population in the post-1945 period placed considerable strain upon the urban infrastructure of the major cities where expenditure on housing, health, education, and community welfare services failed to meet demand. However, the 1960s, as in the other societies being considered, was a period of expansion in tertiary-level institutions as the demand rose for greater technical expertise. In Australia this was answered by producing an increasingly diverse system which included new universities, polytechnics, technical institutes, and colleges of higher education offering a variety of programmes and

qualifications. The system varied from state to state indicating the role that the individual states have played in shaping the structure of higher education institutions.

The Whitlam Labor administration of 1972–75 came into office with as one of its priorities the correction of these deficiencies. The creation of a new ministry, the Department of Urban and Regional Development (DURD) and the emergence of the Australian Assistance Plan (AAP) from the Social Welfare Commission were two of the initiatives of this period. These moves among others led to the federal government taking greater control over areas of state activity and led to a deterioration of relations between the federal government and many of the states.

At the 1975 election, capitalising upon the unpopularity of Whitlam's brand of state federal relations among some section of the community the coalition Liberal-Country Party articulated its programme of 'new federalism'. The new deal was to give states greater financial control over the revenues transferred from the federal government. However, the agenda was also one of increasing financial stringency. Problems of balancing budgets were appearing at both state and federal levels. For example, after 1970 the welfare expenditure of the states exceeded the income tax revenues that were transferred to the states from the federal government, indicating the need for either retrenchment of services or the raising of additional state revenues. The austerity programme initiated under the Fraser government has continued under the Hawke Labor government through the 1980s. This has led to pressures on the state governments to reduce their expenditures. The pressures have come from both cuts in real terms in the revenue transfers and also from the transfer of responsibilities for services from the federal to the state level. The consequences of this have been the dismantling or reduction in public services and moves towards privatisation (Evatt Research Centre 1989).

The other arena of state government activity which has been important in shaping Australian society has been that of labour legislation. Australia like New Zealand has had a history of arbitration courts with compulsory powers of settlement to regulate industrial disputes. In Victoria the first wages boards were established in 1896 and most of the other states followed soon after to set up a variety of industrial tribunals. In 1904 a federal Court of Conciliation and Arbitration was established. This was

subsequently in 1956 split into a Commonwealth Industrial Court and a Commonwealth Conciliation and Arbitration Commission.

From 1907–1967 there was in operation a basic wage system. When originally introduced this wage was to be that which would provide 'fair and reasonable support for an average family in frugal comfort'. The level of the wage was fixed and reviewed by the court. The basis was changed over time to become the highest wage that the whole economy could pay to unskilled workers before margins for skill were added. The system of compulsory arbitration provided a means of incorporating the trade unions into the management of the state. It protected the unions to the extent that it gave them greater ability to recruit and represent areas of employment. The court system required workers to group together and have advocates who would argue the case and achieve a settlement. In this way smaller groups of workers who otherwise may have remained ununionised became organised. The larger, more militant unions were less enthusiastic about the system and were more likely to be inhibited by the system than advantaged.

The latest development in the government-labour relationship has been the Prices and Incomes Accord, which has been a major feature of economic and social policy since the election of Labor in 1983. The idea of such an accord had taken some time to finalise with the idea being first proposed prior to the 1980 federal election. The Australian Labor party and the Australian Combined Trade Unions through the mechanism of the Australian Labor Advisory Committee negotiated the basis of an agreement which provided for wage restraint in return for price surveillance and union input into the social wage policy. The agreement was endorsed by a special Federal Union Conference held in February 1983. The election of the Labor government was followed by a National Economic Summit Conference out of which came the Prices and Incomes Accord. The agreement followed broadly similar lines to that agreed previously with the unions except that the emphasis changed from the 'social reform tenor of the (earlier) accord to a more qualified, conservative economic language' (Sonder 1984:159). The accord represented an attempt to move back to consensus-style government, after the Fraser years, which moved Australia in the direction of market liberalism, and towards a form of corporatism within which the trade union movement became institutionalised into the apparatus of the state reducing its

independence and muting its militancy. The accord has been reasonably effective in moderating wage levels and rather less successful in controlling prices and non-wage payments (Evatt Research Centre 1989).

Local government in the Australian case is a creation of state-level legislation and thus the links between local and federal government for the most part are via the states. As local governments are the products of state legislatures the form varies between the states. In all the states, with the exception of Tasmania, the main distinction in form is between urban and rural authorities. Local authorities are generally small in scale and their operations are mostly confined to providing and administering a set of local amenities and services, for example, drainage, sewerage, garbage disposal, public health, building codes and regulations, and planning. Metropolitan areas such as Sydney and Melbourne are therefore administered by a multiplicity of local bodies creating a fragmented system of local government.

THE BRITISH STATE SINCE THE 1950S

The formation of the modern British state has its origins in the Civil war of 1648 when power moved from the King, who claimed a divine right to rule, to landowners. The state thus became the arena of class politics in which different interests have dominated over time. The state in the twentieth century is the product of a longer period of evolution than is the case within Australia and New Zealand where state institutions were derived from elsewhere as part of the colonial legacy.

The twentieth century has been a significant period of change with the emergence of the welfare state in the 1930s and the subsequent decline in this form of state organisation in the 1970s and 1980s. The initial post-war years were characterised by expansion within the British economy and full employment with labour shortages being more common than surpluses. To solve these shortages immigration at an unprecedented rate occurred from the Empire, with the Caribbean as one of the major areas of origin, and women were incorporated into the full- and part-time labour force in growing numbers. The expansion of demand meant there was little incentive to remove old plant or develop new products, ideas or technologies. For example, in the steel industry plant was maintained in production which was antiquated even by

pre-war standards (Morgan 1979). Optimism for the future abounded and the strength of economic growth seemed assured (Jessop 1980, 1982, Massey 1984). The state during this period provided a key role in developing and managing the 'social contract' between employers and workers, which ensured real wage rises in return for moderate unionism. The end of the 1950s marked the beginnings of the decline in profitability of British capital which was increasingly facing the need to modernise and restructure. The falterings led to first, an increase in direct state intervention to try and assist in the modernisation of production and then by the late-1970s a reduction in direct intervention and a shift to financial regulation or, more accurately, deregulation as a means of encouraging growth in the economy. The prolonged difficulties of capital accumulation for British capital over the sixties and seventies undermined the ability of the state to maintain the social wage and therefore led to the breakdown of corporatist state management and the ending of the 'social contract' leading to an increased level of confrontation and conflict.

By 1960 the other western capitalist nations had rebuilt their economies and had begun to compete on world markets causing problems to surface for the British economy (Gamble 1979). These external changes ushered in a period characterised by attempts at state-led modernisation through an essentially corporatist strategy. The 1960s thus saw a period of economic planning at both national and regional level with the establishment under Labour of a separate Ministry of Economic Affairs to oversee and develop national and regional economic planning. As part of this new surge of planning the state became involved across a range of areas of industry support and assistance (Massey and Meegan 1982). This in turn led to the setting up of new state institutions and consequently an expansion of central government bureaucracy and a substantial rise in public sector employment Growth and planning in these years was centralised and state-centric with little attempt to build schemes from a local base.

In the 1960s technology was presumed to be neutral and a vital tool to aid in the modernisation process. There was, therefore, a significant increase in the importance of technocrats and business managers and a significant incorporation of the education and the social scientific community into the building of the new Britain. This gave rise to the argument that a service class emerged to play

a central role in the reforming of the British class structure (Goldthorpe 1980, Saunders 1990a, Marshall *et al.* 1988).

A number of institutions were set up specifically to aid the flow of information and research from the research community to the policy makers and politicians. The most important of these were the Centre for Environmental Studies, the Social Sciences Research Council, and the Open University. Universities and polytechnics were rapidly expanded and new universities were founded. The 1960s were a golden age for tertiary education and within these the social sciences played a major part in the expansion. The belief was that the harnessing of knowledge provided by science and technology could produce sustained economic development. Education was seen as the key to productivity so inefficiencies created by the selective systems which wasted talent needed removing and a more appropriate educational system needed installing which allowed those with ability to succeed. The reform of education was therefore seen in terms of modernising recruitment and breaking down an inefficient and elitist system which still concentrated upon a highly academic and limited curriculum.

The period from 1974–79 is a transitional one during which the international context changes and with this the decline in the manufacturing base of the United Kingdom becomes clearer. During these years there were attempts at restructuring by the government but most of these resulted in support for small-business capital and therefore, tended to prop up economically inefficient enterprises. The state was involved in this process through such organisations as the Industrial Reorganisation Corporation (Massey and Meegan 1982). The approach to economic development was still initiated by the central state. However, the second half of the 1970s saw the emergence of the debate about regional devolution, which was seen as a way of maintaining political power by creating separate assemblies in Scotland and Wales. Alongside of these political arguments the regional nature of changes becomes more apparent (Morgan and Sayer 1983). During the 1970s a disenchantment with undemocratic state institutions grew and the size and inertia of the bureaucracy began to be identified on both the left and the right as a key problem in the decline of Britain.

The period of restructuring since 1979 has been marked by the adoption of both a new economic strategy and by political

changes, which have raised important questions about the nature of state autonomy and the relationship of the central state organisation and bureaucracy to the local level of government activity.

The election in 1979 of the Conservative government marked the ascendancy within the ruling Conservative Party of a new faction drawing more from nineteenth-century liberalism than from the establishment conservative tradition. The years from 1979–81 and policies followed can be seen as a time of consolidation for the new Tories within the Conservative Party and thus on the government. The key event which allowed their dominance was the 1981 Falklands War, which was used to establish their hegemony over the party. This achieved, the post-1981 period became one in which the rhetoric and action for change could be more extensively developed.

The attempt at a new radicalism and its attack upon entrenched vested interests both within the state bureaucracy and within society at large are shown within many areas of government policy. One area where this can be seen is in the moves to sell council housing to sitting tenants (Murie and Forrest 1988). A further area of change has been the reorganisation of finance capital to remove building societies from their protected status and the requirement that they return their tax quarterly rather than annually. This move places all financial institutions on the same basis and has had impact upon the flow of funds into home purchase reducing the attractiveness of home lending and creating new pressures upon mortgage rates and therefore affordability (Harloe 1987).

The direction of change initiated by this new conservatism is one that is designed to change the nature of state intervention, moving it from direct intervention in the form of provisions of facilities and services to one where intervention increasingly takes the form of cash payment. The other side of the change is that the pattern of state spending changes rather than the total amount. There has, for example, been a tremendous growth in state spending on unemployment benefits as the number who are jobless has grown as a result of the restructuring of employment.

The attempt to redirect state spending and policy has not taken place without opposition or resistance. This has come at a number of levels and from both within the state organisation and from outside, for example, from trade unions opposed to restructuring and redundancy within their industries.

The bureaucratic resistance shows up in the entrenched position of interest groups within the British state (Gurr and King 1988). The strength of the defence and navy lobby has, for example, been able to reverse the government's opposition to re-equipping the navy and to ensure the commitment to the Trident missile despite its escalating cost. The Falklands war was crucial for this lobby as it strengthened the position of the navy and highlighted the need for re-equipment as a result of the losses and inadequacies demonstrated in the war. The pattern of resistance has also had a national-regional dimension as much of the opposition has surfaced at local level where local authorities have been hit in their spending by the actions of central government. The control of government spending at a central level, a crucial element of monetarist policy, has proved difficult partly because of the continually rising cost of welfare payments such as the unemployment benefit and partly because of the difficulties in limiting local authority expenditure, which is funded in part by central government. The services provided by local authorities have therefore been targets for much of the attack that has occurred on public expenditure. This has led to the central state adopting a more authoritarian stance as measures are sought to ensure compliance by local authorities with the policy of central government. The most extreme case being the abolition of the Greater London Council in 1986.

The main elements of the new policy represent therefore a new set of both social and economic directions and a new rhetoric of justification. A major shift has been from statism and bureaucratic centralism to a market ideology. In this change the productive sector is now identified, not as the manufacturing sector, but as the private sector; progress is not to be through the research laboratories of science and technology and big capital investment but through scientists and technologist becoming entrepreneurs. A clear need to develop an enterprise culture has become articulated which leads to the affirmation of the importance strategically of entrepreneurial business capital. The new formulation is explicitly anti-bureaucratic in the sense that bureaucracy was seen as the source of the inhibition of Britain's entrepreneurial activity, with the state bureaucracy and its growth being identified as the main obstacle. It is also anti conservative establishment, against those who assumed that the responsibility of government was theirs as of right. In the current climate it is information science,

computing, and business administration and accounting which are seen to be the more progressive and useful areas of study. Research is further seen to be at its best when it is more directed so the applications of science rather than its discoveries are now considered to be where effort and activity should be placed. This leads to the advocacy of science parks which are seen to harness academic institutions and entrepreneurship and produce marketable products. A consequence of this is a reduced flow of funds into pure research and a closure of some research laboratories and programmes.

TRENDS AND THEMES

In all three countries there are common patterns that can be observed over the past decades since the 1930s. They were all societies that developed forms of welfare provision which brought about growth within the government bureaucracy and thus created a system of economic management that appeared to be state-centric. These were the days of Keynsian dominance within economic theory and practice where state intervention to boost consumption and create employment was considered to be the appropriate action to enable the depression and associated high unemployment and under-utilisation of capacity to be solved. The coincidence of theory and practice with war and recovery enabled the three societies within the post-1945 years to be ones characterised by full employment, reformist government, and rising standards of living underpinned by a raft of welfare provisions and services provided by public funding.

The falterings of this pattern which began to emerge in the late 1950s and became of increasing significance in the 1960s and 1970s were initially met through the advocacy of solutions based around improved planning and management. The state was to provide the initiative for modernisation and progress through expertise in the form of economic plans, and technical skills both local and overseas in the case of Australia and New Zealand. The growth of university and technical education with a proliferation of institutions and the founding of new universities was an essential component of this phase. The key direction was one of modernisation which meant the application of technical rationality to all aspects of human endeavour to provide for a smooth transition from the older forms of organisation and practice to the

new ones heralded by such innovations as electronic computers (Massey 1985).

The pattern of state mediation was corporatist in style with various attempts to incorporate the leaders of labour in the form of trade unions into compacts and accords with business guaranteed or underwritten by the government. Such devices were intended to aid the restructuring of capitalism to ensure continued profitability and therefore economic growth to maintain and enhance living standards. Strains became apparent in these strategies in the 1970s in the United Kingdom where prices and income policies were tried by both consensus and legislative act. The problems of managing change, when rationality and technical efficiency were no longer the only goals but rather were being replaced by a rekindled individualistic capitalism which increasingly was not bound by national boundaries, became pronounced in the 1970s and 1980s.

The mid- to late 1970s saw the emergence of new economic and political doctrines which did not stress managerial competency based upon rational knowledge so much as competitive individualism with efficiency determined by market processes. Consequently, the regulative, state-funded, and provided environment of the post-war years of the welfare state became not a source of strength for an economy but of weakness. State organisations became seen as inefficient bureaucracies preventing the resurgence of the entrepreneurial spirit and state ownership was thus a protection from the realities of the market place and therefore lead to distortions and inhibited restructuring and change. The rise of Thatcherism in Britain and the Fraser Liberal government in Australia are examples of the new doctrine assuming a more central place in the politics and governmental activities of the three nations. In New Zealand it was not until after the Labour government was elected in 1984 that monetarism in the form of 'Rogernomics' became established. Although later on the scene, the pace of change in New Zealand has probably been faster than in either of the other two nations and the extent of economic and social restructuring has probably been greater. In Australia the Labor government has undertaken a further attempt at corporatist state management through the formation of the 'Accord' between employers, labour (unions), and the government to 'manage' economic change through indexation of wages and prices. The existence of the accord has muted attempts at radical

economic and social restructuring thus the pace of change has been more gradual. However, by the end of the 1980s the Labor government in Australia has moved increasingly to rely upon restrictive fiscal and monetary policies to restrain domestic demand, reduce Federal expenditure, and produce a budget surplus (Evatt Centre 1989).

The new monetarism, which has increasingly come to dominate shifts in welfare thinking from that of providing general provisions or services to that of the language and activity of targeting the needy. It is to the identifying of the dole bludgers and those seen to be ripping the system off that attention has moved—also to the shifting of subsidies from the direct provision of facilities, such as public housing, education and health, to subsidising those with insufficient income through income support or vouchers, and then allowing them to 'compete' for privately provided services ostensibly to enhance their choice and reduce their sense of stigma (Saunders 1990b). The results of such changes have been asset stripping most extensively in Britain through the sale of public housing, which from 1979–1988 has netted the Thatcher government £5 billion, far exceeding its returns from the sales of other public assets such as British Airways, British Aerospace, etc., and the emergence of a reinvigorated private sector in such areas as health, education, and housing.

The three countries have all experienced political shifts to the right. However, the shifts have been within varied patterns of 'party' politics. In this respect the British experience is the simplest. Here the 1970s were dominated by Labour government except for the short-lived Heath Conservative administration, which foundered on the first major miners' strike of this period in 1974. The Labour government of the 1970s pursued an essentially corporatist strategy with its attempts at compacts and agreements over prices and wages. However, the economic restructuring which was taking place put strain on the ability of the government to manage the economy and to deliver the employment and wages necessary to successfully incorporate capital and unions into an accord. Consequently, as the 1970s progressed, cracks appeared in the ability of the government to both hold onto an accord and solve the increasing problem of inflation and trade imbalances. The result was a series of crises which led to currency devaluation and the necessity to raise overseas loans from the International Monetary Fund, which then required policies of fiscal austerity to

be adopted, further straining the relationship of the Labour government with its support base. The government was thus pushed steadily to the right by its economic policies. The transfer to the Conservative administration in 1979, which has since held power, was thus less dramatic than it might have been as much of the fiscal austerity which was to feature prominently in the 1980s was already emerging during the latter years of the Labour government.

Under the Conservatives the policies, however, became not only a necessary but a welcome option. The pace increased as did the rhetoric of change and monetarist policies became dominant in reshaping the British economy and society. Therefore, priorities became reducing the size of the public sector borrowing requirement, moving to balancing the books and reducing if not eliminating the government deficit, shifting from direct to indirect tax regimes through the increase in the level of a value added tax, and a move to reduce the level of direct taxes to promote entrepreneurial activity. As noted earlier the social consequence of these changes has been an attack on state provision and activity which has influenced all areas of the welfare state. Included in these changes have been housing, with the moves to sell public housing, health services, with moves to contract out activities and encourage the growth of private medicare, and the privatisation of transport. The latest proposals are for the privatisation of municipal services such as the water supply with water supply companies being established during 1989–90. These moves are the reflection of the drive for more flexible forms of activity in the wake of the rise of economic individualism within a less regulated social environment.

The strains within the Labour government in the mid- to late 1970s as it was pushed to the right in its fiscal and economic policies led to the opening up of major factional struggles between the left and the right wings of the party as it moved into opposition and debate emerged about the appropriate policies to pursue. The left, strongly organised at constituency level, carried out a campaign to compel greater accountability to the party. This campaign entailed rule changes and reselection challenges to those on the right who were seen to have moved away from party policy. The election of Michael Foot as successor to Jim Callaghan was viewed as a move to the left and a stimulus to a right-wing breakaway to form the Social Democratic Party in 1982. This new

party formed an electoral alliance with the Liberal Party to try and claim the middle ground of electoral politics. Despite initially high opinion-poll ratings the first-pastthe-post electoral system has generally frustrated the impact of third parties. The main impact of the factionalism within the Labour Party, and the creation of the social democrats has been to ensure that the Conservatives have dominated British electoral politics, albeit with a minority of the popular vote during the 1980s.

In both Australia and New Zealand the 1970s and 1980s have been decades in which the political fortunes have alternated between Labour and the more conservative parties. In Australia the Labor Party won its way to power, after a long period in opposition in 1972. Under the Whitlam government many urban and regional initiatives were put in place to increase the role of the state in economic and social development (Troy 1981). Attempts were also made to develop the indigenous resources through the extraction of minerals. However, the government became embroiled in controversy which led to the unprecedented sacking of the Prime Minister, Gough Whitlam, by the Governor General in 1974 and the return of the Liberal/Country Party under Malcolm Fraser. The Fraser government drew back from many of the Whitlam schemes and pursued a 'new federalism' policy aimed at reducing the dependence, in financial terms, of the states upon the federal treasury. The shifts can be seen as one part of the federal state's response to its fiscal crisis as it, like Britain, moved towards a more monetarist form of economic direction. The Liberal-Country Party government was defeated by Labor in 1983 which brought to power the present Labor administration led by Bob Hawke. Hawke, a previous president of the Australian Confederation of Trade Unions, became in the 1970s a powerful figure within the Labor Party and succeeded as leader only weeks before the 1983 election was called. The success of the Labor Party ensured his position as leader and dominant figure within Australian politics in the 1980s. The Hawke government has attempted a blend of monetarism and corporatism unique amongst the three nations under review.

A central feature of Labor's economic and political management has been the 'accord' which has persisted through the 1980s. The existence of the accord has been a significant factor in limiting the pace of economic deregulation and moves towards an indirect tax regime of the value-added type. For example, this proposal was

thrown out during the national tax summit (in 1985) despite it being the preferred option of the Federal Treasurer. The Labor government has been one of the centre right rather than of the left and in its deregulation of the finance sector and opening of its economic frontier to foreign investment has aided in the development within Australia of multi-national capital incorporating Australia more firmly within the international capitalist economy and reducing its self-sufficiency, which had been preserved by import controls facilitating domestic manufacturing.

In New Zealand the 1970s began with a National (Conservative) government which was replaced by the third Labour government in 1972–75, which was defeated and replaced by National in 1975. National then dominated government until its defeat in 1984 and its replacement by the fourth Labour government. Both National and Labour through the 1970s and up to the 1984 election followed much the same policies: support for the farming and export manufacturing sector through subsidies and incentives, protection through import licensing and control over imported goods to support domestic manufacturing, and a gradual restructuring of the welfare provisions to provide the funds to underwrite the farming, manufacturing, and capital-intensive 'think big' sector added in the mid- to late 1970s under the National government. New Zealand by the early 1980s had become a highly regulated economic and social environment with exchange controls, import controls, wages, prices, and interest controls, etc.; the level of economic activity was maintained through the latter half of the 1970s by overseas borrowing, but by the 1980s this became increasingly difficult to sustain.

The politics of the early 1980s saw the rise of a split on the political right with the formation of the New Zealand Party. The new party was principally a grouping of those in business who were frustrated by the centralism and regulation being practised by the National Party, which inhibited their ability to develop entrepreneurial schemes. The party for a time therefore attracted the label of the 'greedies' party. Its libertarian platform, however, attracted considerable support both in opinion polls and in the 1984 election where its intervention split the vote on the right and allowed the election of the fourth Labour government which paradoxically was to adopt many of the economic and fiscal policies advocated by the New Zealand Party. The party continued

in existence for a while after the election until the remnants merged with the National Party. The latter continues to reflect an uneasy alliance between the traditional centrist regulative policies practised under the Muldoon years and the newer brand of aggressive free-market economic liberalism characterised by the short-lived New Zealand Party and practised in a modified form by the Labour government (Boston and Holland 1987, Vowles 1987). The conflict was reflected in the leadership struggles that characterised the National Party from 1984 through to 1986. First, Muldoon, the leader defeated at the 1984 election, was deposed and replaced by a representative of the urban-market liberal wing of the party, a lawyer and former Minister of Justice. However, after continuous infighting with the old guard led by the former leader, this new leader was replaced by a representative of the more traditional wing, a farmer and former cabinet minister of both agriculture and labour.

The Labour government of Lange, elected in July 1984 inherited an overseas exchange crisis. The solutions they adopted within their first weeks of government were to set the tone for the next 5 years. The crisis was addressed through devaluation and deregulation of the financial and business sector, the slashing of farm subsidies, and the phasing out of import licences and controls opening the New Zealand market to international competitive forces and currency speculators. The Labour government, like that in Australia, also held a large conference on economic and social directions bringing together employers, unions, and the wider community. No accord, however, emerged and the pace and style of economic direction was much closer to that of Thatcher's Britain than it was to Hawke's Australia. The state sector has been restructured through the formation of State Owned Enterprises. Such enterprises are required to return a 10 per cent profit and are to be operated on the lines of private sector companies through a chief executive appointed on a contract by the government. Having turned government departments into corporations, the stage was then set for the sale of such assets to both local and international interests.[4] The justification advanced for the sale was the need to reduce the government deficit and so reduce inflation. The consequence of the restructuring has been reduced inflation but at the price of 170,000 unemployed and the bankruptcy and closure of much domestic manufacturing.

The Labour government, rather like its UK counterpart in the 1970s and the Australian government in the 1980s has been involved in a constant struggle with its party over economic and social direction and of the government's deviation from conference-determined Labour policies. The struggle has been greater and less as the factions of the right, left, and centre have struggled for control over both the direction of the party and of government. The faction in fighting became more overt in the period after the 1987 election as the depression deepened and the impacts of the restructuring of the public sector have become more widely experienced by the workers in these sectors, many long-time Labour voters. The splits initially surfaced through debates on economic policy and the sale process for state assets and led to the sacking from the cabinet of the Ministers of Finance and State Owned Enterprises both representative of the party's deregulative right wing. A further consequence in April/May of 1989 was a wave of resignations amongst the party's left wing and the formation of a 'New Labour Party' to represent the real interests and values of Labour, which were seen to have been disregarded by the government. The disputes, however, remained unsettled and in the middle of 1989, Lange resigned as Prime Minister as the former Minister of Finance was re-elected to the cabinet by the Labour caucus. The final act of irony was completed in February of 1990 when the impending retirement of five cabinet ministers led to the entire Labour cabinet being put up for re-election by the caucus. At this election the other sacked Minister was returned and awarded his old portfolio of State Owned Enterprises. The continuing factionalisation within the party has provided for the return of the opposition National Party to government at the 1990 election. Factionalism, however, within the New Zealand Labour Party has not yet developed into an organised and institutionalised form to the extent that it has within the Australian Labor Party.

In all three countries we can see evidence of political debate about the role of government. Is it too great, should it be reduced, should decision-making become more decentralised to allow for decisions to be made closer to the people? A common campaign has been for less government to reduce the perceived interference of government in the lives of individuals. Reduced taxes from less government has become a popular campaign slogan. The increased popularity of individualism can be seen in both the economic and the political rhetoric of the 1980s and within this lies a growth in

anti-welfare sentiment associated with negative images of those who have failed to keep in employment and maintain their place within the consumption-oriented society. Both political and economic liberalism are back on the agenda and with this shift the role of the market as a distributor of resources has once again become central. The sovereign consumer, the centrepiece, of neo-classical economics, is once again to be taken as the touchstone of policy formation. In the new market-dominated economy and society the regulations controlling prices, wages, contracts, and labour-market activity are targeted for change. For example, the incoming National government in New Zealand in December 1990 introduced a wide-ranging Employment Contracts Bill which envisages sweeping away compulsory unionism, national awards, the Arbitration Commission, and many other forms of labour protection to clear the way for a more flexible and deregulated labour market within which individuals and groups could deal directly with employers and work out their own conditions and wages.

Politicians of the right currently turn their attention to the welfare bludgers, the homeless, the unemployed, and encourage a victimisation in which these groups become the cause of their own condition through their actions rather than as the result of the wider structural changes that are taking place within the societies.[5] In a situation where unemployment has grown in all three countries quite substantially over the late-1970s and 1980s accompanied by a growing sector of welfare beneficiaries who are excluded by their relative poverty from the mainstream of society, it is difficult to argue credibly on any objective evidential basis that this is a product of individual irresponsibility yet still the myth gains currency (Thorns 1989b, Murie and Forrest 1988, Coopers & Lybrand 1985).

Alongside this debate about decentralisation and increased local autonomy over decision-making there has also been a change in the arenas of discourse which have been prominent. The language of debate is an important aspect of the social construction of the political context of change. The discourse of debate has focused upon questions of empowerment of people who are to take responsibility for themselves. For example, much of the health promotion literature and debate has advocated patients taking responsibility for managing their illnesses, instead of handing it over to the professionals (Grace 1989). Undoubtedly there is much

of value within this approach. However, one of the consequences of the rhetoric and debate is to encourage the growth of greater individualism which further erodes the ability of publicly provided services to survive in an increasingly hostile political and economic environment. In New Zealand, for example, the latest health review strongly argued in favour of increasing patient choices by extending private health care (Gibbs Report 1988). The broad debate about the future structure of welfare provision in the 1980s has been characterised by an increasingly individualistic approach which undermines the universality of public services and promotes choice over equity of service and access to facilities. This has encouraged the growth of such things as private medicare, rest homes for the better-off elderly, and private pension funds to fill the gap left by the state.

The political debates and agendas of the 1970s and 1980s have been ones in which individualism has emerged as a central ideology leading to the restructuring of welfare and social policies away from universalism towards targeted benefits, and for economic policy which promotes individual choice. This leads to a recommodification of such services as housing as public holdings are sold to their occupants and state tenants increasingly become a residual drawn from the welfare beneficiaries excluded from the mainstream of society (Harloe 1981, 1984, Harloe and Paris 1984, Murie and Forrest 1988, Bramley *et al* 1988). The political process has, however, not only been fragmented by the rise of flexible patterns of accumulation and economic and political liberalism but also by the effects of a number of social movements arising out of the increased significance of gender, ethnicity, the environment, and place within contemporary social life.

SUMMARY

The present chapter has developed one of the major areas of deficiency identified in Chapter 2, namely, the way the nation state has dropped out of some forms of analysis of contemporary restructuring. The examination of the role of national formations and policies suggests that the nation state is still a significant mediating factor in the examination and explanation of change. The fact that corporatism lasted longer in Australia or that monetarist policies could be more rapidly introduced into New Zealand reflects the particular nature of these societies, how they

are organised both in terms of state institutions and the coalitions of capital and labour. Having now considered the question of the nation state, the next level to be examined is that of the region which will form the focus of Chapter 5.

5
REGIONS AND BARGAINING POWER

Regional policies and programmes have undergone considerable change over the last thirty years. The 1960s and 1970s were decades when state intervention was present and thus a range of regional initiatives and restructuring of both activity and forms of government existed. The 1980s, however, has been a decade when the development of regional programmes has tended to weaken as a more market-oriented strategy became dominant in all three countries. In this chapter it is to the rise and fall of regionalism that attention will be focused.

The experiences of change are important for shaping the nature of responses both social and political. It is at the regional and local level that people's experiences are formed through their daily lives. The end of the post-war boom period in the early 1960s changed the context of peoples lives from one where optimism and growth and seeming abundance were characteristic to one where contraction increased competition and lack of certainty became dominant.

In a study of the differences between unemployment in the 1970s and 1980s with that in the 1930s the following picture is presented:

> You have no work, everything seems to mock you. It might be me, but you feel it. The television, the adverts, everything. The papers are full of the things you can't afford... It makes you feel humiliated...it destroys your self respect Your kids can't have what others do, it makes you feel you're a failure... You start to listen to the tone of the telly commercials, and you realise they are not just inviting you to buy, they're orders. It's get this, have that, buy the other. You start to hate yourself because you feel out of step, shabby and

unworthy. You can't afford to go out on a Saturday night, so you stay in: me and the wife, we play cards for pennies, share a bottle of brown: then turn the television on, and there's Parkinson, chatting up all the rich and the successful and the self satisfied. You can't get away from it. It follows you everywhere, makes you feel worse then a criminal.

<div align="right">(Seabrook 1981:10)</div>

The uneven pattern of the present period of restructuring has meant that people are living in areas where not just one person but a substantial number are unemployed. There is a vast difference between being made redundant and thus unemployed and choosing to spend more time in leisure-based pursuits. The decades under review, then, mark a period during which the experiences of people became more varied with increasing regional variation appearing in employment and in life styles. Debate has arisen as to how far these changes have been influenced by specifically regional policy and how much is simply a result of the spatial reorganisation of capitalism.

THE RISE OF REGIONAL POLICY

Regional policies were more prominent in the early part of the period from the 1950s to the 1980s and reached their high point at the end of the 1960s and the beginning of the 1970s. In the 1980s they have waned in importance. In all three countries the British experience has been a major influence upon the shape of local developments, even though the urban experience of the three countries are quite different. Franklin, for example, observes that 'two of the major causes of regional disparities in Europe and the USA, low productivity in agriculture and obsolescent industrial structures, were absent in New Zealand' (Franklin 1978:290).

   In Britain regional planning and economic development policies during the 1950s and 1960s had their origins in a number of commissions of which the three most important were the Barlow Commission, the Reith Committee, and the New Towns Commission. The first, the Barlow Commission, was established in 1937 to examine the distribution of industry and reported in 1940. The Reith Committee was established in 1940 to consider both current building and post-war reconstruction. By late 1940 the committee had prepared a memo urging controlled

redevelopment, rational land utilisation, limitation of suburban growth, and inner urban redevelopment. Further, by 1941 Reith viewed planning on a national, regional, and local scale to be a necessary part of post-war Britain. However, property interests seeing the likelihood of a bonanza time in the post-war reconstruction were not at all convinced of the necessity to have planning controls on their operation. As the war faded and post-war development came firmly onto the agenda, property groups managed to organise political support and so muted the moves towards comprehensive planning envisaged in the early days by the wartime reconstruction committees and reports (Ambrose 1986). Finally, the New Towns Commission was an important body which brought down a report which led to the New Towns Act of 1946 and paved the way for the building of the first eight new towns in the London area.

The reports picked up the threads of two movements within British urban policy. The first was that stimulated by research into poverty, which can be traced back to the studies of Charles Booth in the nineteenth century. This strand was continued into the twentieth century through the work particularly of Rowntree (1901) and Townsend and Abel-Smith (1975). Such studies pointed to the relationship between poverty and poor living conditions and led to a demand for improvements to the physical environment, for government intervention to shape urban development and set minimum standards for housing and regulate the rental market. The second strand was the public health movement which focused attention on the need to improve the hygiene and living conditions in cities through better sewerage, drainage, and water supply. Both of these movements led to a growing belief by the 1930s that the size of cities needed to be controlled.

The post-war policies for urban growth and development reflected these concerns and set out to control the growth of the conurbations and prevent the continuous spread of urbanisation — the spectre of housing stretching uninterrupted from London to Manchester. The strategy had a number of components. First, that of 'green belts' and size limitations. Second, the creation of new towns to provide for the excess population from the conurbations. The design was for concentrated and controlled urban development rather than allowing existing cities to spread uncontrolled and eventually join up to form ever larger agglomerations. For London

this led to the Abercrombie Plan in 1944 which envisaged green belts around the city and housing for up to 1 million in a ring of eight new towns.

The final part of the strategy was that of promoting growth in the regions, particularly the outlying parts of Britain, such as the north-east and north-west of England, South Wales or Scotland, with declining industries, to try and correct imbalances in employment and population. A variety of financial incentives were provided usually in the form of development grants, tax, and other measures to firms willing to move into the designated development areas.

In the 1960s Britain was facing the problem of declining industrial regions as a consequence of the economic changes identified in the previous chapter. Consequently, attention turned to compensatory programmes of industrial relocation. As part of this more general scheme the government itself relocated a number of its activities from London to regional centres. For example, the government stationery office was moved to Norwich, and vehicle licensing to Swansea. Also in the 1960s new policy instruments were established such as Regional Development Councils formed in 1965 by the Labour government as an adjunct to the work of the newly established Department of Economic Affairs.

In New Zealand interest in regional policy development was stimulated by the British experience so much so that a 1947 report advocated 'decentralisation of industry from the main centres to provincial towns'. This move was seen as necessary to ease city congestion. The scale of congestion by the side of British experience, however, was minor. New Zealand at the beginning of the 1950s was a country of less than 2 million people and the largest urban centre, Auckland, contained only 343,048 people.

> Franklin sees these moves as a good illustration of the:
> common practice of importing Atlantic ideas without testing or refining them for local conditions (which) created in this, as in so many other areas, unfortunate confusions which show no sign of disappearing…the issues of decentralisation of industry and the establishment of trading estates figured prominently in the immediate post-war reports of the Department of Industry and Commerce.
>
> (Franklin 1978:288)

None the less the 1953 Town and Country Planning Act provided for regional authorities with planning powers. However, little other than a few regional surveys actually occurred and it was not until the National Development Conference at the end of the 1960s that regional development became a political issue of some importance (Le Heron 1979, 1987). The result was the adoption of regional development as a key aspect of Labour's election platform in the 1972 election. During the ensuing Labour government from 1972–75 a cabinet committee on regional development was established, priority regions were identified which attracted favourable tax and other assistance measures, and a proposal was made for a new town at Rolleston 15 km south of Christchurch to assist South Island economic growth. Regional economic development and regional planning structures were kept separate with the latter being the responsibility of a fragmented local body structure which in the 1960s and 1970s had 26 cities, 110 boroughs, 103 counties, and 7 town councils (Franklin, 1975, 1978, Bush 1977). This has defied a number of attempts to reduce the numbers of local bodies through schemes for reform. Finally, in November 1989 reform has been achieved and a new structure of larger authorities has come into being. It is too early to say as yet whether they have been more or less successful at addressing the regional issues.

In 1977 a Town and Country Planning Act was passed which provided for the possibility of greater regional planning. The main objective of such regional planning was seen as developing alternatives to the growth of Auckland and Wellington. In 1978, under a National government, a new set of objectives were set out and the number of priority areas was increased and a decentralisation policy was adopted with a number of government activities moving from Wellington. For example, the government printing office was relocated to Masterton. Finally the plans for the new town at Rolleston were scrapped (Mabbett 1988).

The Australian case differs somewhat because of the existence of a federal system of government. It has been at the state level that urban and regional planning has taken place. In the 1940s and 1950s all the mainland states with the exception of Queensland prepared land-use plans (Alexander *et al*. 1984). The influence of the British tradition and the Abercrombie Plan for London of 1944 were major influences. All the metropolitan plans developed the decentralisation of employment and the creation of suburban

centres separated by open space and the institution of 'green belts' to prevent continuous urbanisation. Underlying these plans, for the most part, was a desire to create a more efficient rather than a more equitable urban area. For example, the Sydney Regional Outline Plan of 1968 saw as an integral part of its strategy the displacement of up to 500,000 of Sydney's expected population growth into growth centres and other areas of the state (Murphy 1989, Gardiner 1987).

Although decentralisation was advocated for manufacturing, the growth of central office jobs was expected and allowed for within the plans. In all cases growth here was greater than anticipated.

The failure of the plans to increase spatial equity became a key issue in the urban and regional policies of the Whitlam Labor government and led to the formation of the Department of Urban and Regional Development (DURD) in 1972. DURD was to have the task of improving the access of citizens to resources and so achieving more equitable cities (Troy 1981). Queensland remained without a metropolitan plan showing the ascendancy in that state of local entrepreneurial capital committed to growth. This pro-growth coalition formed out of an alliance between local capital drawn from the primary sector, overseas capital, which became involved in mining, and workers in the construction industry (Mullins 1980). The growth of the urban regions of the state was also stimulated by the rapid growth of tourism urbanisation in the Gold Coast area from the late 1960s. In the late 1980s there appears to have been some revival of the urban-growth control lobby especially within cities such as Sydney where property prices rose dramatically in 1988 making development in the outer regions of the state look more attractive (Murphy 1989). Linked to this have been initiatives to build a very high-speed train link between Sydney and Melbourne to provide a corridor for both population and employment growth. The project consortium is a partnership between Australian and Japanese capital showing the growing importance of Japanese investment within the Australian economy (Kilmartin 1990).

REGIONAL VARIATIONS AND IMPACTS
UPON URBAN STRUCTURE

United Kingdom

The deindustrialisation which has occurred within Britain over the post-war period has not been an even process but one marked by substantial regional and local variations. Manufacturing has been the sector to experience the greatest change with an overall decline of 7.8 per cent from 1952–1982. However, as Table 5.1 indicates the decline has been by no means a uniform one. In fact the picture is one of gains and losses. The regions with the greatest growth were of two different kinds. First, those which have not been previously industrialised e.g. East Anglia, the South-west, and the East Midlands. Second, those of the old industrial heartlands which had succeeded in attracting some replacement industry such as Wales and the North-west. The rises here are associated with the emergence of new high-technology industries which now occupy a belt across the country from East Anglia to the South-west. A strong connection between many of these activities is their link with the defence industries (Hall 1987).

In contrast the areas to decline were those of the old industrial conurbations of the West Midlands, South-east Yorkshire and Humberside, the North-west, Northern Ireland, and Scotland. Here the decline was associated with the restructuring of such industries as motor vehicles, steel, textiles, and coal mining and reflected in rising and persistent unemployment.

The overall regional pattern identified in Table 5.1, however, hides the fact that the shifts within the regions have also been significant. It has been the conurbations within the various regions which have lost the most employment. All conurbations lost jobs over the 1970s with the Greater London conurbation accounting for the greatest absolute loss of 265, 176 (a loss of 10.7 per cent), this was followed by Merseyside. In contrast to this decline, the service-based small-city category had the largest absolute growth in employment confirming a pattern of 'core' urban area decline associated with 'peripheral' area expansion.

The variations between regions are also reflected in the activity rate for women and men. The growing areas where the industries are either in the hi-tech or service sector have resulted in a greater increase in women's employment, therefore, they have not been as

Table 5.1 Regional manufacturing employment change, United Kingdom, 1966–84

Region	1966		1971		1973		1974–79	1979–84
	Total	% UK	Total	% UK	Total	% UK	% change	% change
N.Ireland	183	2.0	170	2.1	164	2.1	–12.8	–30.1
Scotland	731	8.1	669	8.3	657	8.4	–10.6	–27.6
Wales	323	3.6	324	4.0	329	4.2	–7.1	–32.8
North	457	5.1	448	5.6	450	5.8	–12.3	–29.9
Yorks & Humberside	884	9.8	779	9.7	768	9.8	– 7.9	–27.7
North-west	1344	15.0	1163	14.5	1116	14.3	–11.1	–29.4
W.Midlands	1243	13.9	1104	13.7	1074	13.7	–9.7	–27.6
E.Midlands	617	6.9	595	7.4	591	7.6	–1.1	–20.2
E.Anglia	186	2.1	190	2.4	200	2.6	1.0	–14.2
South-east	2603	29.0	2206	27.4	2069	26.4	–7. 2	–17.3
South-west	400	4.5	407	5.1	409	5.2	–1.3	–17.8
UK	8971	100.0	8055	100.0	7827	100.0	–7. 6	–23.8

Source: Rowthorn and Wells 1987

Table 5.2 Regional changes in women's activity rates, 1979–81 (Britain)

	Numbers of economically active women (thousands) 1979	(thousands) 1981	Changes in numbers of economically active women (thousands) 1979–81	Percentage change in economically active women 1979–81
North	550	563	13	2
Yorks & Humberside	889	916	27	3
North-west	1,240	1,248	8	1
East Midlands	682	714	32	5
West Midlands	969	972	3	0
East Anglia	323	348	25	8
South-east	3,182	3,274	92	3
South-west	760	778	18	2
Wales	452	470	18	6
Scotland	994	954	−40	−4
Northern Ireland	224	244	20	9
Britain	10,044	10,237	193	2
UK	10,265	10,481	216	2

Source: Walby 1986:229

severely affected as male workers by the restructuring of the 1970s and 1980s. The overall employment rate for women has fallen by 10 per cent compared to 6 per cent for men.

The regions with substantially above-average employment for women were East Anglia, Wales, and the East Midlands (see Table 5.2). The data thus supports the view that women are not so much taking jobs from men, but rather they take a higher proportion of the new jobs that are being created within the more expansive parts of the contemporary labour market (Walby 1986).

Regional examples of change[1]

West Midlands

The redistribution of state funds from the nationalised industries and regional industrial support programmes has had important

effects upon both the large conurbations and upon the older industrial regions of Britain. The traditional manufacturing centre of the West Midlands in 1974 had 2 per cent of its adult population registered as unemployed. By 1983 this had risen to 18 per cent, and many areas have become an industrial wasteland of empty roofless factories.

The West Midlands is a region which has been of central importance within British manufacturing industry from the nineteenth century. This was the region where metal manufacturing and engineering began, which formed the basis of much of Britain's reputation as the workshop of the world. The region became the centre of the vehicle-building industry with both the car and commercial motor builders and the component manufacturers which this industry generated. It therefore became a major capital and consumer goods-producing region by the 1930s. In the immediate post-war years the region had one of the highest per capita income rates of any area within the country, and virtually no unemployment. However, by the 1980s this had changed dramatically and the region was one with the lowest GDP per head of any region within the EEC and an unemployment rate of 17 per cent (September 1984). The crucial element in this reversal has been the reorganisation and rationalisation of the motor vehicle industry on a world scale.

The ending of Commonwealth preferences and the entry of Britain into the EEC, the expansion and technical advancement of the Japanese industry, the movement of American car makers into the British market both through the establishment of manufacturing plant and the purchase of existing British plant, changed the nature of competition within both the British and the international market. The impact upon the West Midlands was dramatic with a decline of 40 per cent in the vehicle construction workforce leading to a loss of 82,000 jobs (Flynn and Taylor 1986a and b). The downstream effect of these changes was felt throughout the supporting industries making components for the cars, and the tools and equipment used in the manufacturing process. The local labour market has shrunk and the region has experienced the impact of disinvestment by the major companies within the region. The labour market which emerges is more fragmented and polarised than it was in the past with areas where unemployment is as high as 40 per cent (Maguire and Smith 1985).

The North-west

The North-west is another region where the unemployment rate is well above the average, with the rate in the Manchester region rising to 29 per cent at the 1981 census. Between 1961 and 1981 Manchester experienced a loss of 57 per cent in its industrial jobs with a growing proportion of the population in the region becoming dependent on state benefits as their source of economic support.

The conurbations as noted earlier have experienced the most rapid decline in their employment of any urban centre. This decline has been the result of plant closures, labour shedding and relocation. From the mid–1960s to the mid–1970s employment in the Greater Manchester area declined by 111,314 jobs, a 24.8 per cent decline. The same period was marked by a 22 per cent fall in the number of plants operating within the region. However, the job losses were not evenly spread across the region but were concentrated in the inner areas where the decline was in the order of 43 per cent of the manufacturing jobs. The four main manufacturing industries in the region all suffered substantial decline, textiles lost 39.8 per cent of its workforce, mechanical and electrical engineering 29 per cent, and clothing 27 per cent. This reduction is reflected in plant closures as 3,500 plants were closed representing 50 per cent of the plants in the region employing 25 per cent of the total of the employed workforce. New factories which opened up over the same period only provided work for 25 per cent of those laid off through closures leading to a substantial rise in the unemployment rate.

One important factor in the local economy has been the rationalisation among a small number of large employers, with the Trafford Park industrial area especially being affected by the rationalisation of GEC and AEI. From the mid-1960s to the mid-1970s the Trafford Park area suffered a 38.9 per cent decline in its employment. The history of this industrial park illustrates the vulnerability of localities to the effects of internationally generated rationalisations.

Liverpool, also in the North-west, presents a similar picture of disinvestment and decline in its employment base with in the 1980s over 50 per cent of the 16 to 20-year-olds unemployed. Areas have been created which have become isolated state managed subsistence communities (Meegan 1989).

The city of Liverpool over the 1950s and 1960s has been restructured from a port city servicing North and South America, the British Empire, and later the Commonwealth, into a manufacturing centre based around plant owned by large multinational companies. This shift resulted in the area being vulnerable to further restructuring in the 1970s as a consequence of changes within the international division of labour. The impact on the local labour market has been extensive with more than one-third of the local manufacturing male and female labour force losing their jobs. In one particular area, Kirkby, between 1979 and 1981, manufacturing fell by 52 per cent. Further, there was no corresponding rise in the local service industry to compensate for these falls as occurred nationally. The result has been a local labour market increasingly fragmenting under the continuing pattern of change moving towards more part-time work and greater flexibility in work practices. In addition, an increase in small firms offering wages at little above the subsistence level is another feature of the present changes. Alongside this is an increasing proportion of the population dependent upon state benefits and allowances. Collectively these changes led to a fall in the local income levels and a depression in consumption which in turn affects levels of employment in local service industries.

Teesside

The restructuring of coal mining which precipitated the long and bitter strike in the mid-1980s is another example of the reorganisation of industrial employment. A recent study of Teesside draws the contrast between the successful coal miners' strike of 1974–75 and that of 1984–86 (Beynon *et al.* 1989). In the earlier period the local steel industry and power stations were still dependent upon local coal supplies. However, by the 1980s the coal-fired power station had been replaced by nuclear power plant and the steel furnace left was burning imported coking coal and the high level of unemployment and uncertainty about the future of the remaining jobs in the steel industry led to much less support for the miners from the blast-furnacemen's union. The locality had by the 1980s lost much of its earlier coherence and was a more fragmented and polarised community with less mutual support being exhibited between those in secure employment in progressive

industrial settings, those in more marginal small-firm employment closer to subsistence wages, and those on state benefits.

Teesside has an instructive history over the past few decades. During the 1960s and 1970s the area boomed with new investment principally in British Steel and Imperial Chemical Industries. Much of the prosperity was underwritten by the British state in form of grants and loans. By the 1970s the labour market was thus dominated by two big companies. Thus when they undertook rationalisation plans in the late 1970s and 1980s the labour force was depleted. Plant closures resulted from corporate rationalisation as the chemical and steel markets changed and competition intensified. ICI reacted by moving production off-shore with Britain accounting for less than 50 per cent by the mid-1980s rather than 75 per cent of the company's employment as it had in the mid-1960s. On Teesside this change resulted in a reduction in the company's workforce from 31,500 in 1965 to 14,500 in 1986. Increases in service employment, as in the North-west, were insufficient to compensate for the losses in the industrial sector. Of the net gain of 4,000 jobs in the service sector most were for part-time female workers.

The modifications to the labour market by the 1980s were ones which included the greater use of sub-contracting, the spread of 'flexible' work practices, increased use of part-time workers and an outward migration of skilled workers.

The processes of change that have been identified are not uniform across the country. The major job losses have occurred in areas with a high dependency upon traditional manufacturing and extractive industries (steel, metal trades, textiles, shipbuilding and mining). These industries are primarily located in the Midlands, the North-west and the North-east of England, leading to a north/south divide opening up between the declining and prosperous regions (Cooke 1986 and 1987). In addition, within the regions it is the large conurbations where the effects of the closures are the most visible, for example, in Liverpool, Manchester, Teesside, etc.

Table 5.3 shows how variations in the levels of unemployment by region are not therefore a new phenomenon but have characterised Britain for many decades. The depression of the 1930s was the first peak time for unemployment this century at 12.0 per cent of the labour force. This subsequently fell under the impact of the war and the post-war recovery through the 1950s and into the 1960s. In the 1930s unemployment was consistently

Table 5.3 Percentage unemployed by region (Britain)

Region	1931	1951	1961	1971	1981	1984
South-east	7.8	1.1	2.2	4.1	7.1	9.3
East Anglia	9.4	1.9	2.5	4.4	8.3	9.8
South-west	8.1	1.8	2.4	4.4	9.2	10.8
South	8.4	1.6	2.4	4.6	8.2	9.9
York and Humberside	12.2	1.6	2.6	5.2	11.2	14.1
North-west	16.2	2.2	3.5	6.1	12.5	15.1
North	19.2	3.0	3.8	6.9	14.2	18.0
North 1	15.9	2.3	3.3	6.1	12.9	15.7
Wales	16.5	3.5	4.2	6.9	13.2	15.7
Scotland	16.1	3.3	4.5	7.4	12.1	14.9
E & W Midlands	10.9	1.3	2.1	4.5	10.9	13.5
North 11 (a)	15.2	2.5	3.5	6.2	12.3	15.2
UK	12.0 (GB)	1.9	3.0	5.2	10.2	12.8

Source: Census Figures, Department of Employment. Reproduced from Dickens 1988:13

higher in the northern regions than the south with the range from 12.2 to 19.0 per cent, whereas in the south it was from 7.8 per cent to 8.4 per cent. By 1951 all regions had experienced rapid falls in their unemployment levels. Despite this the levels in the southern regions were still lower than the northern ones with the exception of Yorkshire and Humberside. From 1961 to the 1980s unemployment began to rise again and the extent of regional variations again opens out with the northern regions, Wales, and Scotland, experiencing more rapid increases. By 1984 all the northern regions, and Wales, and Scotland, were substantially above the national average.

Variations in rates occur at both the regional and local level and Table 5.4 gives some indication of the extent of this variation. The data show that the localities with the highest rates are all in either northern England, Scotland, or Wales, whereas the lowest rates are all in southern or midland areas (with the exception of the Shetland Islands). Clearly the patterns of restructuring have been uneven. However, the latest period has in many respects reinforced the structures of regional inequality that have been present for most of this decade within the British economy.

In contrast to the decline in the old industrial heartlands, spawned by the nineteenth-century industrial revolution which turned Britain into the foremost industrial country in the world, are the expanding high-technology industries. These are, however,

Tables 5.4 British localities with highest and lowest long-term (> 1 year) unemployment

Highest	No.	%	Lowest	No.	%
Middlesbrough	16,090	12.2	Crawley	2,368	1.4
Cumnock & Sanquhar	1,976	11.7	Winchester	1,050	1.4
Hartlepool	4,914	11.4	Shetland	171	1.4
South Teesside	4,914	11.3	Aberdeen	2,478	1.5
Liverpool	55,815	10.8	Basingstoke	1,152	1.7
Sunderland	18,650	10.8	Clitheroe	213	1.7
Irvine	5,061	10.7	Guildford	2,807	1.7
Holyhead	1,804	10.4	Aylesbury	2,613	1.7
Aberdare	1,923	10.2	Cambridge	2,268	1.8
Cardigan	658	10.2	Andover	518	1.9

Source: Department of Employment Statistics 1985. Taken from Cooke 1987

concentrated in the southern half of Britain in a belt from East Anglia to the South-west of England incorporating Cambridge and set out along the 'M4 corridor' (Hall 1987). Within this area 60 per cent of the new jobs since 1960 have been located. This growth sector is research-oriented with a recruitment of individuals with a high level of educational and technical qualifications. The sector has a low requirement for semi-skilled and unskilled labour.

Factors important in the location and growth of this sector are quite different from those that led to the growth of the older industrialised regions that are now in decline. The workers in the new sector are influenced by the quality of the local residential environment with their ideal being the small town with easy access to the countryside and to good communications networks, roads, rail, and air. The labour market in which the enterprises are set is a highly individualistic one where the people recruited have a defined set of skills. The firms are competitive and the technical quality of their products and their ability to innovate and develop new products is important to their success and market share. Consequently, what the firms seek is specialised labour and scientific knowledge. The labour market is thus highly differentiated. It is also not one that is particularly gender specific.

NEW ZEALAND REGIONAL CHANGES

In New Zealand the history of regional growth and development is very much the history of how the South Island predominance, which was established by the late nineteenth century was progressively eroded. By 1911 the population of the North Island had passed that of the South for the first time and had 55 per cent of the total New Zealand population. Canterbury at this stage was still the most populous region with 17.4 per cent of the country's population. However, Auckland was beginning to emerge as the country's largest population centre with 13.8 per cent of the nation's population. By the 1920s 62 per cent of the total population resided in the North Island and only 38 per cent in the South. This pattern has continued so that by the 1986 census 74 per cent of the population was in the North. During the twentieth century the regions which have been the fastest growing are all in the North Island. Within the North Island there is a clear dominance of the old Auckland province (the area now of Auckland, Waikato, and Bay of Plenty) which by 1976 contained over one-third of the total New Zealand population, compared with only 26 per cent in the entire South Island. Within this group Auckland is the most dominant and by 1986 had grown to be the largest urban centre with over 800,000 representing one quarter of the New Zealand population.

Studies in the sixties showed that regional disparities existed in the areas of personal incomes, costs of living, unemployment and access to, and levels of, provision of services (Johnston 1975, Taylor 1976, Franklin, 1975, 1978). Johnston (1975) concluded that the residents of the largest cities were the most advantaged and the small towns and rural areas the most disadvantaged.

The general changes in occupational structure and gender composition which we reviewed in the last chapter do not show how extensively the regional structures of New Zealand have changed over the past two decades. The four main centres, Auckland, Wellington, Christchurch, and Dunedin in the mid-1960s had a manufacturing sector which constituted, except for Wellington, a major component of the local employment structure (Figures 5.1 and 5.2). Wellington city, in the mid-1960s was the exception as it had already modified its employment base to one where services predominated. During the 1970s and 1980s
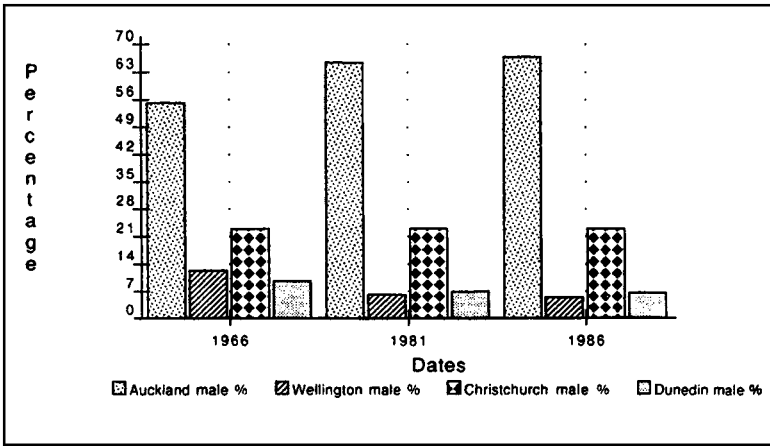
Figure 5.1 Percentage manufacturing NZ (male)

Source: based on NZ Department of Statistics *Census of Population,* various years 1921–86
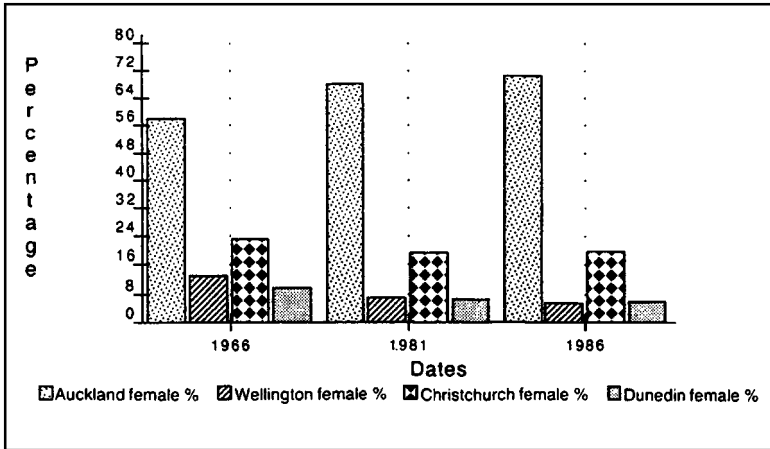
Figure 5.2 Percentage manufacturing NZ (female)

Source: see Figure 5.1

there has been a substantial northward shift of manufacturing away from the South Island cities to the Auckland area, which has become the centre of manufacturing and thus the city with the most significant component of its employment structure in this

Table 5.5 Selected changes in employment structure by industry, main centres proportional changes 1982–87 (New Zealand)

Sector	Auckland	Wellington	Christ-church	Dunedin
	%	%	%	%
Manufacturing	–7.18	–8.75	–8.16	–3.03
Building & construction	34.33	5.66	13.07	3.12
Trade & restaurant	19.10	4.70	8.83	–3.43
Transport & communications	3.04	4.95	1.95	–7.82
Finance & insurance	44.86	38.09	27.11	14.64
Community and personal	9.55	8.17	3.99	–4.19

Source: Royal Commission on Social Policy. April Report. Vol.111, Part 1: 520

sector. The figures show that from the mid-1960s manufacturing declined in relative importance in Christchurch and Dunedin whereas it grew in Auckland until 1981 when it, too, began to decline in the numbers employed. In 1966, 55 per cent of manufacturing jobs for men and 57 per cent for women within these four main urban centres were located in Auckland. By 1981, this proportion had increased to 65 per cent and 68 per cent and by 1986, to 66 per cent and 70 per cent Clearly Auckland's dominance has increased as it is now the site of an increasing proportion of a declining, in overall size, manufacturing sector. The numbers of jobs in the manufacturing sector within the four cities followed rather different paths over the period from 1966 to 1981. In Auckland there was a growth from 58,833, for men and 24,020 for women to 70,557, and 33,585, whereas in both Wellington and Dunedin there was a decline in numbers employed, in Christchurch a small increase was sustained in both male and female employment. However, in the 1980s there has been an overall decline in both male and female manufacturing employment. For males a decline of 7.3 per cent occurred between 1981 and 1986 and 9.4 per cent for females. The city with the smallest manufacturing sector by the 1980s was Wellington where it had shrunk to just 15 per cent of male and 11 per cent of female employment. Not only has the manufacturing sector been restructured but so also has the service sector with both Wellington
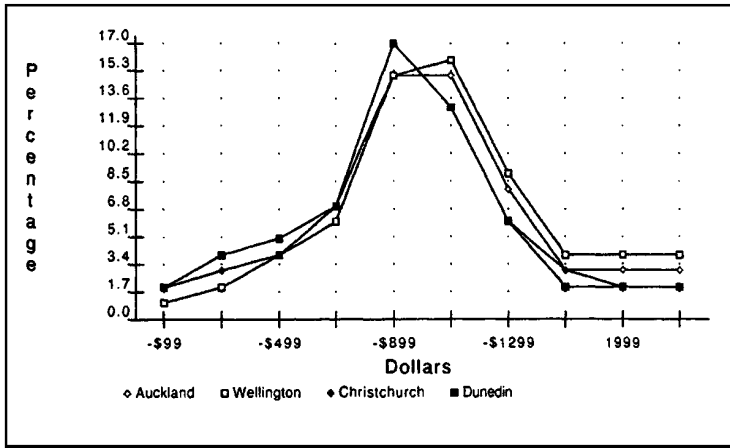
Figure 5.3a Income 1961 NZ (males)

Source: see Figure 5.1

and Auckland exhibiting stronger growth in the 'private' financial and insurance services than either Christchurch or Dunedin (Table 5.5). This has impacted upon the income differentials between the northern and southern urban areas.

Over the past two decades the pattern of income distribution within and between the four main centres has changed with the emergence of an increasing number of high-income earners in Auckland and Wellington. The 1960s pattern for male workers was much the same for all four centres with the highest proportion of earners in each centre receiving between $899-$ 1,099 per year. At the upper end of the distribution there were slightly more high-income earners in Wellington, 8 per cent above $1,999, 7 per cent in Auckland and only 4 per cent in Christchurch and Dunedin. The distribution of female incomes shows a lower overall distribution and much narrower range with very few higher-income earners, with none above $2,199 in any of the four centres. However, Wellington's income structure with its higher level of service jobs in finance and public administration has a higher average distribution than is found in the other centres, with 16 per cent of all male earners receiving over $699 compared with 11 per cent in Auckland and 9 per cent in Christchurch and Dunedin (Figure 5.3).
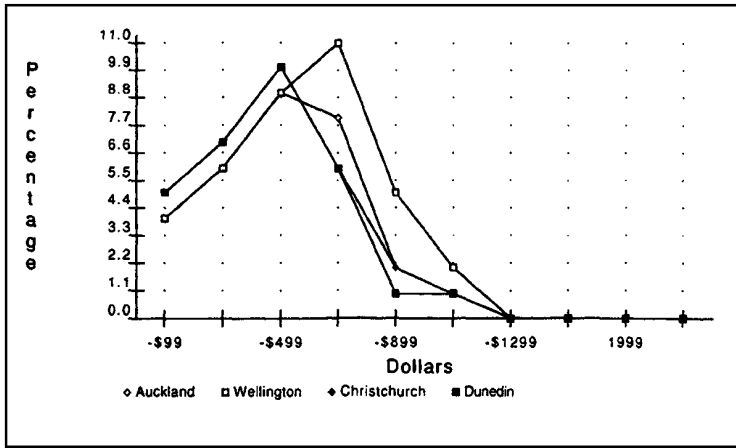
Figure 5.3b Income 1961 NZ (females)

Source: see Figure 5.1
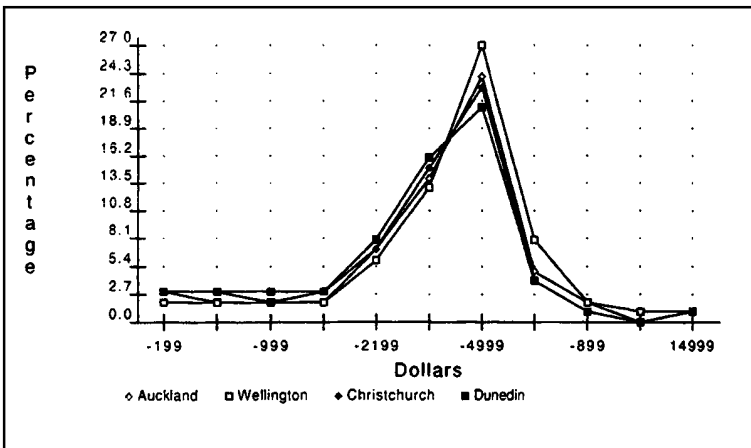
Figure 5.4a Income 1971 NZ (males)

Source: see Figure 5.1

The 1970s, however, were a decade of change due to a number of factors including the growth of dual income households as a result of increased female participation in the paid labour force, often in a part-time capacity. The growth of female part-time paid work can be seen in the two peaks which now appear in the income distribution for female workers (Figure 5.4). The first peak
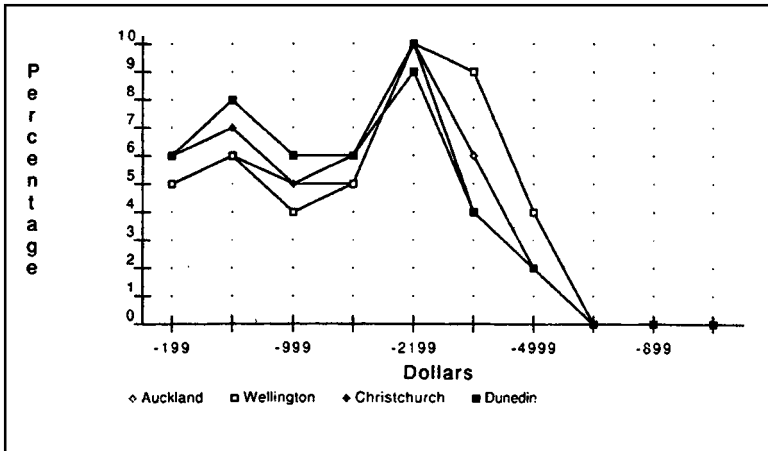
Figure 5.4b Income 1971 NZ (females)

Source: see Figure 5.1

in the distribution occurred at $599 and the second at $2,199. Again, as in the 1960s data, Wellington shows a higher overall distribution of female incomes.

The 1970s saw the establishment of the one-plus income household as the means by which households managed to maintain or improve their household income during a period in which incomes in general in real terms were falling. A consequence of this increase in dual-income households has been to further extend the distribution of household incomes, so creating greater household-income differentials. Studies of dual-income earning households have shown that as the income of the principal earner rises the contribution to overall household income provided by the additional earner falls (Penhale and Wigbout 1982, Hall 1987).

The further factor which has led to greater income variation is that of changes within the occupational structure. These changes have led to some of the regions and urban areas experiencing the impacts of more dynamic economies with growth sectors so providing greater financial return. However, with the increases in unemployment in both the booming and declining regions there has emerged a class of people dependent upon benefits. The relative size of this group in the various centres clearly affects the overall distribution of incomes and flow of money available within

the locality for consumption (Frankel 1984). The changing occupational structures within the four main urban centres also appears to have had an influence on the extent of difference between female and male incomes. For example, in Wellington in 1981 40 per cent of female workers and 47 per cent of male workers received incomes of between $10,000 and $20,000. This 7 per cent discrepancy was the lowest in any of the main centres. In contrast, in Auckland the differential was from 31 per cent for females to 51 per cent for males and for Christchurch and Dunedin 33 per cent and 51 per cent.

By 1986 further changes are apparent (Figure 5.5). The twin peaks within the income distributions show up clearly in all four centres in both male and female incomes. The lower peak is most pronounced in the case of Dunedin, where 13 per cent of male workers were receiving this level of income, and least in Wellington where the proportion falls to 7 per cent. At the upper end of the distribution the positions are reversed with 16 per cent of the male workers in Wellington having incomes in excess of $40,000 compared to only 8 per cent in Dunedin. Female incomes also show the same pattern of two peaks within their distribution, one at around $7,500, though this represents a much greater proportion of female workers than was the case for male workers. Again Dunedin had the greatest proportion of earners in this group, 22 per cent compared to Wellington's 15 per cent. For incomes in excess of $25,000 Wellington becomes the centre with the highest proportion (11 per cent), followed by Auckland (8 per cent) and the two South Island centres each with 5 per cent.

The restructuring of the workforce in the two northern cities over the past decades has, therefore, resulted in the distribution of female and male incomes being higher within these cities than in their South Island counterparts. However, at the upper end of the income scale the contrast between women and men is still great, with less than 1 per cent of women in the four main cities earning incomes of greater than $40,000 in 1986 compared with between 8 per cent in Dunedin and 16 per cent in Wellington.

The changes in the income distributions are one of the significant consequences of the employment shifts noted which have resulted in the increased level of service employment and thus the growth of the non-manual managerial technical section of society. The new areas of high income are increasingly not those of farming but of managerial and executive workers within the fast-
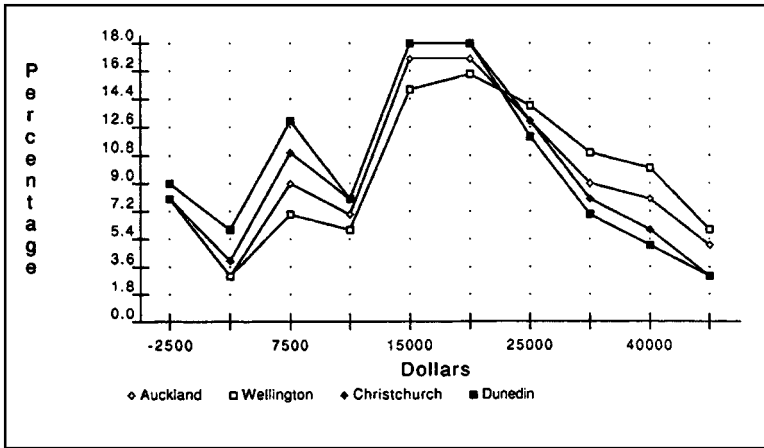
Figure 5.5a Income 1986 NZ (males)

Source: see Figure 5.1

growing corporations which are assuming a more dominant position within the economy and society (Easton 1983).

The variations in forms of economic development further reflect the impact that the national and international reorganisation of the ownership, control, and distribution of productive and service activity has had. One way of demonstrating this set of changes is to examine one region in more detail.
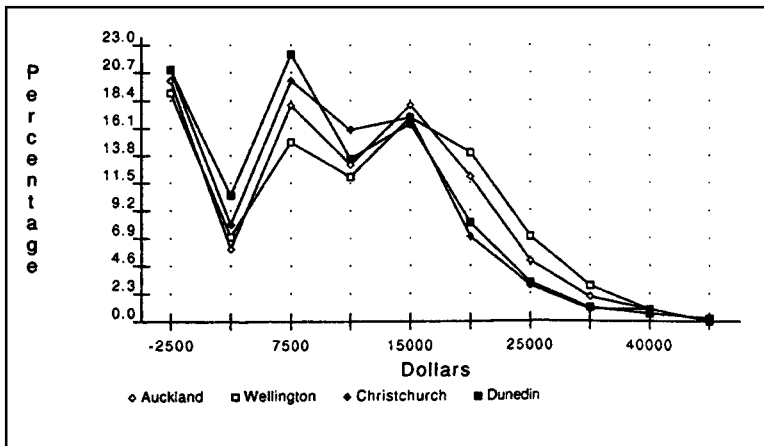
Figure 5.5b Income 1986 NZ (females)
Source: see Figure 5.1

The Canterbury region as a case study of change

The example chosen for illustrative purposes is that of Christchurch, the principal city of the Canterbury region and the largest city in the South Island with just under 300,000 population by the mid-1980s. The city benefited from the general growth in the economy in the post-1945 years and through until the 1960s unemployment stayed at less than 2 per cent. The growth in manufacturing was an important contributor to the full employment experienced during this period, with this sector's proportion of total employment growing from 22 per cent in 1936 to 36 per cent in 1966, for males and from 22 per cent to 31 per cent for females. However, the pattern changes in the late- 1960s and through the 1970s and 1980s (Canterbury United Council 1983, 1984).

The figures show that manufacturing industry was a very important component of the Christchurch urban economy. However, by the 1970s, especially after 1976, important structural changes were beginning to occur which were affecting the manufacturing base of the city. In 1976 there were 27,291 men employed in the city's manufacturing industries. By 1981 this number had fallen to 24,258, a loss of 3,033 jobs or 11 per cent of the total over this 5-year period. The single largest loss in manufacturing employment was in the textile, clothing, and leather trades. The losses in this sector have been brought about by restructuring produced by overseas competition and the relocation of plant to Auckland leading to closures in Christchurch. The number of establishments in the textile sector, for example, have increased by 16 in the Auckland urban area from 150 to 166, whilst the number in Christchurch has fallen from 61 to 58. One result of these job losses has been the rising rate of unemployment within the city, with an increase from 2.2 per cent in 1976 to 8 per cent by 1988. The distribution across the urban area shows that it is highest in Lyttelton Borough, Christchurch City, and Riccarton Borough and the lowest within Heathcote County, which includes the Port Hills suburbs of Cashmere and the Waimairi district. Both

Table 5.6 Factory openings and closures (New Zealand)

	Male		Female		
Opened	Numbers	%	Numbers	%	Total
1972	423	57	252	34	745
1973	419	68	176	29	617
1974	637	65	280	28	984
1975	509	58	298	34	875
1976	684	61	332	29	1130
1977	641	68	293	31	944
1978	520	73	182	26	712
1979	790	72	245	22	1093
1980	667	71	257	28	933
1981	401	55	231	32	725
Closed					
1972	209	44	249	52	475
1973	152	70	45	21	216
1974	105	54	55	29	194
1975	177	52	130	38	340
1976	208	56	128	34	373
1977	323	52	286	46	625
1978	286	48	300	50	599
1979	389	47	412	50	820
1980	606	76	178	22	799
1981	738	74	175	18	991

Source: Fitzgerald and Thorns, 1987:156

of these areas have about half of the rate for the city and Lyttleton.

Further data on this process of change within manufacturing is provided by statistics on factory openings and closures over the 1970s (Table 5.6). The figures show that for the first half of the 1970s openings were running well ahead of closures. In the latter part of the decade the relationship between openings and closures begins to change so that by 1981 closures exceed openings. The size of units involved in these changes is also of interest.

In the latter part of the 1970s more jobs were lost in larger establishments than were created through the openings of new plant. Most new ventures were small in size. Many of the factories opened may well have had a relatively short duration as the 1970s saw a steady increase in the rate of bankruptcies as the

reorganisation of New Zealand's manufacturing base proceeded (Fitzgerald and Thorns 1987).

The erosion of the city's manufacturing base has not been compensated for by the growth of service employment within the city. In this sector, growth has been slower than in the North Island centres and a greater proportion of the growth that has occurred has been within the public sector. One effect of this has been that the services attracted to the city are those which receive lower incomes thus contributing to the growing income difference between Christchurch and the major North Island cities of Wellington and Auckland where service employment has expanded both more rapidly overall and particularly in the private financial services area where income levels have been much higher.

To explore some of the shifts in the manufacturing base a little further it is useful to examine in a little more detail the experience of one particular company within the engineering industry. The base of Christchurch's engineering industry has been to supply and service both the farming and the manufacturing and distributive industries which grew up within the urban area. During the restructuring of the 1970s and 1980s considerable change has occurred within the engineering industry brought about both by technological changes in the production process and by rationalisations within the industry resulting in takeovers and mergers of companies The result of these two processes has been the closure of nine engineering firms during the 1980s and the loss to the city of 377 jobs within these companies and many others as the downstream effects have become felt within the local economy.

The history of the industry in Christchurch is one of family companies, local plants which were originally private companies controlled by local families. However, in the post-Second World War period of economic growth the companies moved to become public companies through the selling of shares to raise capital to finance expansion. The 1970s and especially the 1980s have seen the industry extensively restructured through technological change, particularly the introduction of computer-aided design and manufacture, and from rationalisation as a result of takeovers and mergers. This has resulted in closures within local engineering firms resulting in direct and indirect job losses. A study carried out in 1987 of one such engineering firm in Christchurch provides a useful insight into the process of change (Fitzgerald and Thorns 1987). The company concerned operated as a private, family-based

enterprise in its early years of development providing products for the local agricultural industry of Canterbury. The 1930s saw the company struggling to survive the depression as spending power was reduced in the rural economy and demands for machinery fell. The post-war boom of the 1950s and 1960s were good years and the company expanded and diversified. It changed, in the late-1940s, from a private to a public listed company as it sought capital to finance expansion. Part of this expansion involved the acquisition of interests in other companies operating in allied areas. This led to the company expanding its operation from the Canterbury region to the nation as a whole and into export markets. Production also moved from Christchurch and into other centres, including Auckland. The company maintained its headquarters in Christchurch, but had become by the 1950s a national enterprise. The 1970s and 1980s brought a much less expansive period for the engineering industry and led to successive company reorganisations to try and maintain profitability. This changed environment led the company into takeovers, mergers, and reorganisations of its various divisions and arenas of activity, including the introduction of new technologies into the company's activities in the manufacturing, administrative, and distributive areas. The 1980s saw the company being taken over by a larger operator which in turn was taken over by a multi-national Australian-based company. This has led to further reorganisation which has seen the original engineering plant in Christchurch closed and demolished to be replaced by a superstore.

Regional unemployment rates

One significant feature of the restructuring of both manufacturing and services has been a growth in unemployment during the 1980s. In the post-war years New Zealand experienced low levels of unemployment and steady, though unspectacular growth within the economy. During the 1950s and until the mid-1960s not more than 0.2 per cent of the labour force was registered as unemployed; this pattern continued during the first half of the 1970s with registered unemployment remaining below 1 per cent (Hawke 1985). However, from the mid-1970s onwards there was the emergence of first cyclical and then in the 1980s structural unemployment. By 1981 the unemployment rate had risen to 3.76
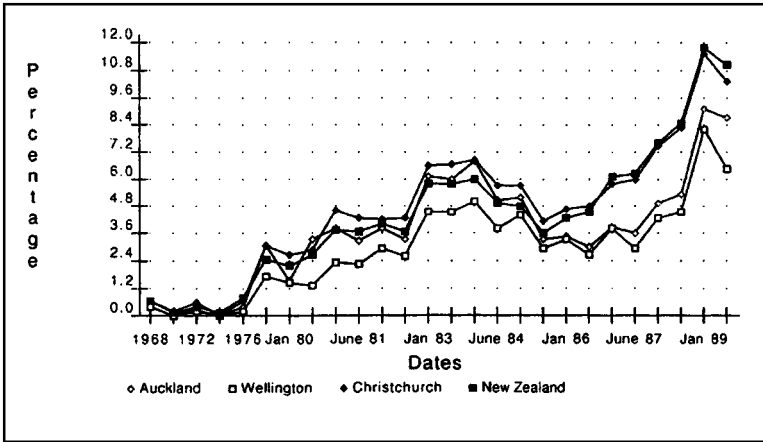
*Figure 5.*6 Main centres and NZ, unemployment

Source: based on NZ Department of Labour *Monthly Employment Operations,* 1981–90

per cent. However, the impact of this change had not been even across the country.

The data provided in Figure 5.6 shows both the changes in the general rate of unemployment and that experienced within the three main cities. From this figure it is clear that the rate for Wellington has been consistently below that for the nation as a whole, whereas that for Christchurch has consistently followed the national trend and experienced an unemployment rate very close to the national average. This was also the case for Auckland in the early part of the decade of the 1980s through to mid-1985. However, in the most recent period of restructuring, the rate for Auckland has moved in a similar fashion to that of Wellington and both have been well below the national average (Figure 5.7). When Dunedin's experience is compared, Figure 5.8 shows that it sustained levels of employment rather more successfully than Christchurch until 1985 after which its rate has climbed steadily to a position where it is now well above the national average and at a similar level to many of the provincial centres.

Within the major urban centres of the North Island there are considerable variations between areas. In the Auckland urban region it is the Manukau area where the region's unemployment is concentrated rather than the North Shore, which has the lowest
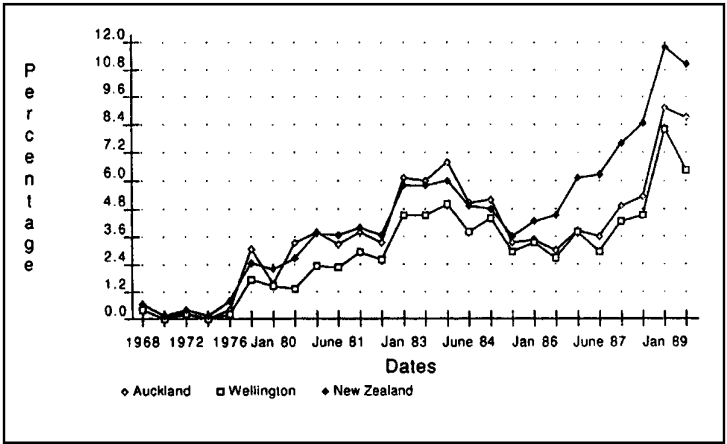
Figure 5.7 Auckland, Wellington, NZ, unemployment

Source: see Figure 5.6
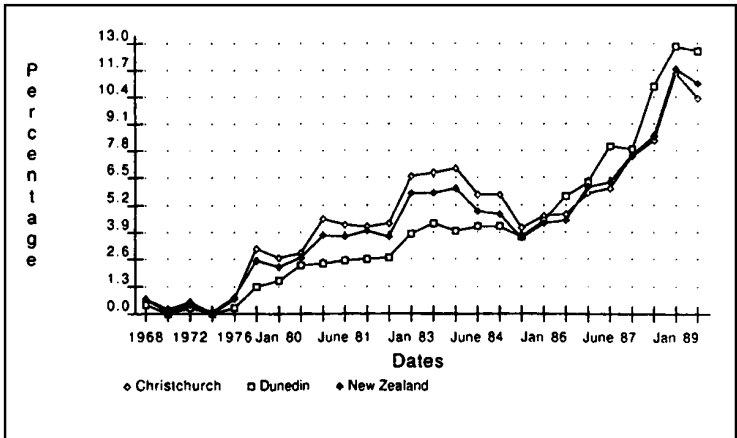
Figure 5.8 Christchurch, Dunedin, NZ, unemployment

Source: see Figure 5.6

rate of anywhere in the country (Figure 5.9). The figures for the Wellington city and Lower Hutt areas follow a very similar profile and in both cases are considerably lower than is the case for New Zealand as a whole (Figure 5.10).

In the regional centres the pattern shows two distinct groupings, those regional centres with unemployment around the average,
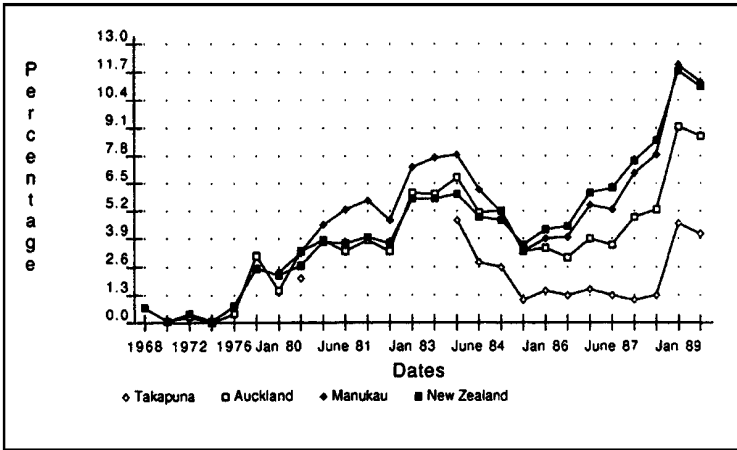
Figure 5.9 Auckland region and NZ, unemployment

Source: see Figure 5.6
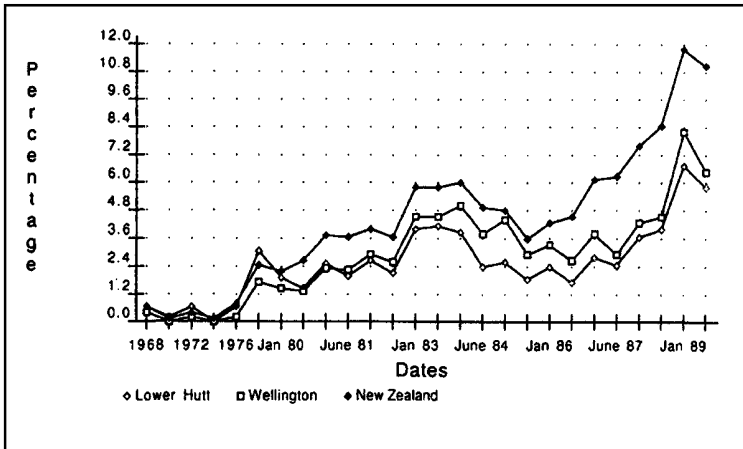
Figure 5.10 Wellington region and NZ, unemployment

Source: see Figure 5.6

such as Palmerston North, Hamilton, and Tauranga and those with substantially more than the average, such as Rotorua, Gisborne, Napier, Hastings, and Whangarei. In these latter cases it is from 1983 onwards that the discrepancies and thus the greater regional variations begin to be established, and from the beginning of 1986 these differences become increasingly pronounced
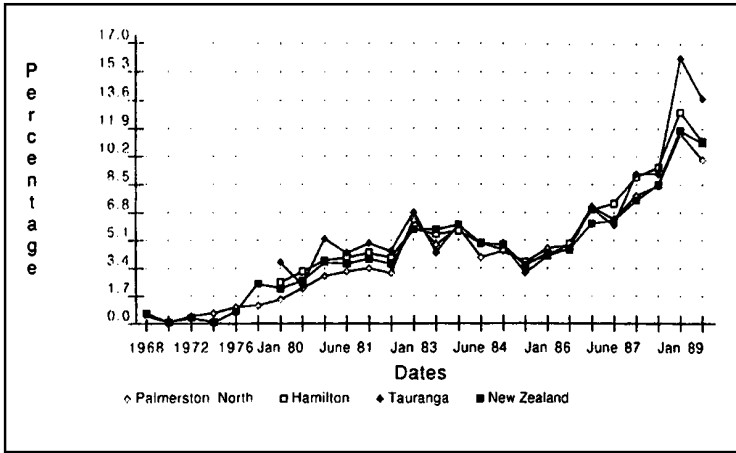
Figure 5.11 North Island regional centres, NZ, unemployment

Source: see Figure 5.6
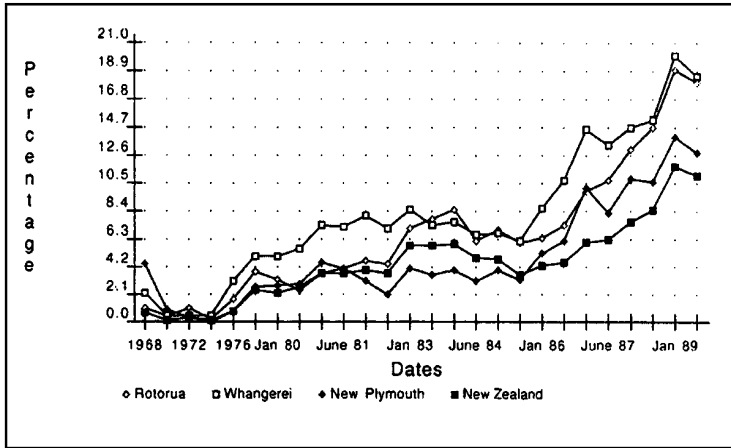
Figure 5.12 North Island regional centres, NZ, unemployment

Source: see Figure 5.6

(Figures 5.11–5.13). In the case of the South Island centres, Blenheim and Nelson have stayed quite close to the national trends until quite recently (Figure 5.14). However, the smaller regional centres like those in the North Island have experienced more rapidly growing unemployment with Greymouth having the highest proportion of its labour force unemployed. Again the
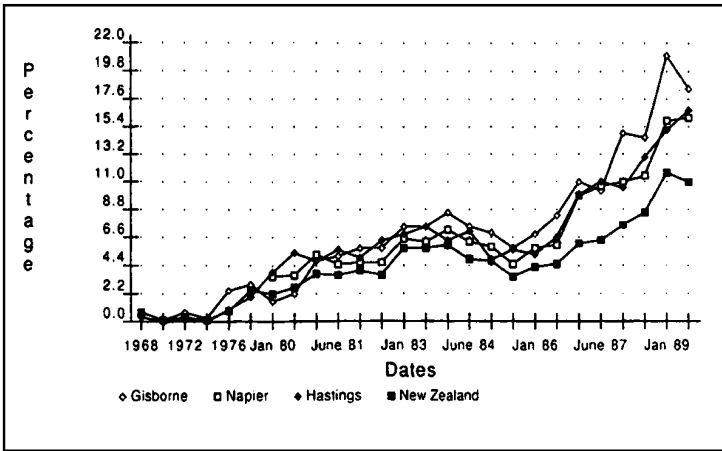
Figure 5.13 North Island regional centres, NZ, unemployment

Source: see Figure 5.6
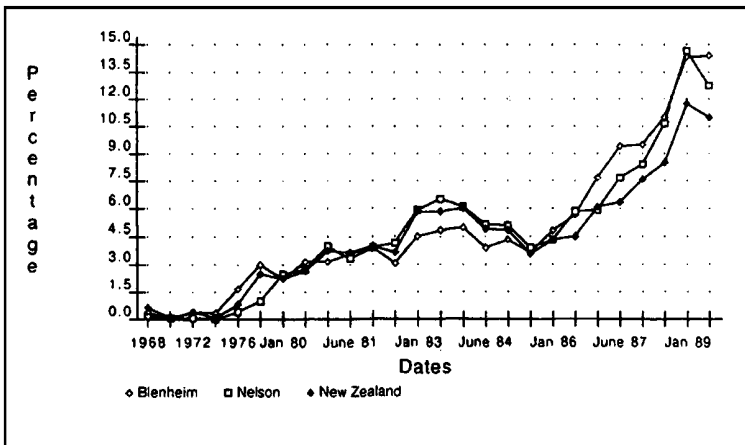
Figure 5.14 South Island regional centres, NZ, unemployment

Source: see Figure 5.6

deviation from the national trends have become pronounced only over the last few years since the beginning of 1986. The rates and their regional patterning shows clearly the uneven regional impact of the current phase of economic and social restructuring taking place.

AUSTRALIA—REGIONAL EXAMPLES OF CHANGE

The twentieth-century regional patterns in Australia have been fairly stable until the last two decades when greater variation has occurred as a result of changing patterns of development. The country has been divided between a 'core' based around the manufacturing states of Victoria and New South Wales and the cities of Sydney, Melbourne, Newcastle, Wollongong, and Geelong and the periphery consisting of the rural hinterland of Victoria and New South Wales and the 'outer' states of Queensland, Western Australia, Tasmania, and Northern Territory. The two states which have had a more ambiguous role are South Australia, which has had a manufacturing base but has tended to be somewhat peripheral to the main manufacturing areas and the Australian Capital Territory, which derives its economic base from its place as the federal capital. This pattern of regional development has undergone considerable change since the late 1960s through the restructuring of Australia's economic base away from domestic manufacturing into the export of raw materials particularly from mining. This shift has increased the economic and political significance of some of the peripheral states. The two to have benefited the most are Western Australia and Queensland with 57 per cent of Australia's mining activities now found within these two states. The boom in these two states has been aided by the presence of illiberal state governments which have assisted capital through ensuring favourable tax regimes, incentives for development, and enacting labour policies which have limited union power (Stillwell 1980, 1982, Jeffery 1975).

Mineral exploitation is capital intensive and therefore in itself has not created many jobs. For example, in Queensland a state where mining has boomed, mining contributes 8.6 per cent of the gross state product but only accounts for 2.5 per cent of employment (Evatt Research Centre 1989). The greater economic buoyancy of the mining states, however, has encouraged migration and so stimulated residential growth. In addition, there has been some internal migration of the retired to the sun-belt states and the growth of tourism urbanisation, which has also stimulated the local service economy and led to urban expansion of the Gold and Sunshine coasts[2] and the Cairns region of Queensland.

The changes have led some to see a three-tier structure of regions emerging with the core still dominant but now a gap opening up in the 'periphery' to create a category of states which are resource-rich—Queensland and Western Australia and those which are underdeveloped, Tasmania and Northern Territory, which have not benefited from the minerals boom and therefore have remained relatively depressed (Maxwell 1985). However, the degree of significance that is attached to these shifts is still in some doubt as although capital has flowed into the outer states and expanded mining and mineral production, the capital has been largely foreign, and consequently, much of the wealth created does not stay in the state. For example, 10 per cent of mining establishments in 1982–3 were foreign-controlled but these accounted for 43 per cent of fixed capital expenditure and in mineral processing less than one-third of the establishments were foreign-controlled. However, these establishments constituted 79 per cent of fixed capital expenditure (Head 1980). Harman (1983), in an analysis of Western Australian experience, has noted that there exists a drift of resources and investment income from the resource states to the industrial/financial heartland states of New South Wales and Victoria, especially to Sydney and Melbourne.

The most recent regional shifts have therefore been initiated largely by the restructuring of Australia's economic development (Gibson and Horvath 1983). A consequence of this has been a removal of some of the tariffs and subsidies which has encouraged manufacturing imports, bringing greater competition to local manufacturers. As noted earlier this increased competition for local manufacturers and a less regulated financial environment have encouraged the growth of the outer regions of Western Australia and Queensland. In this shift Sydney, Melbourne, and Adelaide are the state capitals which have proved the most vulnerable to the effects of structural change due to their relatively high concentration of manufacturing for domestic consumption. For example, 71 per cent of Australia's manufacturing industry is concentrated in the two states of New South Wales (36 per cent) and Victoria (35 per cent), whereas Queensland has only 11 per cent and Western Australia 6 per cent. Within these three centres the impact has been most pronounced within the inner city and the outer suburban areas, and among male rather than female workers. In the inner city areas there has been a contraction and

retrenchment within the manufacturing sector which traditionally has provided employment for male blue-collar workers. Growth of employment, where it has occurred, in the inner city areas has been for clerical and service workers which are areas of female rather than male work. In the outer suburban areas in contrast the increased level of unemployment in the most recent decade has been greatest among females and younger workers. For example, in the Sydney metropolitan area manufacturing jobs declined by 51,000 between 1981 and 1986. In contrast financial, property and business services have increased by 39,000 over the same period. One result of these changes has been a decline in the proportion of blue-collar workers with the proportion falling from 40.2 per cent of the total workforce in 1981 to 35.3 per cent in 1986 (Stillwell 1989).

Rural regions traditionally have been the ones where per capita incomes have been lower than in the major cities and unemployment levels somewhat higher, and the overall access to resources and amenities less advantageous. Fluctuations of agricultural prices on the world market have had important impacts upon rural regions and the service towns which are dependent upon them, leading to a rural crisis in the 1980s. Some attempts have been made at decentralisation to try and stimulate growth and diversity in the country regions. However, they have not been particularly successful (Murphy 1989).

To illustrate further these regional contrasts it is useful to look in more detail at the recent experience of South Australia and Queensland.

South Australia

The economic history of South Australia mirrors that of the country as a whole. It moves from dependence upon an agricultural hinterland to a manufacturing base oriented to the local market and protected by tariffs from overseas competition during the interwar and post-war years, to one of manufacturing decline and a restructuring of the economic and social base of the state by the 1980s.

The state was affected by a number of booms and depressions which led to periodic restructurings within the employment base. The depression of the 1890s, for example, was an important stage in the development of an Adelaide-based capitalist class, drawing

its wealth from the rural economy and British capital. The years after the 1914–18 war were ones in which the manufacturing base of the state became firmly established. A significant part of this development was the establishment of the Holden Motor Body Builders in the 1920s which employed, by the mid-1920s, 5,500 workers out of the state total manufacturing employment of 41,075. During the late-1920s manufacturing was increasing within the state at a rate well above that for Australia as a whole. The Holden company was subsequently bought out by General Motors in 1931. Also in the 1930s a number of domestic appliance manufacturers became established in the state, including Kelvinator and Simpson Pope (Wanna 1984).

During the 1930s under the Liberal-Country Party government, the state developed an industrial policy which included providing encouragement through housing and other subsidies to companies to locate within the state. The result of this was the opening of blast furnaces and the establishment of an ironand-steel and later a shipbuilding industry at Whyalla by the BHP company (Kriegler 1980, Aungles and Szelenyi 1979, Donaldson 1982).

A sustained boom period occurred from 1945 until the early 1970s during which manufacturing grew substantially within the state. This boom was initially stimulated by the demand for war materials, which encouraged the expansion of iron and steel, shipbuilding, and motor vehicle production. After the war the industries turned to domestic production and in 1948 General Motors Holden produced the first Australian-built car. Output rose rapidly and a new plant was added at Elizabeth, a new town built by the South Australian Housing Trust. Chrysler was the second multi-national motor vehicle company to become established in the state when it bought out a local firm in 1951—Roberts Motor Bodies. By the 1960s Chrysler had two new plants in operation and a considerably expanded production line. During the boom period manufacturing supplied over one-third of the total wage and salary workforce with employment. In total manufacturing employment between 1945–68 rose by 92 per cent within the state compared with only 78 per cent for the nation as a whole (Rich 1989). Clearly, the state had become progressively dependent upon manufacturing as a major form of employment.

The boom ended at the end of 1973. The reversal in the state's fortunes were the result of both international changes sparked by such moves as the OPEC oil prices increase of the early 1970s to

the rise of the minerals boom with its consequent impact upon the financial sector and pressures upon investment funds leading to climbing interest rates and pressures upon domestic borrowings. The opening of the economy to greater international competition further increased pressures upon local manufacturing, leading to rationalisations, takeovers, mergers, and plant closures. Because of the size of the manufacturing sector within the state, the impact of these changes was particularly marked. Between 1975 and 1985, 26.3 per cent of manufacturing jobs within the state were lost (33, 700) compared to a national decline of 21.7 per cent. By 1982 manufacturing had fallen to 20.7 per cent of the state's total employment from 36 per cent in the 1960s. This reduction within the state reflects the reactions of multi-national capital to changing conditions, leading to reorganisation of their processes both within Australia and internationally. For example, General Motors Holden moved to concentrate production in Melbourne, which led to closures in South Australia. Also within the motor vehicle industry there was a substantial increase in the level and sophistication of technology being employed, which also led to a reduction in the workforce as labour was replaced. BHP also engaged in a considerable reorganisation of its activities leading to the closure of the shipbuilding yards in Whyalla in 1978 which cut manufacturing employment in the town by 25 per cent. Further, in 1980 the company undertook a reorganisation of its steel production which led to a reduction in capacity, the introduction of new technology, and the reduction in the workforce. By 1985 this had produced a 29 per cent reduction in employment within Whyalla (Rich 1988).

The restructuring at the level of ownership of the industrial enterprises within the state saw the progressive shift of control from local capital, in the original motor-vehicle body-building firms of the 1920s, to national and international capital and from single-product companies to multi-product companies. Each shift moves the locus of control from the local level, thus the power of the state elite decreases over time as does the ability of the state government to shape the patterns of change through an industrialisation policy. Signs of the waning importance of the local-based elite were the demise of the Bank of Adelaide taken over in 1978 by the Australia New Zealand Banking group (British owned), and the 1980s merging of Elders, GMH, Henry Jones, and IXL into Elders IXL Ltd, centred in Melbourne.

The pattern of employment within the state, therefore, in the 1970s and 1980s, has been one of declining manufacturing employment and growth in professional and service occupations in both the private and the public sector (both state and commonwealth). This employment mix has resulted in the state having a level of average weekly earnings which is the lowest of all the Australian states. The state has relatively high unemployment rates and the absence of a large executive/professional high-income class (Evatt Research Centre 1989). Within this pattern there has been stronger growth in female rather than male employment, with, for example, in the government sector by the 1980s, virtually an equivalent number of male and female workers. Associated with these shifts has been a rising level of unemployment as a consequence of the structural changes within the economy, especially among former blue-collar workers. In the late-1980s a revival of local industrial activity has been sought through defence contracts as the Australian government has invested in local production to create a defence industry. South Australia has become the location for the production of submarines at Port Adelaide.

Queensland tourism urbanisation

The development of Queensland from the 1960s to the 1980s has been shaped by the links between local state capital based in the primary sector, the minerals boom which drew international capital into the state, and the tourism-based development initially of the Gold and Sunshine coasts. However, in the last few years there has also been a considerable expansion in Northern Queensland based on the Cairns and Port Douglas areas where the population has more than doubled. Manufacturing in the state is dominated by food processing with, in the mid-1980s, meat and sugar accounting for 50 per cent of all production. As a sector of employment, manufacturing has been declining and at the end of the 1980s accounts for only 12.8 per cent of the state total.

The politics of the state have been 'populist' rather than class-aligned forming a pro-growth coalition of both local capital and workers involved in construction and development (Alexander *et al.* 1984). The state has both a high proportion of self-employed (13 per cent) and a lower proportion of salary and wage earners (76 per cent) relative to the other Australian centres (for example,

Sydney had only 6 per cent self-employed people and 89 per cent salary and wage earners). This coalition has promoted private enterprise rather than planning and control creating what can be seen as the archetypal 'private enterprise city' of the Gold Coast, which has grown rapidly to become one of the largest cities in Australia by the 1980s. This coalition further explains the absence of the type of metropolitan planning that has taken place in the other mainland states.

The pattern of development has resulted in a much more dispersed spatial structure than that found in the other states with a much weaker concentration in the state capital. Brisbane has 46 per cent of the state's population compared with an average of 64 per cent for all Australian states within the capital cities and this proportion is expected to fall further as the resort areas grow.

Tourism urbanisation centred around the growth of residential resort centres is one of the most striking features of the last two decades and provides a very different occupational structure to that found in the older manufacturing centres. As Mullins (1991) shows in his study of the Gold and Sunshine coasts, the majority of the employed population are employed in the tourism services, construction and finance, property and business services with the contribution of manufacturing to total employment less than 10 per cent, under half that in the older manufacturing-based cities in New South Wales—Victoria and South Australia (Table 5.7).

The growth of this new form of urbanisation has been rapid over the past 20 years with the population doubling in both the Gold and Sunshine coasts. At 220,000 the Gold Coast now ranks as Australia's ninth largest city. In addition, the Sunshine Coast now has a population of a further 90,000 bringing to over 300,000 the number within this form of urbanisation in the South of Queensland. Within Northern Queensland the population of Cairns has expanded over the 1980s from around 80,000 to over 130,000.

The central feature of tourist/urbanisation is a preponderance of private consumer services in such areas as accommodation, catering, retail, leisure, and recreation. The rapid population growth and expansion in tourist facilities has led to growth in the construction industry, which now provides 18 per cent of total employment. The major forms of tourist accommodation through to the mid-1980s have been in houses, flats, and high-rise condominiums which now line the seafront of the Gold Coast.

Table 5.7 Employment by industry, Gold Coast and Sunshine Coast, 1986

Industry	Workforce	
	Gold Coast %	Sunshine Coast %
Agriculture, forestry, fishing, hunting	1.9	4.3
Mining	0.3	0.4
Manufacturing	9.2	8.5
Electricity, gas, water	0.7	1.0
Construction	10.7	10.8
Wholesale and retail trade	23.0	24.3
Transport and storage	3.7	3.7
Communication	1.9	2.4
Finance, property, business services	12.5	11.4
Community Services	12.9	15.6
Recreation, personal, other services	15.3	9.6
Public administration, defence	3.6	4.2
Not classified, not stated	4.3	3.8
Total percentage	100.0	100.0
Unemployment (% total labour force)	16.0	19.7

Source: 1986 Censuses, Mullins 1991

This accommodation has been operated mostly by small local operators rather than international tourist companies. However, the latter are now making an appearance particularly through the development of timeshare resorts.

Mullins, in one of the few analyses of this form of urbanisation, characterises it as an example of 'private enterprise' cities where the local state has played a minor facilitative role enabling developers to promote various housing, apartment, and leisure projects. There are signs in the 1980s of a shift from local and national to international investment with the entry of the large international hotel, resort, and timeshare holiday chains. The emergence of tourism as the base for the economy of the Gold and Sunshine coasts creates a workforce which is not highly paid or skilled, with a high proportion of part-time and casual workers to cope with the inevitable seasonal fluctuations linked to the periods of annual holiday within Australia and the variation between seasons. Most of the tourists to the Gold Coast come from within Australia with international tourist in 1982 accounting for only 5 per cent of the total (Mullins 1984). Although since this time the range of tourists has grown as has the flows of capital with both

overseas companies and individuals buying up property and tourist facilities.

The new cities created are characterised by high levels of service workers compared to the older cities. Further, they also have much higher levels of part-time work, with almost a third of the workers in the two areas working less than 35 hours a week. Married women are the most affected, with 50 per cent of married women workers only working part-time. The unstable base produced by seasonal fluctuations in work and the use of casual and part-time labour has resulted in the Gold and Sunshine coasts having much higher unemployment rates than the older manufacturing cities of New South Wales and Victoria such as Newcastle, Woolongong, Geelong, etc. The Gold Coast unemployment rate in the mid-1980s has been around 18 per cent and the Sunshine Coast 23 per cent, well above the national rate (6.8 per cent). The occupational structure also produces an income level among the resident population which is much lower than in other major Australian cities (Mullins 1987b). Tourism urbanisation, with its emphasis upon construction, real estate, and leisure services, creates fragmented employment conditions and an unstable base for the local community. If this is the new cutting edge of urban development, it is one which poses as many problems as it solves.

SUMMARY

The discussion in this chapter has identified the rise of regional planning and economic development incentives in the post-1940s period as part of a strategy to control the growth of large conurbations. The initial shaping of the ideas behind such policies was drawn from British experience. However, the ideas became transferred to Australian and New Zealand planning and policy without much recognition of the different set of local conditions and experiences. The concerns of the planners and policy makers were with the size of the large urban centres and with the adoption of a strategy for controlling their growth through decentralisation, of taking jobs from the inner city areas and relocating these in outer suburban areas and growth centres beyond the present city boundaries. In Britain this led to the creation of new towns initially in a ring around London. Later, however, in the 1960s this was broadened and the new-town concept and planning framework was utilised in other regions to

enable both growth centres to be designated and to relieve congestion in major conurbations and stimulate new economic activity in declining regions. The metropolitan plans for the Australian state capital cities, apart from Brisbane, also looked to decentralisation, and growth control with some growth centres such as that at Albury/Wodonga to be established beyond the existing metropolises, and the encouragement of open spaces and green belts to limit urban expansion (Kilmartin 1973, 1975, Kilmartin and Thorns 1978).

The 1960s and early 1970s were the most active period of regional planning and economic development during which time agencies and even Government departments such as DURD in Australia, were established to promote the rational allocation of resources via planning strategies. However, the second half of the 1970s and the 1980s saw this change. The restructuring, which arose out of the changed external and internal trading environment, created a new set of conditions which shifted policy from interventionist frameworks built around rational planning carried out by technical experts working from data bases to a more market framework. Decisions were to be based on market signals, entrepreneurs were to be encouraged, growth was to come from a less regulated economic environment. The result has been a decline in regional planning and explicitly regional policies at a time when regional diversity as a consequence of economic and social restructuring has been increasing. The outcome has been for a growth in the inequalities between regions and areas within regions due to the uneven patterns of growth and decline which have taken place.

Restructuring has not only occurred within employment and regional locations. A series of changes have also occurred to the distribution and organisation of social welfare provisions indicating important shifts in social policy. The next chapter takes a look at a number of examples of such changes in order to see whether these parallel or conflict with the changes which have reshaped economic life and experience within the regions.

6
RESTRUCTURING OF STATE PROVISIONS
Case studies of change

The previous three chapters have reviewed changes in the economic and employment structures of the three chosen societies and identified the continuing importance of the nation state and region to a full analysis of change. A further important dimension is that not only have there been economic changes and restructuring of the labour process, but the welfare state has also undergone change. The way state services have been delivered and the extent to which the welfare state should and can continue to provide the range of services established in the 1950s and 1960s has become a central question in each of the societies. The restructuring of the welfare state has in some cases involved moves from collective provision to income support and greater targeting and been accompanied by a desire to reduce the overall level of central and local government activity to enhance individual choice. The new agenda centres around debates about efficiency of delivery, consumer choices, and individual empowerment rather than bureaucratic allocation. One of the central tensions within this set of changes has been the fact that the rhetoric of greater individual freedom, choice, and autonomy to make decisions has operated in a context in which many of the changes have produced an increase in the level of power at the centre, with local authorities having their powers trimmed back rather than enhanced. How does such an apparently contradictory agenda emerge and how is it sustained? These are clearly important questions to be addressed particularly within the context of an examination of regional and urban change.

The post-war decades were ones in which much investment flowed to the development of the non-productive urban infrastructure and the extension of local authority activities into such areas as health, education, housing, community

development, and local economic development. The focus of urban study became for a time centred around this collective consumption which was seen to provide a much needed 'object' of study for urban analysis (Castells 1977, Szelenyi 1981, Dunleavy 1980a). However, as the 1970s progressed international and national capital became involved in the restructuring of local and national economies with an ensuing fiscal crisis of the state (J.O'Connor 1973 and 1987, Szelenyi 1984). This crisis led to increasing pressure upon the forms of collective consumption and moves to recommodify many of the services and provisions that had been brought within the ambit of public control. Economic rationalism came to dominate political agendas of capitalist states and the privatisation of the public sector became a key ingredient of the new agenda of state policy (Thompson 1984, Dunleavy and O'Leary 1987, Cochrane 1989). The result has been an attack upon the welfare budget and the range of services provided both nationally and locally. In order to combat the resistance generated at the local level, national states have been driven to acquire greater power at the centre to enforce change and so overcome the resistances which have emerged.

CASE STUDY 1:
CENTRAL-LOCAL CONTROL, BRITAIN'S
DEBATE OVER LOCAL AUTHORITY
ACTIVITY

In Britain the early 1970s saw the first significant conflict between a local authority and the central government at Clay Cross in Derbyshire. The issue at the centre of the dispute was the Conservative government's Housing Finance Act of 1972 which attempted to cut subsidies for rented public housing through determining rent levels nationally, so overriding local authorities' traditional right to set their own rent levels for their housing stock. This Act marked the beginning of a long-running battle between the central government and local authorities over expenditure and policy control. The local Labour council at Clay Cross refused to implement the required rental policy claiming a mandate from the local population as its justification, given that it had won every seat on the council it had contested since 1959. The result of the dispute was the appointment of a Commissioner, as provided under the Act, to administer public housing in the town and the

taking to court of the elected councillors who were disqualified and surcharged (Skinner and Langdon 1974). The second stage of the response saw the dissolution of the council as part of a wider reform of local government which created larger units. In 1974 the Clay Cross Council became absorbed into the North East Derbyshire District Council.

The reorganisation of local government boundaries can be seen as part of the Conservative government's strategy to shift power away from what it saw as hostile local councils, which provided a locus for the development of alternative economic and social policies and raised the spectre of 'local socialism' (Boddy and Fudge 1984). The Clay Cross dispute was part of a series of oppositional movements which culminated in the 1974 miners' strike which led to the defeat of the Heath government. The Conservative Party, as a result of this defeat, argued that Britain had become ungovernable through the power now possessed by both local authorities, which enabled them to defy central government, and the trade union movement. These two beliefs became an important influence upon the course of the Conservative government after 1979. Significantly, it was the Clay Cross affair which brought these two strands together as Skinner and Langdon show: 'the history of Clay Cross is tied up so inextricably with the mining industry, it is not surprising to find that the development of political awareness there came through the growth of trade union militancy in the pits' (Skinner and Langdon 1974:14).

The actions of the government and the local politicians created both the first set of local martyrs and sent a clear signal to other local authorities that the balance of power was with the centre rather than with the local councils even though they could claim, as those at Clay Cross did, to have a mandate from their electorate for their resistance and actions.

The debate over the sale of public housing has to be seen within the wider context of the struggle between central and local government which has characterised the 1980s. The lesson from the Clay Cross affair and miners' strike of 1974 for the Conservative government of 1979 was of the need to control local authorities and undermine their capability of generating political opposition and the development of alternative strategies to the government's free-market liberalism. Consequently, the Labour-controlled metropolitan and urban councils were the targets of policy. The

aim was to place controls upon local authority spending to curb their activities. The premise for this action was the need to 'roll back the oppressive nature of local government' and allow local enterprise to flourish and increased market freedom to emerge from the present bureaucratic policies informed by local socialism. Paradoxically, the drive for individual freedom led the Conservative government down the path of ever-increasing state centralism as it found its plans thwarted by the actions of democratically elected local authorities. The first step was the 1980 Local Government Planning and Finance Act. This Act brought in a new system for paying grants to local authorities and financial penalties for the overspending councils. It also transferred to the centre the determination of the level of the grant, with the Department of the Environment assessing local needs and calculating grants rather than local authorities, and repealed the Community Land Act. It was intended that local authorities which overspent on their grants would have their block grants progressively reduced. However, the Act was not particularly successful in either reducing local authority spending or their autonomy and, therefore, the capacity possessed to pursue alternative policies. In part this was because local authorities retained the right to set their own rates so could opt for a higher local rate to compensate for a decline in central funding and thus for the preservation or even extension of municipally provided services. This produced another Local Authority Finance Act in 1982 which set up an Audit Commission to supervise the auditing of local authority spending. However, this too failed, pushing the government to yet further measures of centralisation. The final act was the move to abolish the six metropolitan councils (Greater Manchester, Merseyside, West Yorkshire, South Yorkshire, West Midlands, Tyne and Weir) and the Greater London Council (GLC), all of which were Labour controlled after the elections of 1981. The abolition was first proposed in 1983 and finally carried out in April, 1986. The abolition was estimated to produce savings of up to £4 million, much of this to be achieved by the reduction in employment of up to 500 (Duncan and Goodwin 1988). The move to remove the six metropolitan authorities and the GLC, however, was a political rather than an economic move and was carried out against the wishes of the locals as indicated by public opinion polls in the affected areas which showed between 60–70 per cent in opposition and only 15–20 per cent in favour of the move.

At the same time as the abolition was being carried out moves were also made to adopt the 'Scottish' solution to expenditure control. This solution provided central government with power to set rates in individual local authorities and the ability to 'cap' the rates and so ensure spending limits were kept providing a firm measure of control over the spending patterns of the local councils. The next stage in this continuing battle over the control of local spending has been the move to the local 'community' or poll tax which came into operation in 1990. Again, the presenting reason is that of increasing accountability and fiscal responsibility by local authorities. The tax, however, shifts the revenue base from property to all those over 18 years, which has meant households being faced by increasing local tax levels. Opposition to the implementation has been widespread as the nature of the financial redistribution it has produced became apparent. It is in the broader context of this battle over local authority budgets and the direction of local politics that the sale of council housing and the introduction of non-elected local agents of government into the process of urban development needs to be analysed.

The selling of public housing

The debate over the sale of council housing has been raging for some time. However, it has been shifts in government policy in the 1980s which has turned this into a central issue within the Conservative's privatisation programme. The sale of public housing has over the 1980s been the single most successful revenue raiser within the assets sale programme adopted.

The present substantial public housing stock in the UK reached its peak in 1979 when some 6.5 million dwellings were in this sector. The fastest rate of increase in the stock, however, occurred in the initial post-war years when between 1945 and 1960 the size of the state housing stock tripled (Hamnett 1989a). The public housing stock is owned and managed primarily by local authorities. It constitutes, therefore, one of the major assets and sources of revenue via rents, under local control and so provides a source of political patronage through the local allocation process. From the late 1930s to the 1970s the state housing sector represented something in the order of one-third of all tenancies and far and away the largest group of rental property. The housing White Papers and policy documents produced by governments and

political parties during the 1960s and 1970s show that the housing policies of both parties moved to centre around the promotion of the private sector rather than the public sector and owner occupation rather than public rental as the most desirable tenure status (Merrett and Gray 1982). The encouragement of owner occupation was to be through tax concession on mortgage interest rates providing a considerable and growing subsidy to the middle- and upper-income earners. A substantial growth in owner occupation characterised the late-1950s and 1960s with the numbers of owner-occupied dwellings in Britain almost doubling from 1945–60 and then doubling from 1960–86 (Hamnett 1989c). From the 1960s a redirection began towards greater private sector involvement with the Conservative Party adopting a policy which would permit council tenants to buy their houses. The Conservative government on its election in 1970, therefore, took the first steps towards the sale of council housing. These were through the lifting of restrictions on sale and the introduction of the 1972 Housing Finance Act, which was intended to bring market forces fully into play within the housing system. The 1970s thus began a process of recommodification of housing which was to accelerate in pace during the 1980s (Harloe 1981, 1987). The Labour administrations of the 1960s and 1970s, although maintaining the presence of the state rental sector, noticeably shifted their focus towards an advocacy of the owner-occupied sector and in the more limited resources made available for public housing. By 1977 this shift had resulted in the Labour government moving to adopt a policy position which accepted that the major form of tenure would be owner occupation with public housing occupying simply a residual rather than primary role within housing provision.

The change to a Conservative government in 1979 brought in a much more vigorous sale policy, the instrument for which was to be the Housing Act of 1980. The 1980 Act made it mandatory for all local authorities to sell houses if their tenants wished to buy. It thus instituted a statutory right to buy for the present tenants of public housing. Local councils had, under the Act, to arrange a mortgage and sell at prices discounted up to 50 per cent depending on the time that the tenants had occupied the property. The Act thus shifted the balance in the sales process from the local authority to the individual tenant and limited the ability of the local authorities to obstruct or prevent the sale programme. It

further took away from the local authorities their freedom to decide policy turning them into agents for the central state (Hamnett 1987, Harloe 1987, Forrest and Murie 1988).

These provisions paved the way for an upsurge in the rate of sales of public authority housing. Between 1980 and 1987 one million council houses were sold, which constituted about 15 per cent of the entire stock. The key role this policy has played within the privatisation programme of the government, in the 1980s, can be shown by the fact in 1986 the revenue from the sale of council houses was five times greater than that obtained through the sales of centrally owned land and buildings. The government expects a further one million units will be sold by 1992 making 2 million over the 1980s. The majority, 90 per cent, have been purchased by their tenants at an average discount of between 42 per cent and 47 per cent. The expectation for revenue return was that the sale programme would raise £3 billion annually through to 1991. The other elements of the government privatisation programme, the sale of government-owned land and buildings and the partial or full disposal of government-owned bodies has struggled to return the same volumes of money (Mohun 1989). For example, in 1986 £3.8 billion was raised through the selling of a wide range of publicly owned companies operating in aerospace, telecommunications, etc. The estimates are that this sale process will net £5 billion each year through to 1991. The two together are clearly crucial for the government's debt-reduction strategy.

The provisions of the Act were opposed by many of the local authorities, particularly those which were Labour controlled and committed to maintaining a public presence within housing. Such local authorities claimed to have strong local mandates from their electors to resist. Nearly one hundred mostly Labour-controlled councils openly opposed the Act endorsing the view that local authorities should be able to make such decisions which affected the local area. However, it proved impossible to develop a united campaign across the local bodies and opposition took the form of delaying tactics rather than outright refusal. The Act provided for the Department of the Environment to monitor progress and this showed that by May 1981 all but Norwich had managed to sell at least one council house. The slow disposal by some local authorities led the government to use the powers of direct control provided in the Act and a Commissioner was appointed to Norwich to ensure the sale process was carried out. Norwich took

the Department of the Environment to court, obtained a temporary injunction but was unsuccessful, the courts upholding the legality of the actions of the government. However, in giving judgement Lord Denning, Master of the Rolls said that:

> never before had he seen a piece of legislation which gave such power to a Minister, stating 'It's a very strong power. It looks like a very big stick to me'. And that Mr Helestine's intervention 'a very drastic action' under 'a most unusual power' which 'goes as far as anything I have seen hitherto.
> (quoted in Duncan and Goodwin 1988:159)

The government thus equipped itself with quite draconian powers to overrule local authority objection and establish the right of all council tenants to buy their property. Local variation in the vigour with which the policy was pursued remained. Consequently, further legislation occurred in the 1985 Housing Act and the 1986 Planning Act. These pieces of legislation provided the further extension of the policy to include flats in major city tower blocks. The discount here began at 44 per cent after a minimum of 2 years' tenancy and rose 2 per cent for each year up to a maximum of 70 per cent after 15 years' residency (Dupuis 1989). The success of this policy can be measured by the fact that 550,000 houses were sold over the first 4 years through to the end of 1984. Despite the efforts to both close loopholes and extend the discounts the pace of sales has slowed largely because the remaining properties and tenants form a more residual section who have insufficient income even to afford the discounted prices. The combination of poor housing and a residual ised group of tenants has increased the problems of management and eroded the financial viability of the public stock.

   The political nature of the sale policy can be shown by examining the consequences of the disinvestment in local authority housing for the local authorities in their attempts to meet their statutory right to house the homeless. The Labour Act of 1977 Housing (Homeless Persons) Act introduced a statutory right to shelter for the first time for those who were unintentionally homeless if they were in priority need of accommodation and had local connections (Murie and Forrest 1988). However, with the erosion of the size of the public rental stock and the increase in the number of homeless households as a result of the depression of the

1980s, local authorities found themselves in an increasingly difficult situation. Capital was not available for new state house building to replace units sold, and the stock at their disposal was being eroded by sales. The result has been a massive increase in the use of temporary accommodation for the homeless in private hotels and boarding houses at considerable expense to local authorities as they meet their statutory obligations. The costs of such short-term solutions are now greater than the cost of providing permanent solutions, but they would require capital expenditure which would be prevented by the central government (Bramley *et al*. 1988, Darke and Darke 1988).

The latest development in the struggle for local control over housing resources has been the government's move to remove housing from local authorities and transfer it to housing associations. This will be facilitated by legislation which permits council tenants to opt out of council control and into housing associations or other forms of private landlording. The housing associations, although having a local presence, are national- and regional-based organisations and so take away control from the local community and from elected representatives (Cochrane and Anderson 1989).

Enterprise zones and urban development corporations

The conflict between central and local government, which is illustrated by the sale of council houses, is also reflected in the creation of a variety of local private-sector schemes to encourage economic development. The major ones have been the creation of enterprise zones, urban development corporations, and freeports. A common theme in these various schemes was the attempt by central government to bypass the local elected authorities and create new forms of local development agency, but ones which were private-sector driven rather than localauthority. The purposes were clearly political and ideological as much as economic. The net effect was to reduce the scope of the local authority initiatives in local economic development and increase the role played by non-elected and therefore non-accountable locally, private entrepreneurs.

The first of these schemes introduced in the Local Government Act 1980 were the Enterprise Zone and the Urban Development Corporation. The enterprise zones were envisaged as being 'mini'

Hong Kongs where aspects of state control, both central and local, would be removed, enterprise would thus flourish, and economic growth result. The enterprise zones were to be administered centrally and were intended to circumvent elected local government. As one observer has noted this was 'state intervention to prove state intervention doesn't work' (Duncan and Goodwin 1988:132). The operations of enterprises within these areas were to be encouraged through four measures:

1 Exemption from development land tax
2 100 per cent allowance for corporation tax and income tax for capital expenditure on industrial and commercial buildings
3 The abolition of the need for industrial development certificates
4 A simplified planning regime so that all development conforming to a basic outline plan would automatically gain planning permission.

(Duncan and Goodwin 1988:132)

Concessions of this order were clearly aimed at lowering the costs to business of establishing in these regions rather than elsewhere. In the first wave of activity from June 1981 to April 1982 eleven zones were designated and a further thirteen were established from November 1982 to March 1983. The political overtones of the programme are reflected in the the fact that fifteen of the designated zones have been in labour-controlled areas.

The second type of organisation provided for in the 1980 Local Government Act was the Urban Development Corporation. These again were designated centrally by the Secretary of State for the Environment. However, they operate over a particular area and in effect replace the local authority institutionally whilst they are in operation. The Act enabled the Secretary of State to set aside the existing powers of the local government with respect to planning, housing, public health, and building controls and transfer these responsibilities to the Urban Development Corporation. Further, publicly owned land in or adjoining the designated area could be vested in the Corporation. The Corporations were made up of non-elected members drawn principally from those with business and property development backgrounds. The Corporations were large development agencies employing large sums of public money and owning large areas of land. The creation of these new

Corporations has meant a transfer of control over local development from elected local government to bodies which, although operating locally, are centrally appointed and responsible. The two urban development Corporations established in 1980 were the Merseyside and the London Docklands Development Corporations.

The London Dockland Development Corporation was established in 1981 and was responsible for an area of some eight square miles. The area was one ripe for redevelopment as the decline in the docks had led to decay and change in activity. The moves to containerisation and larger vessels rendered much of the upper Thames dock areas redundant. The process had been occurring through the 1960s and 1970s but the conflict of interests, ideas, and strategies between the various owners, 90 per cent of which were public sector bodies,[1] had resulted in little actual development taking place. The Thatcher Government utilising the powers provided in the 1980 Local Government Act established a Development Corporation. The pace of development quickened as the Corporation followed strategies to bring about a complete restructuring of the area. The main obstacles that were identified by the Corporation were that the area had too many unskilled and old people and that the existing labour force had skills which were geared to traditional industries. It was therefore necessary to attract both new commercial activities and services and a different population (Goodwin 1991). The Corporation attempted to change the area by providing a flow of serviced land which was then developed by a range of volume house builders and commercial developers.[2] Over the period from 1981–86, for example, the Corporation spent about £214 million or nearly 72 per cent of its total budget on land acquisition, reclamation, and treatment. The land developed by the Corporation was sold to the highest bidders which meant that the original population of relatively low-income inhabitants were unable to buy the land and the developments which were produced became out of reach of the locals. Consequently, the population changed with an influx of new, service-class young urban professionals, more affluent workers who found the area a convenient location for the city. The Corporation board was a mix of property capital, civil servants, and compromised local Labour politicians with the two chairmen both being drawn from large property companies (Ambrose 1986).

The Corporation clearly enabled a more rapid development to take place than had been possible under the previous situation where control had been in the hands of a number of local governments. However, the style of development was quite different from that envisaged by the local governments of Southwark, Tower Hamlets, and Newham and the benefits did not flow to the local population but to property development companies. The intervention of the central state in local development via the agency of the Docklands Corporation was one which facilitated capital accumulation rather than the satisfaction of local population needs.

The two British examples clearly show how the central state, faced with local opposition to its plans, attempted to bypass that opposition through the exercise of increased central power. The aim in both cases was to further the privatisation of the development process to enable greater choice and facilitate a more market-led activity. Just as in the 1950s and 1960s the growth of the welfare state and the non-productive urban infrastructure formed the core interest of urban analysis, so in the 1970s and 1980s it has been the reshaping of that infrastructure and its modification through privatisation which has moved to the centre stage of urban analysis.

CASE STUDY 2:
NEW ZEALAND CASE STUDIES: HEALTH,
MAORI AFFAIRS AND EDUCATION REFORM

The Labour government which was re-elected for a second term in mid-1987 targeted social policy as its chief area of concern for the second 3-year term. The result was the establishment of reviews of the major areas of social spending and service activity in health, local government, social welfare services and benefits, and education. The reviews were designed, along with the Royal Commission on Social Policy (established in 1986 and finally reported in April 1988), to provide the basis for a restructuring of government social policy to make it more effective and responsive to current needs. However, the government agenda was always one of contradictions. The Royal Commission delivered a report which endorsed universal benefits and a more active role for the state in such areas as macro-economic policy-making and the labour market which was in direct conflict with the general thrust

of the government's policy followed since July 1984 (Royal Commission on Social Policy April Report 1988, Boston and Holland 1987). The task forces on health and education in contrast to the Royal Commission produced reports in which efficiency and choice were the watchwords and advocated more market-driven systems to produce the required greater efficiency and effectiveness (Gibbs Report 1988, Picot Report 1988). It was no coincidence that the people who headed these task forces were successful Auckland businessmen rather than health or education professionals. Nor was it surprising that the diagnosis delivered required extensive changes to the system currently in operation in the direction of greater private sector involvement and competition between the various 'health providers' in the case of health to ensure that the service improved in its efficiency. In education the same goal of efficiency was to be achieved through an emphasis upon greater consumer sovereignty in the control of educational institutions requiring an entirely new system of administration to be developed to replace the existing system which had evolved over the past 90 years. Underlying both the arguments applied in the health and education areas is a belief that what produces effective service is an increase in consumer power represented by choice. In this way the market principle is allowed into social provision to ensure the 'discipline' of the market is brought to bear, which will then lead to the desired improvements in efficiency taking place. Faith in market processes is currently replacing technical rationality, arising out of the expertise of full-time impartial officials, as the proposed basis for the development of systems for the delivery of social policy.

After the election of mid-1987 the agenda being pursued by the government with respect to social policy was not ostensibly about saving money but about improving the accountability and effectiveness of spending in the public sector. However, the tightening of financial controls on government departments to lower the fiscal deficit as part of the government's fight against inflation resulted in increasing pressure upon departments to save funds through the reorganisation of services and responsibilities. Cost cutting therefore became as important as improved service delivery and was mostly achieved through privatisation strategies such as competitive tendering, contracting-out of work, and the selling of surplus assets.

Health changes

In the area of health reform there have been two influential reports which have shaped government policy. There has been one on health benefits[3] which dealt mainly with primary health care and one on hospitals and related services (Gibbs Report, 1988). The latter report reflects most clearly the current drive towards a more individualistic market-oriented system. The report at the outset suggests that 'people cannot avoid responsibility for their own health' (1988:2). The problems of the present hospital system of lengthening waiting lists, now containing 50,000 people of which 8,000 have been waiting for 2 or more years, are located in poor management. This arises from a lack of knowledge of the cost of the outputs of the hospital system due to the absence of a market in which prices could become a way of monitoring and improving the efficiency of the service. This is linked to the present lack of consumers' ability 'to determine the pattern of services supplied or have their wishes and needs given priority' (1988:23). The proposed solution is to create, therefore, a form of market place in which individuals are given greater choice and providers are encouraged to compete. The report recommended a new management system which separated the funder, the government, from the providers of services, the public and private hospitals, voluntary organisations, and primary agencies. The report, however, was not implemented by the Labour government, which chose instead to restructure area health boards to include responsibility for both hospital and primary health care and to place financial limits upon their activities to encourage greater efficiencies.

The elections for such new boards began towards the end of 1988 with the establishment of the Auckland Area Health Board. Almost at once this board was faced with the necessity to cut millions of dollars from its budget because of overspending in the past and the increased costs of such items as wages and salaries and the Goods and Service Tax (GST), which rose by 2.5 per cent in July 1989. The government did not provide compensation to boards for this rise. Instead they were expected to absorb the increase through greater efficiencies. The Auckland Area Health Board's failure to achieve the savings target led to it being replaced by a Health Commissioner. The dismissal of the newly elected board for failing to meet government financial targets is in some

ways reminiscent of the Clay Cross affair and has had a similarly salutary effect on the other newly elected boards who are also faced with cuts to their facilities and services to trim their budgets back within the government's financial allocations. The Canterbury Area Health Board, for example, has been required to trim $30 million from its budget and in proposals released in 1990 identified a range of possible cost-cutting measures which include the closure of Coronation and Jubilee hospitals—the Board's two geriatric care hospitals—and Christchurch Women's Hospital along with other rearrangement of services. The choices of areas to cut reflecting the political power of the various consumer groups within the health area.

The election of a National Government in October 1990 has put back on the agenda the greater privatisation of the health system. The immediate steps taken in December 1990 have been the raising of prescription charges and the abolition of the GPs' contract scheme introduced by Labour in July 1990 in an attempt to reduce the cost of a visit to a GP. The next stage of change appears likely to be a move back to the Gibbs Report notion of separating funders and providers and may include the 'corporatisation' and then sale of public hospitals.

Maori affairs

The moves to restructure the Department of Maori Affairs are also ones which appear to be about devolution of the delivery of state aid and the acquisition of greater control over resources by the affected group. The proposals here are that the Department of Maori Affairs be abolished and replaced by a much smaller Ministry of Maori Policy with an advisory/policy role across the whole spectrum of government activity. The range of services and activities previously carried out by the Department in such areas as housing, community development, and Access programmes would be devolved to *iwi* (tribal) authorities. The purpose of the proposal is seen as providing a greater role for *iwi* in the shaping and delivery of government resources. Further, other state departments such as those delivering health, education and housing would be required to deal directly with Maori communities through *iwi* organisations. The *iwi* thus would become the focus of the new delivery system in recognition of their traditional role within Maori society. As the report comments:

> Maori signatories to the Treaty of Waitangi represented a specific *iwi* or *hapu*. The strength of the traditional *iwi* structure is reflected in their community existence today. They are strong, enduring, sophisticated systems of cooperation and community effort and as such it has been advocated that they provide an appropriate means of delivering governmental programmes to Maori people.
>
> (Department of Maori Affairs 1988:13)

The moves, then, recognise both the fact that Maori society is tribally-based and that an increased sense of Maori identity has led to a demand for greater internal control over resources and a greater degree of self-management. The proposals reflect these demands by moving in the direction of decentralising responsibilities. However, the key to how far the process actually changes existing sets of relationships depends not so much on the formal structures but upon the level of resources actually allocated to the *iwi* authorities. The *iwi* may be encouraged to assume new areas of responsibility but unless this is accompanied by an appropriate readjustment of resources available the moves will not change the power relations or relative position of the Maori. The *iwi* could simply become the focus around which discontent could revolve rather than central government. It would now be the *iwi* who were seen as responsible for local initiative and development rather than a central government department.

Education reform

The Picot education taskforce was established in July 1987 and was required to report to the Ministers of Education, Finance, and State services. The terms of reference of the committee were to examine:

1 The functions of the head office of the Department of Education with a view to focusing them more sharply and delegating responsibilities as far as is practicable;
2 The work of polytechnic and community college councils, teachers college councils, secondary school boards, and school committees with a view to increasing their powers and responsibilities;
3 The Department's role in relation to other educational services;

4 Changes in the territorial organisation of public education with reference to the future roles education boards, other education authorities, and regional offices of the Department of Education;

5 Any other aspects that warrant review.

(Picot Report 1988: ix)

The task force in its report identified the existing system of education administration as one which was: 'over-centralised, overly complex, lacks information, choice and efficient management practice, and provides feelings of powerlessness' (Picot Report 1988:44).

The existing system was one which vested administration of the nations primary and intermediate schools in education boards, regionally-based covering the country. These boards with funds provided by the Department of Education managed the schools. The education boards appointed the staff, maintained the buildings, and allocated funds to each school for their running costs. At the school level there were elected school committees which handled the allocated grants and any other moneys raised by the school itself from parent donations and other fund-raising ventures. The school committees were elected every 3 years from among the local ratepayers living within a school's catchment area. The members of such committees did not have to be parents of pupils currently at the school although invariably they were. The education boards were also controlled by elected and appointed members drawn from the .local community and school committees in the region served by the board. The system provided some elements of local accountability and democratic control although in practice many of the members of education boards had served for long periods and competition for school-committee vacancies was seldom strong.

Secondary school administration was controlled by a system of independent boards of governors for each secondary school, composed of both representatives elected from the parents of present pupils and appointed members from the local education boards, and universities. Boards had considerable powers over the activities within the school. However, approval of most activities was required from the regional offices of the Department of Education, which also controlled funding for areas such as capital

works and maintenance and also provided inspection and advice services and exercised control over the curriculum.

The multi-tiered system of education confronting the taskforce in the 1980s had evolved over many years and had many layers of administration which often meant long delays in securing approval for action and initiatives leading, according to the Picot taskforce, to considerable frustration with both the Department of Education and education boards by school committees, and boards of governors, teaching staff, and principals. The solution for the taskforce was to strip away all the layers and reconstruct the system with more autonomy for the individual schools. This meant the abolition of both education boards and the Department of Education.

The new scheme proposed centred on each learning institution. These were to be the new building blocks of the administrative structure. Each school would be managed by a locally elected board of trustees. Each board would be constituted of five parents elected from the parents of pupils at the school, the principal, and a staff representative, who did not necessarily have to be a teacher, and in the case of secondary schools the addition of a pupil representative. In addition, the boards would have the power to co-opt up to three additional members 'to ensure that the board properly reflects the composition of the community, or to ensure that particular expertise is represented and available to the board' (Picot Report 1988:50). The government has seen this particular provision as a mechanism for increasing the representation of Maori and Pacific Island representatives on the boards of trustees, especially as these groups were not particularly successful in the initial elections to the boards of trustees held in April 1989. This action indicates one of the ways in which the new system has actually increased the role that central government Ministers are able to play in the constitution and operation of the local boards.

The parent representatives are the dominant group in the new structure. Thus the new structure shifts the power from the ratepayers living in an area under the old school committee system and a mix of parents and other bodies for the boards of governors to the parents and teachers within a given school. Fulfilling the objective for the Picot taskforce of giving greater power to the consumers of education in decision-making.

The board of trustees once elected is required to develop a charter to guide the school's operation. Such charters would reflect

local emphases alongside the nationally required curriculum. The effectiveness of the management system produced by the boards would be assessed periodically by a review and audit agency which would be charged with a review every 2 years of how far the school had achieved its objectives as defined by the school's charter. The charter would provide the basis for the school's operational plan. The review agency would be established independently of the school by the Minister and report directly to the Minister.

The existing Department of Education as well as the boards have been abolished and replaced by a new style Ministry of Education with three clearly defined divisions. These are policy formulation and advice, policy implementation, and property services.

The central feature in the new structure is that of the school's charter. This paradoxically provides both the illusion of local control and a device for increased levels of central control over the educational system. The content of the charter is set out so that consistency and national objectives are met. In setting out the principles which are required to be incorporated into each charter the government has indicated that these must reflect the social objectives of government policy. The clearest indication of this is the requirement to incorporate the recognition of New Zealand bicultural heritage and the central place of the Treaty of Waitangi and in the inclusion of equity goals and objectives.[4] Charters must also include national guidelines with respect to curricula areas of development and personnel policies.[5] Included in this latter area has been the placing of senior staff within the secondary school system upon contracts. The issue of contracts and employee rights produced a struggle between the Post Primary Teachers Association (PPTA) and the government, which resulted in a series of regional 1-day strikes during the early part of 1989. Contracts were seen as a means of separating the principal and other senior teaching staff and redefining them into a more managerial rather than a collegial role. The local boards of trustees in preparing their initial charter were heavily constrained by national guidelines which provided increased scope for ministerial interference and control over the activities of the individual learning institutions through the initial charters and during subsequent revisions

The new boards were elected in April 1989 and were required to produce their first charters by October 1989. Schools also received

a budget for non-salary and non-teaching staff salaries (caretaking, cleaning, clerical) items in 1990. The salaries of teachers were be added to board funds the following year, 1991. Trial budgets were distributed to the new boards of trustees in June 1989 based on a funding formula worked out by the implementation team which was to reflect such variables as age of buildings, remoteness, etc. The general response from the boards around the country has been that the amounts allocated appeared to be anything from 10–25 per cent below current operating costs. Some of the outcry may be exaggerated through an element of public posturing by some boards to attract more funds to their particular school. However, the extent of dissatisfaction suggests strongly that cost cutting is in fact an element in the process and that the reform process has not substantially reduced the size or role of the educational bureaucracy—a conclusion strengthened by the changes made to school charters in the Education Act passed at the end of 1989, which produced considerable opposition from school boards of trustees. The continued budgetary problems led to a review group being established to re-examine the 1990 allocations to larger schools. The original 'formula' had been based on 'economies of scale' within such schools. The result of the review has been a further allocation of monies to 652 schools at a cost of $23 million. A further sign of uncertainty in the new system was the decision in mid-1990 to reduce the size and activities of the Education Review Office (one of the corner stones of the original Picot Report) to save $6 million annually, which would then be available to schools for their operation.

The transfer of budgetary control from central government institutions to local elected bodies again transfers responsibility and redirects protest and opposition. The Minister of Education observed on a visit to a high school—if the art supplies run out next year—you will be able to blame your board of trustees and hold them accountable! Managing operating costs, which are constantly rising, within a budgetary straightjacket will not be an easy or enviable job for many of the newly created boards. Further, the level of charter direction, the retention of the national guidelines and of budgetary control, may mean in the end relatively little real autonomy has been 'devolved' by the state to the new units of education administration. Thus the extent of power sharing may be limited.

The pace of change within the education system has not abated with a new government, rather, the agenda of reform has been continued. The latest proposal is for the transfer of ownership of schools, their land and buildings, to the boards of trustees who would then receive their capital funding on a per-pupil base but would be responsible for maintenance, extensions, and improvements. Under such a system schools with falling numbers and unable to finance themselves would go bankrupt and have to close. The move would effectively corporatise state schools and could pave the way for the full privatisation of the public education system.[6]

The three examples cited here have all in their various ways shown something of the current path of public sector restructuring which is taking place. The agendas in all cases are ones which incorporate a tension between devolution and continued central control. In the case of area health boards and school boards of trustees they ostensibly have power to determine their principles and policy in consultation with their local community. However, the community is ill-defined, the mechanisms for consultation imperfectly developed, and the initial representation achieved tends to reflect the existing entrenched and relatively advantaged social groups. Further, in attempting to exercise their autonomy they are required to operate within the budgetary constraints imposed by central government. These, because of the state's fiscal policies, have been ones which require economies and retrenchment rather than the expansion of services. The Canterbury Area Health Board, for example, has to find $30 million worth of savings. None of the proposed ways of cost cutting have been viewed enthusiastically by the 'community'. The decisions to close geriatric hospitals and trim community health services indicate the continuing weaknesses of these areas of health delivery as opposed to the more expensive and entrenched areas of clinical medicine. The changes within the area of Maori Affairs is also one which provides the same set of contradictions. It redirects resources from central government departments to tribal authorities and gives them an increased range of activities for which they can assume responsibility. However, it does not specify the level of resources nor how the *iwi* will become accountable. It is after all possible for such authorities to be the subject of capture and thus the final distribution to be less than fully responsive to the needs of the wider community.

The analysis suggests that the state restructuring within the three areas examined is in fact consistent and in the direction of devolving responsibilities more rapidly than it is devolving resources or control over revenue collection and expenditure. The state thus in fact retains final control but creates a new set of 'front people' to act as mediators between the community and the state.

CASE STUDY 3:
AUSTRALIA—PRIVATISATION OF THE
PUBLIC SECTOR

The Australian states have also been reshaped by economic and social restructuring. A central element within this restructuring has been over the nature and extent of economic rationalism. Economic rationalism contends that allowing market forces to operate freely will enable economic growth to take place in an efficient and innovative way. This is contrasted with the limitations to such growth created during periods of government regulation and intervention. The shift in policy is from demand to supply-side economics with greater controls being exercised upon the amount of money in circulation, which is seen as the key to the reduction of inflation and to forcing a restructuring of industrial and other activity. Coupled with this programme has been the adoption of deregulative measures to reduce subsidies, increase productivity, and create more opportunities for individual entrepreneurial activities. The rise of this rationalism within the political process in Australia began after the Whitlam government was defeated in the mid-1970s. The Coalition government led by Malcolm Fraser moved some way towards a more market approach through such actions as the dismantling of Medibank. However, the policies adopted were incremental rather than dramatic (Head 1989). It was not until the Labor government of the 1980s that the pace quickened. The Hawke government set itself the the task of delivering fiscal responsibility and efficient management of the economy and society.[7] Contradictions were present from the beginning as the adoption of greater economic rationalism came into conflict with the corporatism of the Accord. There has been strain, therefore, between the deregulative and monetarist policies followed and the more demand-oriented Accord with its concerns for full employment and the social wage.

By 1986 the balance had shifted to one of targeting those in need and creating conditions for wealth generation as the necessary first step to meeting the requirement of social reform.[8] The drive for productivity and efficiency has been marked in some of the States, especially New South Wales after the 1988 election of a Liberal/National coalition government, by a move towards greater privatisation of the public sector and the reform of the education system to place more emphasis upon training (Baracan 1989).

Public housing sales

Privatisation, which is a central theme of the new economic rationalism, is not a new phenomenon in Australian public policy. An early move towards privatisation occurred with the sale of public housing which began in the 1950s. The Liberal-National government of Robert Menzies moved at this time to encourage state governments to sell their housing stock to sitting tenants. The incentives to buy from the tenant point of view were those of discounted prices and low interest-rate loans. The state which applied the policy the most vigorously was that of Victoria. Between 1950 and 1981 28,500 publicly rented units were sold to sitting tenants which constituted 51.5 per cent of all public housing units constructed or purchased in Victoria over this period (Evatt Research Centre 1989). It has been estimated that without the sales policy Victoria in the mid-1970s would have possessed 115,000 housing units whereas the actual number was 37,674, reducing public housing to around 3 per cent of total housing stock (Burke *et al* 1984). The other states with the exception of South Australia followed a similar path (Berry 1988). As also happened in Britain during the 1980s, as a result of a sales policy, it was the best and most modern accommodation which sold most rapidly increasingly leaving the state holding the more expensive to maintain and least desirable properties. In Victoria this has included a high proportion of inner-city high-rise flats. The net result of the policy of sales by the 1980s was one of rising costs of maintenance, problems of collecting market rents from tenants, most of whom were earning low incomes, which led to deficits rather than surpluses in the public housing accounts and lengthening waiting lists. Victoria, for example, in 1988 had 79 per cent of its public tenants in receipt of a rent rebate, and over

33,000 on the waiting list for public housing (Evatt Research Centre 1989).

Despite the disadvantages of the sale policy which led it to being abandoned in 1981, it has been resurrected by the present Liberal-National government in New South Wales. The budget plans for the state envisaged the sale of 400 public housing units and the raising of $80 million. The scheme again provides incentives for purchase for the sitting tenants in the form of discounted prices and concessionary interests rates. The history of public housing suggests that the revival of privatisation has as much to do with political ideology as it does with economics (Troy 1988, Kemeny 1980, 1983).

Privatisation

The Liberal-National government of New South Wales since its election in March 1988 has generally set in place a move towards greater privatisation to reduce public expenditure and thus create the conditions whereby tax cuts could be made. The range of privatisation measures adopted have been quite extensive and have included the sales of public assets, corporatisation of government activities, contracting-out of services and the shifting of a number of welfare services 'off budget' placing them under the responsibility of private agencies, families, and voluntary associations. During its first year in office the government initiated policies which included the sale of state-owned property and land, inauguration of private tollways, partial privatisation of electricity production (proposed), lease of the navy base at South Head for a private university, substantial staff cuts and expanded use of contract labour in Elcom, increased use of community groups in provision of welfare services, abolition of 2,000 teaching positions and closure of 15 inner-city and North Shore schools, closure and cutback of country hospitals, rail services, and court houses, closure of one quarter of the state's community welfare offices, and abolition of 350–400 positions (Evatt Research Centre 1989:170–171). The government was thus embarking on a massive attack upon the public sector and developing a strategy based on the maximisation of private provision. The ideological underpinning of this shift can be seen in the report of the Curran Commission established by the new government in 1988 as a commission of audit to establish a 'true' balance sheet for the public sector in

order that sound management practices could be introduced. The Commission concluded that state provision is invariably and inevitably inferior and should be replaced wherever possible by private provision to enhance individual choice and improve efficiency of services thus setting the scene for a privatised future.

Education

The reform of the education system has been a feature of all three countries in the 1980s. Common to all has been the move towards a common curriculum emphasising skills and seeking to 'train' students better in order to provide for the employment needs of the changing societies. In the Australian case the changes have seen the creation of a Ministry of Employment, Education and Training. The reform process started though with the tertiary sector in 1987 and then moved on to the primary and secondary sectors in 1988. For tertiary education the planned changes increased the level of ministerial control and shifted the allocation of funding for research from the researchers and academics who traditionally had handled this task to business and financial managers who are 'economic rationalists—people who have never done or managed risky creative work—do not know how to recognise, teach, recruit, equip, motivate such creative talent' (Vice Chancellor of Melbourne University quoted in Stretton 1989:30). This reaction from one vice chancellor indicates the enthusiasm with which the plan has been received by the university sector. The stated objective of the reform is to ensure that research more closely reflects the economic and social objectives and priorities of the government. The Federal Minister of Employment Education and Training under the reforms became responsible for the distribution of funds to the various institutions as 'the Minister determines' (Stretton 1989) without any recourse to parliament or public debate. The use of this financial leverage has been seen in the pressure placed upon tertiary institutions to amalgamate to create larger units. The incentive for this has been increased funds to the larger institutions and threats of cuts to the small ones if they do not merge. In Melbourne, for example, there has been a merger of the Royal Melbourne Institute of Technology, the Footscray Institute, and the Western Institute into one university which is spread over several campuses and designed to service the western suburbs. Further, changes proposed envisage greater contestibility

for research funding and a clearer demarcation between staff engaged in research and teaching. Such changes place at jeopardy the traditional relationship between teaching and research within the university. The maintenance of the status quo in this respect within New Zealand was one of the successes achieved by universities in their resistance to the government's restructuring proposed in *Learning for Life* (1988).

In the case of secondary and primary education the federal government launched its programme of reform in May 1988 with a discussion paper entitled 'Strengthening our Schools'. A key feature was the creation of a national curriculum based around maths, science, technology, English, Asian languages, and Australian studies. The reform in Australia, unlike that in Britain or New Zealand, was brought about without legislation with the main avenue being through the control of the states' education budgets by the federal government (Baracan 1989).

Alongside these changes in curriculum has also been a shift in funding, which has required an element of user pays to be introduced. At the tertiary levels this has meant the introduction of a graduate tax and full fees for overseas students and at the lower level the necessity for schools to levy a 'voluntary' fee to cover part of their operating costs. In Victoria, for example, most schools during the 1970s introduced such a 'voluntary' fee. The extent of schools' dependency on this fee is indicated by a 1988 survey which showed that this source of funding now represents something of the order of 30 per cent of schools' non-salary operating costs, having doubled from 1982 (Evatt Research Centre 1989). One of the results has been a greater variation across the urban area of Melbourne in moneys available due to the level of fees charged and in the proportion of the parents who pay the 'voluntary' fee. The highest fees and greatest proportionate payments are in the more affluent eastern suburbs emphasising the gap between the affluent and poorer schools.

SUMMARY

The case studies reviewed in this chapter provide further evidence of the impact of economic and social restructuring upon the state sector and the delivery of social provisions to local areas. There has been a continuing conflict between the central state and the local regions. This conflict is somewhat more complex in the

Australian case as a result of the federal system. During the 1980s the federal government, following a programme of fiscal austerity, placed pressures upon the states to trim their social spending. The result was the adoption of varying responses highlighting the crucial mediating role still played by the state governments. New South Wales, particularly after the election of the Liberal-National Coalition government in 1988, has rapidly adopted a privatisation solution of divesting the state of assets, charging for services, and returning activities to the realm of the voluntary sector. In Victoria, in contrast, the Labor government has been much less enthusiastic about such a programme and adopted a more 'demand' management counter cyclical programme, which has involved intervention to promote economic growth and only selective rather than wholesale privatisation (Evatt Research Centre 1989). In Britain and New Zealand the shift towards privatisation has been strong and in both cases has resulted in increases in central government power and control, justified in both cases on the grounds of increasing consumer choices and individual freedom. The paradox of the 1980s is the creation of more government to create less government!

7
HOME OWNERSHIP AND
CONSUMPTION SECTORS

The discussion so far has examined the impact of the restructuring of the international division of labour upon the occupational structure and patterns of employment and has identified a number of important national- and regional-level variations demonstrating the continued importance of both nation states and regions. Alongside these changes to the economic and employment structure there have also been shifts in the organisation and delivery of welfare provisions as the nation state is restructured (see Chapter 6). The changes that have occurred impact upon the lives of people through their experiences at the local level where they live. Much has been made in recent discussion of the need for physical and social security in the contemporary, fragmented social world.[1] A major contribution to this is home ownership where the home provides a place of potential material advantage and a source of territorial security for the residents and thus satisfies both an economic shelter and social-psychological requirement. Saunders in his most recent discussion goes further than this and suggests that there is a 'natural basis to the desire to own' (Saunders 1990b: 60) indicating home ownership is a product of both biology and ideology.

The locality is, therefore, an important arena to explore. It is also a key place to examine the relationship between changes in production and within consumption. The balance between these two processes is a matter of much contemporary debate. For some the relationship is changing, leading to a complex restratification of late capitalist societies as a service class emerges with a distinctive life style oriented around consumption (Saunders 1986, 1990b, Dunleavy 1979, 1985). The phenomenon of the 'yuppies' and the 'Sloane rangers' are part of this new cultural style and have become features of the contemporary urban scene to which are

now added the 'pippies' (people inheriting parents' property) (Thrift 1989, Saunders 1990b). Underlying these debates are an important set of questions regarding the links between production, reproduction, and consumption, the nature and role of space in contemporary society, and the place of localities within a theoretical understanding of change.

Space has become a central point of contention with both advocates of 'space' not mattering and those who continue to see the centrality of space to any understanding of contemporary urban life. Saunders has been the most prominent of those arguing space does not matter. He goes as far as to suggest the need to create a 'non spatial urban sociology' (Saunders 1985). This is something of a contradiction in terms and really suggests the abandonment of a focus upon urban environments altogether. Saunders, however, would replace spatial questions with those about consumption which he sees as central to urban living in contemporary society. One of the problems for Saunders is that his analysis is very strongly influenced by the 1960s-to-1980s experience of the growth of owner occupation within Britain. This change in tenure was made the central pivot of Saunders' sociology of consumption and from his historical analysis of tenure he derived his ideal type model of the progress from forms of consumption based on markets, to socialised, and finally to privatised modes of consumption. Housing for Saunders is the single, most significant consumption resource partly because of its accumulation potential and partly because of its social and psychological importance in contributing to a sense of 'ontological security'. For Saunders there are economic, political, and cultural dimensions to the consumption sectors which are emerging. The economic are concerned with housing and the wealth transfers that occur through owner-occupation both within generations and between generations. The identification of the possibilities of significant intergenerational transfers of wealth as the newly created home-owning generation leave their capital to their families has given rise to speculation as to how this will enhance and reinforce the position of the middle class within British society expanding their consumption horizons and modifying their life styles (Hamnett 1989c). Housing is thus both a source of wealth and a means of access to other consumption resources within the society such as cars and travel. The political significance is seen to lie in modifications to the patterns of voting. The emergence of the

privatised mode of consumption is reflected in the voting strength of the Conservative Party in the southern part of Britain and the retreat of the Labour Party from a 'socialist' to a social democratic policy. This has lead some to argue for the formation of 'two' nations within contemporary Britain (Dickens 1988).

At the level of cultural change the focus here has been on the home as a place of security and control where individuals can express their autonomy within a relatively autonomous system of social relations. The move to see the home as both a physical unit and a socio-spatial system takes the consideration of housing beyond economic returns and into much wider considerations of household structures and divisions, gender relations and the links between paid and unpaid work, and the degree to which women are an exploited part of the household. The attainment and maintenance of home ownership in most western societies is now dependent upon the existence of two incomes which requires the involvement in the paid labour force of both partners (Myers 1985). However, this has not as yet led to a redistribution of unpaid domestic labour. Studies have shown that men take on maintenance work which contributes to the wealth accumulation aspects of the house, whereas women's activities tend to be confined to house cleaning, cooking, washing, and ironing (Smith 1989b).

The extent of satisfaction among women with their housing and household has led some writers to the view that the claims of feminist writers that the home is a major source of women's oppression to be exaggerated (Saunders 1989, 1990b). The experience of the 'home' by the various household members is not necessarily the same or constant but is likely to be affected by their age, stage in the life cycle, gender, class, and ethnicity. Clearly for housing to be translated into 'home' a social process occurs which consists of the sets of relationships between household members in which services are provided and received and reciprocities established. Such relationships may be the product of mutual agreement or may be arrived at through a mixture of agreement and forms of domination and exploitation.

The significance of housing cannot, therefore, be denied within advanced capitalist societies. However, it is more than a source of economic return and in theorising and analysing housing it is necessary to integrate an understanding of both its economic, political, social, and psychological significance.

There are a number of both theoretical and empirical weaknesses to Saunders' work. His identification of phases in tenure development are not fully supported by evidence and his theoretical framework is overly dependent upon the tenure shift to owner-occupation of the 1960s and the assumption that this will continue to deliver positive advantages in the foreseeable future.

Saunders on the basis of his recent three-towns study comments that: 'There is no reason to accept the arguments of those who claim that the gains will prove temporary and that owneroccupiers are about to get their come-uppance' (1990b: 154).

However, there are questions with respect to the early part of the present century that require attention. In the nineteenth century, British housing consumption was dominated by the 'market' mode of provision with the majority of the population living in private rental property. After the First World War state intervention occurred to try and increase the level of housing stock to provide 'Homes for Heroes' as promised by Prime Minister Lloyd George to the returning soldiers. The successful housing of these returnees from France was seen as important both to fulfil obligations and perhaps, more significantly, to prevent discontent boiling over into political protest and even revolutionary activity. The government, therefore, moved to provide subsidies to local authorities to increase rental housing for workers. The 1919 Housing and Town Planning Act required local authorities to survey housing needs and provide for 'general' needs rather than just slum clearance. The result was a strong expansion in public housing over the 1920s with 170,000 additions to the total stock, well short of the promised half million. Private house building also picked up in the 1920s and by 1924 was running well ahead of public construction. The balance between public and private housing was further tipped in favour of private construction with the Chamberlain Act of 1923 which provided a subsidy to private builders as well as local authorities. During the 6 years it was in operation, subsidies were provided for 438,000 houses, only 17 per cent of which were in the public sector. A strong belief was held by the Conservative government, of which Chamberlain was the Housing Minister, that the more people who could be enticed into home ownership the better it was thought to be and the lower the probability of unrest. Home ownership would turn potential revolutionaries into citizens with a financial stake in the system. In the 1930s home ownership expanded even more rapidly and

incorporated the upper levels of the working class increasingly into this tenure (Merrett and Gray 1982).

During the interwar years, therefore, both owner occupation and public rental housing expanded, but significantly it was owner occupation which expanded most rapidly, which raises doubts as to whether this was a period of socialised housing provision as Saunders has suggested. It was only from 1919–23 that state construction either exceeded private or was of a similar volume. In fact it is only after the Second World War that public rental became dominant and then for only a very short period of time, from 1946–51. After 1951 with the re-election of the Conservatives to the treasury benches, owner occupation expanded to become the dominant tenure form by the 1970s. Not only was this seen as desirable by the Conservatives but also by the 1970s Labour had adopted owner occupation as the tenure form for the majority. By the end of the 1970s it was widely believed that home ownership brought substantial financial gains to the owners. For example, the Secretary of State for the Environment in a parliamentary reply in 1979 stated:

> I believe that, in a way and on a scale that was quite unpredictable, ownership of property has brought financial gain of immense value to millions of our citizens…this dramatic change in property values has opened up a division in the nation between those who own their homes and those who do not.
>
> (quoted in Murie and Forrest 1980:2–3)

If the model of change Saunders sets out is appropriate for the British context, at the very least, it needs refining in respect to the time periods identified for the transition from one mode of provision to another.

The need for a more comparative framework within which to set Saunders' arguments, however, becomes quickly apparent if they are viewed against the Australian and New Zealand experience. A number of significant differences arise which raise doubts about the transferability of the argument beyond the confines of British experience (Dupuis 1989).

In New Zealand the provision of housing appears to have only really had two modes rather than the three identified by Saunders for Britain. In the nineteenth century the history of New Zealand

was one of land acquisition from the indigenous people by a mixture of confiscation and sale. The initial ownership structure was based on leasehold but by the 1880s this was being replaced by freeholding. The latter system was extended through the land-reforming policies of the Liberal government of the 1890s. The state became involved in subsidising private land acquisition and housing construction quite early in the development of Pakeha society, initially through the Advances to Settlers Act in 1894. Consequently, if New Zealand had a market mode, it was soon replaced by a private mode in which individual ownership was promoted through state assistance. There were further Housing Acts providing assistance for urban workers in 1905, and 1919 (Wilkes and Shirley 1984). The debate on the 1919 Act in parliament showed the strong ideological commitment to owner-occupation, one member, for example, stated that:

> Home ownership arouses better sentiment in the peoples' pride. Directly you give people a chance of living in a decent house, you render family life a possibility, family discipline possible, and you get at once an elevating influence working. It will kill discontent and disloyalty, and lead people to be more moral and self denying.
> (NZ Parliamentary Debates vol. 185, October-November 1919:371–374)

There was a brief excursion into socialised housing in the form of state construction of rental housing during the time of the first Labour government from 1935–49. However, state housing never exceeded 9 per cent of the total housing stock and more commonly has been around 6 per cent. Even during the years of state house building, greater resources flowed to owneroccupation through the State Advances Corporation which provided mortgage money at cheap interest rates so ensuring New Zealand became a society of owner-occupiers well ahead of Britain. In the 1930s the owner-occupation rate was, for example, 50.25 per cent whereas at an equivalent period Britain had only 32 per cent (Dupuis 1989).

Australia also does not fit easily into the British model of development set out by Saunders. Owner occupation was well established in the nineteenth century aided by high wages and a construction and finance industry oriented towards home ownership. Therefore, by the 1890s 50 per cent of Australians

lived in their own homes, rather less in the large cities of Melbourne (40 per cent) and Sydney (less than 30 per cent). However, the depression of the 1930s bringing as it did falling wages, unemployment, and the collapse of the building industry reversed the trend towards greater home ownership. The housing problems which this created led to the establishment of State Housing Commissions, for example, Victoria in 1938, to provide low-rent housing. The development of both a rented and ownership sector was Labor Government policy in the 1940s with the first Commonwealth Housing Agreement (CHSA) in 1945. This provided loan money at 3 per cent for 53 years to the states for public housing. The result was the building of villa estates in the middle and outer suburbs of the major cities. A shift from this dual tenure strategy to a home-ownership one came with the election of the Menzies Government in 1949 which both boosted funds for home ownership and encouraged the sale of public housing to sitting tenants. The strong ideological commitment to home ownership and the presence of similar rhetoric to that found in New Zealand and Britain can be illustrated through the comments of the Queensland premier in the mid-1950s when he stated: 'Home ownership encourages a sense of responsibility in the individual and is an antidote to any of the issues that may exist here. If a man is given a stake in the country his sense of citizenship is increased' (Berry 1988:112).

The result of both the ideological commitment and the financial support provided by state-subsidised loan finance allowed owner occupation to expand, rising to 74 per cent of all households by the mid-1960s.

Rates of home ownership remained high through the 1970s but in the 1980s some reduction in the rate of home ownership has occurred especially in the largest metropolitan centres of Sydney and Melbourne (Daly 1988). This change is a result of the deregulation of the finance markets and the greater competition for funds, which has resulted leading to housing becoming less attractive as a source of investment for financial institutions. This, together with inflation of property prices and reduced rates of earnings increase, has created growing affordability problems.

A second critique of the dominant debate as represented by Saunders' approach is the need for a more extensive time period than the last few decades to be covered. When the experience of home ownership over such a longer period of time is considered,

questions are raised about the inevitability of the process of capital accumulation within housing. Data from both the USA (Edel 1981, Edel *et al.* 1984) and from New Zealand (Thorns 1981, 1989a), show that the history of accumulation has been one of fluctuations in both the rate of gain and its extent over time. There have in fact been times when housing would have produced losses as well as gains. How far this is the case in Britain is still subject to debate with Saunders arguing that 'real gains have been made through most of this century and certainly ever since 1950s' (Saunders 1990b: 202). However, the data in his study is based on the more recent decades. The significant point in this debate is that patterns of accumulation are variable rather than uniform. This identifies the need to move from an aggregate level of analysis to one which takes greater recognition of when a house was bought, the location of the house, how long it was owned, and the social characteristics of the owner.

In the New Zealand case the 1930s depression brought falling house and land prices throughout the country. The result was that those who sold during the depression years, who had only recently acquired their property, would have done so at a loss so reducing their wealth holding rather than raising it. Further, more recently in the 1980s, during the most recent period of restructuring, there have been losses in real terms rather than gains within the regional service centres and a clear uneven pattern developing across the country (Thorns 1989a, Dupuis 1991).

The third line of critique is that those focusing upon the contribution of home ownership to consumption sector cleavages have not systematically integrated their work with studies of the labour market. At present the work which has examined the connection between the property and labour markets has been inconclusive. Pratt (1982 and 1986), for example, using data from Canada, argues against home ownership simply reinforcing positions gained through the labour market. However, Forrest and Murie (1988) from their study of housing histories within Bristol conclude that 'the nature and strengths of the connections between housing and labour markets will vary between groups and localities over time', so adopting a more cautious position where the context of the cases becomes central for determining the relationship. They also seem to suggest that the links are to be determined empirically rather than theoretically. Edel (1981) and Edel *et al.* (1984), however, are less in doubt and state from their

work on Boston that 'working-class home ownership is as much a source of financial entrapment as it is a genuine source of real accumulation', suggesting quite strongly the primacy of class positions.

The changes in the structure of labour markets in the 1970s and 1980s have been ones which have had uneven impacts upon the various regions within the three nations under consideration. The linkages of regional labour and housing markets thus becomes a very important area for exploration. The degree of independence of these markets or their interconnectedness has been examined by a number of writers over the past decade (Thorns 1982, 1989a, Gray 1982, Ball 1982, Berry 1984, Harloe and Paris 1984). Some writers have seen clear connections and argued that regional disadvantage is compounded by the way in which both labour and property markets have become depressed in regions which have been adversely affected by restructuring. Other writers have suggested that the thesis of cumulative disadvantagement has been the case for only specific periods of time (Hamnett 1987, Munroe and Maclennan 1987, Badcock 1989). The debate highlights the extent to which both property and labour markets are becoming more unstable and less predictable as a result of the greater fragmentation at the regional level, which is a result of the latest phase of capitalist restructuring.

The fourth area of critique of the present debate is the extent to which it fails to take account of ethnic and gender issues. This is somewhat surprising given the origins of the debate about housing classes was in a study of the access of migrants to the Birmingham (UK) housing market (Rex and Moore 1967). The debate subsequently through the late 1970s and 1980s has moved away from this concern to focus more narrowly upon the issues of material wealth generation among owner-occupiers and constituents of the new 'consumption sectors'. The composition of this group of owners is one which is largely male and white. Consequently, the gender and ethnic dimensions need to receive greater attention (Watson and Austerberry 1986, Watson 1986, 1988a and b).

The impact of gender on both entry to owner-occupation and returns received from this tenure need to be further explored. Recent research from both Australia and Britain show that the the possibilities of single people acquiring this tenure have decreased with single women, because their earnings are generally lower than

males, being particularly disadvantaged (Munroe and Smith 1989). Consequently, for women the attainment of home ownership is linked to forming a partnership. In an Australian study, for example, it was shown that 77 per cent of men and 76 per cent of women who have entered such a relationship owned compared to 23 per cent of men and 18 per cent of women who have never married (Smith 1989b). Further, women are less likely to retain ownership than men after a relationship breakdown because of their lower income and labour-force participation and child-care responsibilities (Watson 1988a and b).

The central themes in the present debate are whether tenure is a base for wealth generation and the creation of real material interests and thus a significant factor in the constitution of localities, and for the formation of political interests and social movements. The rest of this chapter will focus on an examination of empirical data from the three societies. This examination will be organised around three questions. Firstly, the extent to which there is wealth generation through tenure and if this is assured. Secondly, the impacts of property value changes for access to housing and its subsequent affordability across the population. Finally, the question of locality effects will be addressed in terms of regional and intra-urban variations in rates of house price inflation.

OWNER OCCUPATION

Owner occupation has featured as a key aspect in the debate about consumption sectors and urban restratification. It is valuable to examine the empirical evidence of change within the three societies under discussion. Australia and New Zealand have had longer histories of domination by this form of tenure and a less developed system of public rental housing than that which developed in twentieth-century Britain. However, both Australia and New Zealand have encouraged home ownership through state subsidy of the purchase process so facilitating entry to owner occupation across a wide spectrum of the population.

Capital appreciation: does it exist, is it inevitable?

The assessment of the debate requires that the level of capital appreciation through home ownership be established. One of the key problems here has been the difficulties of adequate

measurement (Dupuis 1991, Saunders 1990b). Not only is there the complexity of real versus nominal amounts but there is also the question of whether the debate should focus upon absolute or relative rates of increase. Finally, there is the question of what base should be utilised—the buying and selling prices or the return on the original deposit made by the purchasers. There are also issues of costs incurred by the house owner which would need to be deducted if a true picture of gain is to be achieved. Such costs would include the buying and selling costs, maintenance, mortgage costs, rates, and insurance. Given the variety of different measurements it is difficult to compile a uniform set of data. However, in each case it is possible from the available research material to draw some general conclusions. The empirical work has shown that the 1970s and 1980s in all three countries have generally been decades which have provided the basis for accumulation within the housing sector. Generally, a dollar invested in property would have realised a better rate of return than one invested in either shares or bank investments. However, the period is not one of uniform gains and is marked by a number of periods of rapid price escalation followed by slower rises. In some countries this allows regions which were slower to increase their house prices to 'catch up' and close the gap on the more affluent regions (Hamnett 1989a and b). The periods of boom and bust are not identical and have been shaped by the local contexts, policies adopted, and the structure of the finance sectors.

In New Zealand the first boom was between 1972–74, which reflected a national boom assisted by high commodity prices and substantial in-migration, especially to Auckland. These factors assisted in creating pressures upon urban land, so escalating costs. The result was to push house and land prices up at an unprecedented rate. The slowing in the mid-1970s reflected increasing costs, higher inflation, falling real incomes, and increasing interest rates. However, by the end of the decade prices had become more affordable and so another increase occurred, especially in the main urban centres. Again this did not last and in the early 1980s the rate of increase fell. The next rise was after the deregulation of the financial system in 1984, which briefly released more funds. However, rapidly rising interest rates made housing less affordable and after the stock market crash of October 1987 prices once again levelled off and have only started to recover in the late-1980s. Clearly the date of both purchase and sale becomes

Table 7.1 Returns to owner-occupied housing (New Zealand)

Period of investment	Nominal returns Government sector mortgage	Private sector mortgage	Real returns Government sector mortgage	Private sector mortgage
1961–67	16.5	11.1	13.2	7.9
1964–70	20.3	15.2	15.5	10.5
1967–73	29.7	25.6	22.0	18.1
1970–76	38.4	33.2	25.9	21.0
1973–79	35.3	27.7	20.8	13.8
1976–82	26.2	17.2	9.7	1.7
1979–84	30.8	22.2	16.2	8.7
1982–84	39.3	26.5	25.4	14.2

Source: Reserve Bank 1986

quite crucial in determining the real rate of return from housing that households have sustained over the 1970s and 1980s. A study by the NZ Reserve Bank shows that from the 1960s through to the early 1980s the real rate of return for those who had obtained their mortgages from the government was never less than 9.7 per cent and rose as high as 25.9 per cent; this was rather better than was achieved by those holding private sector mortgages where the range was from 1.7–21.0 per cent. The difference arises from the fact that the government mortgages were subsidised. In contrast, over the same period, the rate of return from the sharemarket varied between •7.2 per cent and 4–9.6 per cent and from bank fixed deposits from •0.1 per cent to +6.5 per cent (Table 7.1).

The picture in Australia is a little different. The nature of the Australian economic base has meant that alternative forms of investment to housing have been rather more profitable so the clear relationship between ownership and best rate of return which the New Zealand data show has not always applied. As in New Zealand rates of return have varied considerably over time as they have been affected by the upswings and downturns in the property market. There were relatively depressed conditions from 1968 through to 1973 and from 1977 to 1983. During these periods the real rate of return from residential property declined, especially between 1975 and 1980 when they were negative, indicating that those with savings invested in housing, at this time rather than other forms of investment, would have suffered a loss rather than a gain in their wealth. Recent data for

Table 7.2 Estimates of price movements in the separate-house submarket, Adelaide Metropolitan Area, 1970–85

Variable	1970–75	1975–80	1980–85	1970–85
Purchase price (1985 $A)				
mean	55,064	71,486	60,721	55,064
standard deviation	17,016	17,995	16,337	17,016
Real gain (1985 $A)				
mean	16,422	–10,764	25,909	32,384
standard deviation	11,722	10,497	10,474	16,104
Real change				
(% per annum)				
mean	7.1	–2.9	8.7	4.1
standard deviation	6.1	2.4	2.9	2.7
Real rate of return*				
(% per annum)	10.9	–9.5	9.2	5.4
Assumed rate of				
interest (%)	8.0	10.0	12.0	10.0

Source: Badcock 1989:80, accumulated sales report, Valuation Division, South Australia Department of Lands

Notes: There were twenty-seven Local Government Areas (LGAs) in the period 1970–75 and thirty thereafter; annual sales per LGA range from 110 to 752.

*Real rate of return=(total real gain-real costs)/ (real costs), where total real gain is the sum of the capital gain, acquired equity, and imputed rental value (10% of nominal annual value); and real costs are the sum of the deposit (25% of purchase price), interest (at prevailing level), maintenance costs (1% of capital value per annum) and transaction costs (4% of purchase price).

the Adelaide housing market show that over the 15 years from 1970 through to 1985, which allows the effects of the booms to be registered, there was an annual real return on capital invested in owner-occupied housing of 5.4 per cent per annum. This rate only compared to that achievable on the Australian stock market during the latter's boom periods. Over the same period money invested in equities would have returned an annual real rate of return of 11.7 per cent a year, over twice that obtained from housing (Badcock 1989) (Table 7.2).

In the last few years a new surge in house prices has occurred in Australia, especially in Sydney and Melbourne. The upswing has been produced by a combination of deregulation of the financial institutions, the adoption of a capital gains tax on all assets except one's own home, and a negative gearing of rental property. These factors combined to boost prices by 100 per cent in 2 years

whereas it had previously required 15 years to produce such a large house-price inflation. The climb in interest rate by 1989 had taken the pressure from the price rises and some signs of falling prices appeared in the last quarter of 1989 (Commonwealth Bank of Australia 1989). The federal government rather than accepting that the boom was a product of fiscal policy has sought to lay the blame on the supply of land, a factor which is determined much more by the states than the federal government

In Britain over the 1970s and 1980s, house prices have also increased at a rapid rate and well ahead of the general movement of prices. From 1970 to 1986, for example, house prices rose in nominal terms by 700 per cent and in real terms, taking 1980 as an index of 100, from 70 (in 1970) to 110 by 1985 (Hamnett 1989a). When the rate of house-price increase and that for the retail price index are compared over the 1970s and early 1980s, the extent of the increase in housing relative to other commodities is clearly shown. Housing rose 1,500 per cent whereas the RPI rose only 850 per cent, indicating a real gain for home owners of the order of 176 per cent. However, the rate of increase has, as in the other two countries we have considered, not been a steady one over the two decades but has been characterised by considerable fluctuation. The rate rose over the early 1970s to peak in 1973. This was followed by a sharp fall between 1974 and 1977, then another burst of increase from 1978 to 1980 and a second slump to 1985 and finally a third boom began in 1986. The real rate of return for any particular home owner would be affected by which year they acquired or disposed of their property and the length of time it was held, and most important by the amount of the deposit and regional location (Dupuis 1989).

The data show, therefore, that all three countries became more volatile in the 1970s and 1980s and had not dissimilar experiences. New Zealand and Britain both experienced three cycles, whereas Australia had only two. The New Zealand cycles were, however, the shortest and the middle one was only experienced fully in the main urban centres, which represent about 66 per cent of all sales, indicating the increased significance of regional factors in explaining the patterns of change.

Clearly, no simple assumption can be made regarding the inevitability of a constant pattern of gain. Variations take place according to time, place, and the section of the market within which the properties are both bought and sold. With respect,

therefore, to the debate, the data show owner-occupation generally provides wealth increases. However, location continues to play a crucial role in determining the actual rate of increase.

Patterns of affordability

The variations in house-price rises which we have demonstrated raise questions about the patterns of affordability over the last two decades. How does access to housing become affected by the variations and does this lead to the exclusion of particular groups within the population? Access to housing is affected by houseprice inflation rather than rates of return, for example, in Saunders' (1990b) study of three English towns, owners of ex-council houses bought at heavily reduced prices leading to large rates of return on their deposits. However, this did not affect the affordability of the housing to the buyers. One way of estimating this is to look at the ratio of average earning to house prices. Saunders and Harris (1988) in their most recent work show that this ratio has not varied greatly in the United Kingdom over the past few decades. It stood at 3.35 in 1954 and 3.34 in 1986 (i.e. it took 3.34 x the average wage to buy a house). In between these dates the ratio did reach 4.18 at its highest and fell to 2.86 at its lowest. These variations, although not large could be sufficient to affect housing affordability as they do represent quite a range in housing price levels.

New Zealand data show this to be the case. From the mid-1960s to the mid-1980s the ratio has varied from a low of 3.17 in 1981 to a high of 4.96 in 1974 at the end of the first major boom in house and land prices. In the latter part of the 1970s the ratio falls steadily through to its lowest point in 1981. During the 1980s it has once again worsened indicating how housing has become less affordable as both prices and interest rates have climbed. In these periods affordability studies have shown clear differences, with housing being more affordable in the late 1970s through to 1981 and then becoming less affordable during the 1980s (Thorns 1989a, National Housing Commission 1988, Stroombergen and Koy 1987).

Australian data also show how housing has become less affordable as a consequence of the successive booms in house prices and the rises in interest rates following financial market deregulation in the 1980s. For example, the latest *Commonwealth*

Bank of Australia Housing Report (1989) shows the downward movement in affordability in all the state capitals as a consequence of the upward movement of interest rates during the September quarter of 1989 from 16 per cent to 17 per cent.

In the consideration of affordability little attention has been paid to the structure of the household. The debate has been couched in generalities and averages. One of the significant changes to occur over the 1970s and 1980s has been the rapid changes in the structure of households. As previously noted in our considerations of economic changes, there is now a much greater proportion of households where there are two earners, often one full-time and the other part-time. For example, in the mid-1980s in Australia 53. 5 per cent of households comprising head, spouse, and dependants had both partners employed (Australian Bureau of Statistics 1987).

The changed household earning capacity affects the buying power of the household and enables housing and other items of consumption to be 'afforded' at times when in the past this would have been precluded. Also households vary considerably in composition. The 'nuclear family household' of two parents and dependent children has become a minority structure in most advanced capitalist industrial societies. Children become independent and leave the family household now much earlier than they did in the past, families have fewer children so the years of child-rearing are now less, and women are much more likely to either continue in employment during these years or return once the last child is in full-time education. This restructuring of both the shape and economic capacity of the household can be seen by looking at the relation between household disposable income and house prices. Data for New Zealand, for example, show how the ratio in 1986 varied between 11.51 (i.e. 11.51 x the average income to purchase a house) for a single, national superannuitant to 3.32 for a household of two adults (Thorns 1989a). Gender variations are also important in issues of housing access. Women-headed households tend to have lower average household incomes and, therefore, find access to housing more difficult (Watson 1988b, Kilgour 1989).

Housing as an asset does not, however, appreciate at an even rate either across cities or across the different regions within countries; consequently, not all owner occupiers gain in a similar fashion. It is, therefore, of crucial importance how great such

variations are and what their impact is upon the potential for united social and political action among owner occupiers.

The level of activity within the local property market conditions the rate at which capital values increase as the valuation process is determined by market activity. One result of this, in the New Zealand context, has been that areas occupied by households who obtained their mortgages from the state-funded Housing Corporation have appreciated quite slowly due to limited turnover. The rules adopted by the Housing Corporation for low-interest loans in the past restricted these to first home owners and until the late-1970s also to the purchase of new properties. The loans were only, therefore, available for the first purchase. Sale and trading up would have resulted in the loss of the low interest loan. The loan's structure thus acted to depress turnover, which in turn depressed the rate of capital appreciation (Smith and Thorns 1980). The other factor in the mortgage structure which affected patterns of residential development was the requirement until the late 1970s for the first-time home owners to purchase a new house. This arrangement helped to sustain new construction and placed pressure on the outer suburban areas and peripheral land. In the 1970s, in Australia, a similar policy was in place which also at the time contributed to the higher price increases at the edges of the urban areas and stimulated land speculation (Sandercock 1976).

Once these loan arrangements were modified in New Zealand in the late 1970s pressure was relieved and more funds flowed into existing housing and inner suburbs were placed under more housing pressure as gentrification became more common as inner suburbs attracted investment. The resulting rehabilitation was both physical and political ensuring a greater flow of state finance for infrastructure improvements.

Regional variation

We have now shown that property price increases contribute to the total wealth of the household and to their real incomes. Further, the extent of property ownership within our three societies also affects the potential for mobility within the population with the rising costs of owning creating additional obstacles to movement especially from the more depressed property markets in the declining regions to the still buoyant regions where jobs may be

available (Hamnett 1984a and b, 1987, Thorns 1982, 1989a). The extent to which regional differences in house prices have emerged over the 1970s and 1980s is, thus, an important question to be addressed.

The migratory flows from New Zealand's regional centres to the main North Island cities have placed pressures upon both the local market for house purchase and upon the rental market leading to rises in both, making the costs of relocation extremely high, especially for those from the small regional centres affected by closure and unemployment. This has been exacerbated in many areas affected by closures and redundancies, such as in the Hawkes Bay area and at Huntly, where workers laid off have used their redundancy payments to discharge mortgages and freehold their properties. The results of these processes have been considerable variability in both section and house prices within the North Island regional centres (Table 7.3).

Auckland and Wellington were the two centres where the most consistent increases were sustained over the 20-year period covered. Auckland had been the most active property market, partly as a result of its size, which at 800,000 makes it by far the largest urban centre, and partly as a result of the restructuring of the New Zealand economy. This latter process has seen Auckland emerge as the dominant manufacturing centre and Wellington as the city with the fastest growing service sector especially in financial and business services. Wellington's property market has also been assisted as it is the nation's capital and as such it had a more buoyant labour market than many other centres, Wellington having the lowest rate of unemployment in the 1980s of any of the main cities (Table 7.4).

There are a number of centres which benefited from the boom in horticulture, particularly during the 1976–82 period. Centres such as Tauranga in the North Island, Nelson and Blenheim in the South Island would fall into this group. However, with the ending of the horticultural boom in the early 1980s prices have not been as good in the latter part of the 1980s and a greater reliance upon their other growth industry, retirement, has been required to maintain the previous rates achieved of capital gains.

Whangarei and New Plymouth form yet another group of regional centres which have had a variable experience over this time period. In the latter part of the 1970s both towns were affected by the government's 'think big' development programme, with New

Table 7.3 Land and house movements, selection regional centres 1966–87 (New Zealand)

	Sections %	House %	CPI %	Change ratios % %		Real change % %	
North Island							
Auckland	1213.2	1629.7	822.4	147.5	198.2	47.5	98.2
Wellington	1282.8	1120.0	829.2	154.7	135.0	54.7	35.0
Palmerston North	1125.5	880.2	849.7	132.4	103.5	32.4	3.5
Hamilton	1117.3	870.4	825.7	135.3	105.4	35.3	5.4
Rotorua	1290.9	808.2	826.9	156.1	97.7	56.1	–2.3
Napier	1689.7	877.9	826.3	204.4	106.2	104.4	6.3
Hastings	892.7	773.7	823.4	108.4	93.9	8.4	6.1
Gisborne	830.8	887.2	819.9	101.3	108.2	1.3	8.2
New Plymouth	1090.5	771.8	815.8	133.7	94.6	33.7	–5.4
Whangarei	1153.5	658.0	836.0	137.9	78.9	37.1	–21.3
South Island							
Christchurch	1142.5	966.0	813.0	140.5	118.0	40.0	18.0
Nelson	1937.2	1126.7	827.5	234.0	136.0	134.0	36.0
Blenheim	1608.5	1047.7	826.3	194.6	126.7	94.6	26.7
Dunedin	663.8	891.4	815.8	81.4	109.2	–18.6	9.2
Invercargill	599.3	559.3	826.3	72.5	67.7	–27.5	–32.3
Timaru	397.3	349.6	826.3	48.1	42.3	–51.9	–57.7

Table 7.4 Unemployment rates 1980–89, selected New Zealand centres

Regional centres	Labour force unemployed	
	1980	*1989*
Whangarei	6.64	18.7
Gisborne	4.49	20.2
Rotorua	3.04	18.3
New Plymouth	3.61	12.3
Invercargill	3.30	14.0
Palmerston North	2.96	10.9
Dunedin	2.51	13.3
Hastings	6.28	16.3
Napier	5.25	16.6
Christchurch	4.02	10.3
Wellington	1.86	7.4
Auckland	2.58	9.5
New Zealand	3.34	11.4

Source: Monthly Operational Report, Department of Labour, Wellington, 1980–1990

Plymouth being the location for natural gas and synthetic petrols development and Whangarei the site of the oil refinery expansion. In both cases the influx of project workers boosted local demand for housing and land pushing up values. However, in the 1980s as the projects were completed and labour requirements declined, both experienced outward migration and increased levels of unemployment leading to an over-supply of housing and land, and falling prices in real terms.

The regional centres which grew up as service towns for their agricultural hinterlands have been adversely affected by the restructuring which has taken place in the 1970s and 1980s. Particularly after 1984 with the withdrawal of subsidies to farmers and the high interest rates after financial deregulation there has been decline in rural activity and property values. This decline has been reflected in the service towns. For example, in Gisborne the unemployment rate has increased over the 1980s from 4.5 per cent to 20 per cent and over the same period the housing market has sustained a real average capital loss of $21,200 (1982–88) rather than a gain. A similar pattern has also occurred in many other small regional centres such as Hastings and the South Island towns of Timaru and Invercargill. Within the South Island, Christchurch, as

the largest city, has managed to maintain a consistent rate of increase in property values and a slower rate of increase in unemployment than in other centres.

Hamnett (1989b) has shown that the 1960s through to the 1980s in Britain have been a period of fluctuation within regional house prices leading to considerable debate as to their impact upon regional inequalities. The extent of price variation has not been constant but has in fact moved in cycles. The lead to each cycle has come from the regions with the highest prices— London and the South-east. In each surge they have led the way but they have also been the first regions to slow and even fall back. This pattern allows the other regions to 'catch up' resulting in the gap between

Table 7.5 Annual regional rates of house-price inflation, 1970–86 (Britain)

	Northern	Yorks. & Humberside	East Midlands	East Anglia	Greater London	South East
1969–70	6.1	5.8	4.6	5.0	11.1	7.4
1970–1	11.3	10.7	10.7	10.0	7.5	17.0
1971–2	23.3	21.3	28.0	41.5	50.2	36.1
1972–3	37.0	44.6	45.7	40.7	30.0	32.8
1973–4	13.9	17.4	12.2	11.6	2.8	5.9
1974–5	13.7	9.3	8.7	4.8	0.4	5.1
1975–6	8.9	10.3	6.6	2.8	4.3	6.0
1976–7	12.6	7.3	6.8	2.7	7.6	5.9
1977–8	10.8	12.8	12.7	14.7	14.4	14.9
1978–9	18.4	24.0	23.6	32.2	34.6	30.4
1979–80	14.7	17.9	19.5	23.5	20.1	20.9
1980–1	5.0	8.5	2.8	1.1	0.7	0.5
1969–81	401	459	413	436	396	417
1981–2	–2.8	–5.3	0.1	–1.3	–0.1	–1.0
1982–3	10.8	14.8	13.0	10.6	12.8	13.8
1983–4	11.4	7.1	10.7	9.5	13.0	10.6
1984–5	0.8	4.4	4.8	11.9	12.6	8.4
1985–6	6.8	8.8	9.5	8.6	20.2	15.0
1969–84	509	551	543	558	535	545
1969–86	555	639	637	700	760	704

Source: Hamnett 1989b

the various regions rather than being constant varying, depending on the point that has been reached in the inflationary cycle.

During the 1970s the four highest priced regions, London, the South-east, the South-west, and East Anglia, led the process of house-price inflation, they were the first to rise and also the first to slow and then fall back. However, despite these variations the capital appreciation in London and the South-east was much greater (Table 7.5). Hamnett uses data drawn from the 1980s to show that between 1983 and 1987 capital appreciation ranged from £30,974 to £38,662 in the South-east and London whereas it was only of the order of £6–£7,000 in the north of England. The ownership of housing has clearly generated uneven wealth for its owners. The South-east and London provide the opportunity of

much higher exchange values of housing but at a much higher entry cost so is less affordable. A further comparison drawn by Hamnett to illustrate this difference is the price paid for a semi detached house in the various regions. In 1987 such a house cost £92,000 in London but only £30,400 in the north of the country. The varying costs and returns from property contribute to the growth of regional inequality and a belief that Britain is becoming two nations rather than one as the present restructuring of economic and social life creates growing differentials between those workers and regions which have prospered and those which have had industry decline and their economic bases shrink. Saunders, for example, concludes that: 'the regional dimension is almost certainly the most important variable contributing to different patterns of capital gain from the housing market' (Saunders 1990b: 195).

The regional variations in ownership, capital appreciation, and voting show clearly that the net beneficiary of the change in political terms has been the ruling Conservative Party. The electoral map of Britain shows how the support for Labour has been increasingly confined to what are now the peripheral regions in terms of both economic and social development (Hamnett 1989a and b, Dickens 1988, Saunders 1988, Savage 1989). Some changes may now be showing up with the growing opposition to the new poll tax and the recent losses in by-elections by the Conservative Party of previously safe seats.

In Australia a similar pattern of regional variation has been exhibited. Sydney and Melbourne have had the fastest rate of house-price increase of any of the state capitals. However, the patterns of price movement have not been constant over the last few decades. The period from 1960 to 1972 was generally one of stable prices, although this changes in the 1970s and 1980s and much greater volatility is shown. Sydney from the mid-1970s has periods of both decline and rapid price increases in house and land prices. The increases were from the late 1970s to 1981, followed by a period of decline from 1981–83, one of relative stability from 1983 to 1987 and a steep increase from 1987 to 1989, when they levelled off and fell back again. The greatest increases over this period were in the inner suburbs and the least were in the outer suburbs. The other state capitals all had lower rates of house and land price increases. The closest to Sydney in pattern was Melbourne for the whole of the period and Canberra during the

mid- 1980s. Brisbane, Perth, and Adelaide are consistently below Sydney and Melbourne with average house prices around 50 per cent of those in Sydney and 75 per cent of those in Melbourne. Hobart has consistently had the lowest price increases of any of the state capital cities (Table 7.6). The consequence of these shifts in prices has been a decline in housing affordability in Sydney and to a lesser extent Melbourne. The change in Sydney has affected both the size of the deposit gap and the rate of loan repayments. By 1986–87 the deposit gap had reached almost four times the average after tax income, double that required a decade earlier. The extent of decline in affordability is shown by the fact that in 1986–87 it would take a single-income earner receiving an average income 8 years to accumulate a deposit for a house.

The data show that in all three countries from the 1970s onwards the housing markets have become more volatile and a widening gap has opened up between the major cities creating quite varied rates of capital accumulation depending upon location. However, as a corollary the affordability of housing has changed making entry much more expensive, especially in those cities where the highest capital gains are secured. This creates the situation where the high exchange value is secured at the cost of very high outlay of funds which could well severely restrict current living.

The differentials which have been identified make interregional mobility more difficult and create problems for occupational movement due to the high cost of entering some local housing markets which have become divided between lowpriced houses mostly for locals and more expensive housing mainly for in-migrants (Saunders 1990b). The fact that within the housing-market patterns of activity and levels of accumulation have become quite different in the last two decades points clearly to the impact of broader economic and social restructuring upon access to and benefits from home ownership.

Intra-urban variations

In addition to the questions of regional variations there is also that of intra-urban variations. In terms of the theory of the independence of housing as a source of political and social interests the significant feature that has attracted attention is that of tenure rather than location with respect to the city as a whole. The latter, however, has been significant in shaping the

Table 7.6 Dwelling prices—relativities between cities (Australia)

Year ended 30 June	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Canberra
(1)Nominal prices ($000s)[a]							
1980	55.2	40.7	33.9	37.4	39.2	37.0	42.1
1981	66.2	45.2	40.5	40.2	42.2	38.8	50.5
1982	68.5	46.5	48.8	42.0	43.9	39.8	55.9
1983	64.3	49.0	51.9	47.0	43.3	39.3	57.9
1984 [b]	74.4	58.4	57.6	57.7	47.1	43.7	73.4
1985	81.9	71.2	62.5	74.0	54.2	50.4	86.9
1986	86.2	78.3	64.5	77.5	58.9	58.8	87.6
1987	86.9	83.6	63.6	75.9	60.4	60.9	83.7
1988	122.3	92.5	72.6	79.9	70.2	68.3	91.2
1989	175.2	124.4	95.4	90.2	98.9	74.1	104.9
1990	180.0	138.5	109.2	102.2	108.3	83.0	108.4
(2) Index (Sydney = 100)							
1980	100.0	73.7	61.3	67.7	70.9	67.0	76.3
1981	100.0	68.3	61.2	60.6	63.6	58.5	76.3
1982	100.0	67.8	71.1	61.2	64.0	58.0	81.6
1983	100.0	76.2	80.7	73.0	67.3	61.0	90.1
1984 [b]	100.0	78.6	77.5	77.5	63.3	58.7	98.6
1985	100.0	86.9	76.3	90.3	66.2	61.4	106.1
1986	100.0	90.7	74.8	89.8	68.3	68.2	101.5
1987	100.0	96.2	73.2	87.4	69.5	70.1	96.4
1988	100.0	75.7	59.4	65.3	57.4	55.9	74.6
1989	100.0	71.0	54.4	51.5	56.5	42.3	59.9
1990	100.0	76.9	60.7	56.9	60.1	46.1	60.2

Source: Commonwealth Bank/Housing Industry Association, Housing Report, Canberra
Notes: [a] Average quarterly median prices for the Commonwealth Bank.
[b] Data relate to dwellings from September quarter 1979 to December quarter 1983, and houses from the March quarter 1983.

levels of return achieved. The extent of intra-urban variation has been subject to research to try and assess the extent to which it is a reflection primarily of the class composition of the suburbs rather than their age or location around the city centre. In a 1981 Christchurch study a pattern of uneven gains was shown across a number of suburbs with the middle-class suburbs achieving a higher rate of capital gain than the working-class suburbs. In the study the majority of properties in the higher-class suburbs had made larger actual increases in both values and in their rate of increase (Thorns 1981). Recent studies of Adelaide (Badcock 1989) and Glasgow (Munroe and Maclennan 1987) have made useful contributions to clarifying the debate. Badcock, in his Adelaide study, has attempted to show how the patterns across the suburbs of house-price changes can be best seen as a result of the restructuring of the city which has taken place over the past two decades. The inner suburbs during the 1960s were areas of low investment in infrastructure and housing whereas the outer suburbs were enjoying a boom time of growth fed by both migration and the mortgage structure which favoured new properties. These conditions changed in the 1980s resulting in a greater interest and activity in the inner suburbs boosting property prices as gentrification processes took hold. As the composition of the areas changed they received increased public funding to improve their infrastructure which increased their desirability, further increasing pressures. It was, consequently, the inner suburban areas of Adelaide in the 1980s which had the highest rates of return, rather than those with the highest class composition (Table 7.7).

Data for Christchurch show a somewhat similar tendency in the 1980s. The largest increases were in the outer city area (56 per cent) and at Lyttleton 48 per cent. The latter is the port of Christchurch and a settlement which has an ageing housing stock. However, in the 1980s gentrification has occurred which has increased the value of properties, moving it from one of the cheapest areas of the city to an area much closer to the average. The impact of gentrification can also be seen across the inner city suburbs with an overall increase here of 19.7 per cent. The Riccarton borough is the exception in this group with a decline of 6.6 per cent in the real value of property. The middle ring of   suburb s overall had a rate of increase 7 per cent lower than the inner ring indicating a lesser influence of gentrification. The outer suburbs in

Table 7.7 House-price inflation in selected upper and lower 'status' local government areas (LGAs), Adelaide Metropolitan Area (Australian Bureau of Statistics)

	1970–75		1975–80		1980–85		1970–85	
	WC71[a]	price change[b]	WC76[c]	price change[b]	WC81[d]	price change[b]	price change[b]	% change per annum
Upper status[e]								
Burnside	39.6	24,590	41.8	–3,836	45.2	40,348	61,102	5.8
Walkerville	37.2	–4,572	38.6	15,445	43.4	28,042	38,753	2.6
Adelaide	35.3	189,929	42.1	4,666	43.1	63,516	87,110	10.1
Stirling	28.7	14,342[g]	36.8	–4,782	40.2	17,822	27,383	2.7
Lower status[f]								
Salisbury	12.2	842[g]	13.4	3,450	13.8	12,136	16,428	2.5
Thebarton	8.2	7,742	9.6	–10,942	13.6	30,774	27,574	4.0
Enfield	13.6	17,040	12.5	–14,255	13.3	18,553	21,337	3.3
Elizabeth	14.1	14,268	12.9	–13,408	13.1	12,432	13,292	2.3
Hindmarsh	7.2	1,850	8.4	–9,949	12.2	26,844	18,724	2.6
Munno Para	8.5	20,642[g]	9.4	–9,616	12.0	13,584	24,610	5.1

Source: Babcock 1989:84

Notes: [a] Percentage of work force in occupational classes 0–1: metropolitan area mean in 1971=19.8%

[b] Price change in 1985 SA.

[c] Metropolitan area mean in 1976=22.4%.

[d] Metropolitan area mean in 1981=26.1%.

[e] LGAs with less than 40% of resident work force in occupational classes 0–1 in 1981 (professional, administrative and technical).

[f] LGAs with less than 15% of resident work force in occupational classes 0–1 in 1981.

[g] Estimates calculated from incomplete data.

Table 7.8 Intra-urban variations in house-price increases, Christchurch 1982–88

	1982	1988	Average annual growth	Overall % increase	Real increase/ decrease
Central city	30,157	83,474	18.49	176.7	56.0
Lyttelton	29,817	78,187	17.43	162.2	48.0
Inner suburbs					
North Linwood–Charleston–					
Linwood	25,410	58,493	14.91	130.2	44.2
Addington–					
Sydenham	25,273	63,412	16.57	150.9	41.5
Addington	42,591	100,848	15.45	136.7	33.5
Merivale–St Albans	62,434	136,628	13.86	117.9	23.4
Fendalton	90,212	198,054	14.00	119.5	23.8
Riccarton Borough	39,135	64,825	8.78	65.6	–6.6
Inner suburbs average					(19.7)
Middle					
North Central, South					
New Brighton	30,553	66,766	13.92	118.5	23.3
Opawa, St Martins	42,221	86,795	12.76	105.5	15.9
Linwood, Bromley,					
Bexley	30,813	61,817	12.30	100.6	13.2
St Albans	37,258	74,418	12.22	99.7	12.7
Papanui	47,733	95,065	12.17	100.0	12.3
Aranui	38,078	73,370	11.55	95.2	8.7
Beckenham, Summerfield,					
Spreydon	38,857	73,873	11.30	90.1	7.2
Shirley, Dallington,					
Richmond, Avon	40,552	74,831	10.75	84.5	4.1
Middle suburbs average					(12.2)
Outer					
Burnside–					
Bishopdale	60,570	137,842	14.69	127.5	28.3
Heathcote	68,364	140,654	12.78	105.7	16.0
Halswell	55,565	101,392	10.74	82.4	2.9
Prebbleton,					
Templeton,					
Westmorland	54,145	97,169	10.24	79.4	1.2
Hornby	40,969	73,159	10.15	78.5	0.7
Bishopdale–					
Redwood	55,859	99,224	10.05	77.6	0.0
Avonhead	77,486	136,126	9.85	75.6	–1.0
Hoon Hay	47,055	79,980	9.24	69.9	–4.0
Burwood–Parklands	52,212	88,057	9.10	68.6	–4.9
Outer suburbs average					(+4.3)

Source: New Zealand Valuation Department, various years 1982–1989

the 1980s with the exception of Burnside/ Bishopdale and Heathcote show either very low growth or actual decline. This reflects both shifts in state loan policies at the end of the 1970s and impact of the the present restructuring which has reduced the growth pressures in Christchurch leading to a slowing of population growth. The data supports the position that internal spatial variations occur in rates of return indicating that gains are not uniform or consistent across the city or over time.

The results show that no simple assumptions can be made about the patterns of house-price movement. The connections, therefore, between housing and social movements within a locality are also likely to be complex. In the Adelaide study, for example, Badcock (1989) notes how the new ratepayers within the inner suburbs began to dominate and then reform local government so they could set about refurbishing the old infrastructure and establishing community programmes that the previous workingclass residents had either not wanted or had gone without.

Wealth inheritance

A further source of variation in returns from housing is that of intergenerational transfers through inheritance. Considerable debate has emerged in Britain around the likely impact of such transfers. However, the relative recency of the rise to dominance of owner occupancy, means that the full impact of this form of wealth transfer will not make itself felt until the next century. At this time the present generation of home owners, whose property values have risen well above the inflation rate, will die and leave their assets. Currently, between 1.8 per cent and 2 per cent of all households receive some inheritance from this source per year. Preliminary data from British research suggests that little of this wealth inheritance is presently being used for housing purposes as by the time it is received most of the households have established themselves in the housing market (Hamnett 1990). What appears to be happening is that the money inherited increases the overall wealth, particularly of the middle class, and enhances their ability to participate in the consumer society. Those inheriting in Britain are most likely to be owners rather than tenants, to be in the higher social classes and in the south-east of the country (Hamnett 1989c). Housing inheritance, therefore, does lead to some redistribution but this is primarily from the upper end towards the

middle groups; little impact is felt at the lower end of the wealth distribution.

In both Australia and New Zealand, home ownership has been a dominant tenure form for much longer than in Britain. Consequently, housing inheritance is a more established feature of the society. However, it is largely the experience of the 1970s which has significantly increased the returns from this source and begun to create the potential for considerable variations in the amount of inheritance likely. Hamnett (1989d) estimates that between 2.7–3 per cent of Australian households inherit each year which means over a decade something like 27–30 per cent of all households accounting for many millions of dollars. In New Zealand inheritance data supports the British material in that it shows that the greatest impact is upon 'middle' wealth owners (New Zealand Planning Council 1990).

The extent of inheritance and its impact upon wealth distributions is a complex one which requires further research. Much of the current work looks at the issue solely in terms of the amount of money to be accumulated and then distributed. It is important that research explores both the uneveness of accumulation by such significant factors as gender and ethnicity and the social relations surrounding inheritance. These issues are likely to be crucial in determining patterns of inheritance in Australia and New Zealand where the access to housing experienced by Aboriginal and Maori has been lower than that for Europeans, and women-headed households and single women have lower levels of home ownership.

IMPACT OF ETHNICITY AND GENDER ON HOME OWNERSHIP AND WEALTH ACCUMULATION

The discussion thus far has identified the general processes whereby capital is accumulated via owner occupation. There are, however, important ethnic and gender dimensions to this process which need to be identified. Rates of home ownership in all three countries vary by ethnic group and by gender. Further, within owner occupation the sections of the housing market which are entered are more restricted and tend to comprise housing which requires the greatest amount of maintenance.

In some ways it is surprising that not more attention has been given to ethnicity in the debates which have taken place over owner occupation and its potential as a 'class' base, as the initiation of the debate was from the work of Rex and Moore (1967) which focused explicitly upon the place occupied within the inner-city housing market by West Indian migrants. The study, based on Birmingham, showed how the migrants faced restrictions in access which resulted in their forming a housing underclass in the inner-city suburbs, which were being vacated by white residents as they moved out to suburban locations. The areas they occupied were ones formerly occupied by middle-class households so were large enough to sustain multi-occupancy. However, much of this housing stock was built before 1919 and by the 1960s required considerable expenditure on maintenance. The limitations of access to housing resulted in migrants buying property, obtaining money from fringe operators and being forced to sub-let to maintain payments. The creation of housing market niches for migrants stimulated property prices in what otherwise would have been a depressed part of the market and exacerbated the problems of raising both the capital for purchase and the necessary income to pay the mortgage. The problems of access were taken up by a number of writers who documented the process whereby access to housing became restricted (Haddon 1970, Daniel 1968).

What emerged from the variation in access was a dual market for both ownership and rental housing with black owners and tenants being largely confined to particular segments of both housing sectors. By the 1970s, for example, hardly any white tenants rented from black landlords and less than 15 per cent of black tenants rented from white landlords (Smith 1989a). Initially, migrants were excluded from council rental, the chief form of rental property, due to the operation of residential qualifications. For example, a study of the allocation of council housing in Birmingham showed how the councillors in the 1960s adopted an explicit attitude of containment through the insistence of a 5-year residential qualification for entry to the waiting list.

Over time, the restrictiveness of entry to public housing has lessened with an improvement in public housing access so that by the 1980s 41 per cent of West Indians and 53 per cent of Bangladeshi residents were in public housing. The estates, though, where non-whites have become concentrated, are ones where the tenants live in smaller, more crowded homes than do

white tenants and they tend to be allocated more often to flats and the flats are located on higher floors of the multi-storey blocks. For example, in a survey in the early 1980s, it was shown that only 6 per cent of white tenants were in blocks of flats with more than four floors compared with 24 per cent of black tenants (Brown 1985). The public funding cuts of the 1980s have been particularly hard on black tenants because of the section of the public rental stock that they have been confined within.

Patterns of home ownership vary considerably among the ethnic minorities within Britain. The Asians in particular have moved into home ownership with Indian and Pakistani rates at 70 per cent, very comparable to those of 'White' Britons. Further, as Davies (1985) and Saunders (1990b) have shown Asians are not 'coerced' into this tenure and have received real returns as have other home owners. The majority of Asians live in the inner suburbs of the cities in Victorian terraces vacated in the 1970s by middle-class households. Such terraces, in common with other housing of this period, are likely to require above average maintenance and experience somewhat lower-than-average real capital gain. Saunders' figures for Slough, Derby, and Burnley show that the real capital gain accruing to Asians was 15,000 whereas for whites the figure was 29,000 (1990b: 185).

In the period from 1977 to 1981, 80 per cent of all house buyers utilised loans from building societies. However, research shows this is less true of Asians with in one study only 12 per cent of loans from this source in Birmingham, and 45 per cent in Liverpool (Karn and Henderson 1987). Further, 86 per cent of blacks had been refused at least one conventional mortgage, indicating the extent of their exclusion from the 'normal' system of housing finance. The result of these factors has been the creation of racially segregated sectors to the housing market both within owner occupation and rental. Generally, Asians and West Indians occupy property which is less desirable because of its age, condition, and location. The result is that their experience of financial accumulation has been somewhat different to that of white home owners over the 1970s and 1980s.

In New Zealand the experience of Maori and Pacific Island Polynesian households has also been different from that of Europeans. Although the overall home ownership rate has risen from 69 per cent at the end of the 1960s to just over 70 per cent in the 1986, there has been a decline in the Maori home ownership

rate. The Pakeha rate being 73 per cent and the Maori rate 46 per cent in 1986. As the rate has declined the total number of Maori households has increased by 45 per cent, which is almost twice that for all households (25 per cent).

Consequently, Maori housing demands have been growing much faster than those of the general population but their ability to satisfy these demands has not shown a similar growth, with the figures showing that far from increasing, the proportion of Maori home owners is declining. In 1951 54.2 per cent of Maori households were home owners. Over the next 30 years this proportion had declined by 8.2 per cent.

A further measure of Maori housing conditions is the proportion of households living in crowded conditions. In 1981 Maori households formed 6 per cent of all households but made up 33 per cent of those identified as crowded. In Maori-headed households the average number of occupants per dwelling was 4.2 and 0.8 persons per room, compared with 2.9 and 0.5 for Pakeha-headed households. The reasons for this level of crowding include larger families and low incomes reflecting the labour-market position and the proportion of unemployed within the Maori population. A further contributing factor is the concentration of the Maori population in those urban areas which have the highest housing prices, i.e. Auckland, Bay of Plenty, Waikato, and Wellington. The next two decades are likely to see an increasing problem unless substantial changes occur which improve Maori housing opportunities as the rate of household growth is much greater than for the European population (Douglas 1986, Poole 1986).

The rate of home ownership within the Pacific Island Polynesian population is also substantially lower than among the Pakeha population. In 1986 42 per cent only were owners and of these only 6 per cent owned outright compared with 14 per cent for the Maori households and 36 per cent for Pakeha (New Zealand Department of Statistics 1990). The level of crowding is also high in Pacific Island households with an average of 4.7 persons per dwelling and 0.9 per room.

A further indicator of disadvantagement by ethnicity is the levels of serious housing need and homelessness. In a study in 1988 it was shown that there were strong links between ethnicity and serious housing need with Maori comprising 51 per cent of the total and Pacific Island Polynesian 32 per cent, compared with only 17 per

cent European. Further, the study showed that the problem was most acute within the Auckland urban area where 60 per cent of those with severe housing need were located (National Housing Commission 1988).

The access to housing by gender is a further source of variation in ability to generate wealth through housing. The link here is complex but is in part a reflection of the differential in earnings levels between women and men. Despite moves towards equal pay there still exists an 'earnings gap' between the average male and female incomes. In a 1986 survey in Australia, for example, a country which has had equal pay legislation since the late 1960s, single women on average earned only 81 per cent of that of single men and 'lone' women only 77 per cént (Smith 1989b). These differences affect the ability of women and men to consume housing services. Recent Australian data is again informative here. In the Australian Family Survey it was found that the sale value of houses owned by single men was 19 per cent greater than those owned by single women. This is a result of a greater ability by men to invest in property which appreciates in value due to their higher earnings. The proportion of income committed by the single men to their housing was 32.7 per cent, considerably higher than the 28.1 per cent committed by women. However, despite this higher level of expenditure men still had more disposable income than did the women in the study (Smith 1989b).

The most disadvantaged group of women in respect to housing access and therefore to capital accumulation are 'lone' or 'solo' mothers with dependent children. For this group a substantial part of their income is derived from benefits and they generally lack either sufficient capital or income to buy property utilising conventional mortgage arrangements (Kilgour 1989). For most this means being confined to the rental sector where housing is simply a cost. The gender variations in access to housing need to be acknowledged when the question of the role of home ownership in wealth accumulation and distribution is being considered. The most assured route to such wealth generation is that provided by taking and retaining a partner; this accounted for 90 per cent of men and 87 per cent of women owners in the Australian study (Smith 1989b).

POLITICAL IMPACT OF HOME OWNERSHIP: HOW FAR IS IT A BASIS FOR LOCAL ACTION?

Home ownership as a political base has been linked with discussions of political de-alignment especially in Britain. The strong link between class and voting behaviour appears to have been weakening over the past few decades (Crewe 1986). The reasons for this change could be many. However, three explanations are most often suggested (Saunders 1990b). The first is that the working class has changed. This reason which first appeared in the guise of the embourgeoisment thesis in the 1960s was temporarily laid to rest through the research work of Goldthorpe *et al.* (1968) only to make a reappearance in the 1980s as part of an explanation for the electoral failures of the Labour Party. The second is that the parties have changed and, therefore, no longer draw upon the same group of supporters. The Labour Party, for example, has moved towards the political centre ground in its quest for electoral support and in both the case of the Australian and New Zealand Labour parties the result has been a continuing battle between the government and the party. Both have attempted to occupy the middle ground and capture the votes of the new middle class. In so doing they have tended to alienate their traditional working-class supporters, which in New Zealand led to the formation of the New Labour Party in 1989. The third explanation is that of the emergence of a new social cleavage cutting across traditional class lines based upon consumption rather than production. The argument here sees the working class split between those who rely upon the public sector and those who rely upon the private sector for the satisfaction of their consumption requirements. A key requirement is housing and the separation becomes one around tenure (Dunleavy and Husbands 1985).

A significant difference, however, has emerged with respect to the way housing is viewed by those who see the consumption sector cleavage as a key to explaining contemporary patterns of stratification. For Dunleavy (1985) there is nothing unique about housing consumption and the divisions within consumption are based around ideology rather than material interests. Saunders (1988) in contrast argues forcibly that home owners possess real material interests which shape their political behaviour.

The data we have reviewed here lends support to Saunders' position to the extent that home owners in all three societies have made substantial real gains through their tenure status over the past two decades. This fact has changed both the distribution of wealth and the access of particular households to the housing sector and to the possibility of capital accumulation. The data further show that it is the last two decades which provide the boost to home owners and also creates a much more volatile climate, increasing both the prospects of capital accumulation and the dangers of loss. The decades could well have had in consequence a major impact upon the attitudes of home owners to their properties, shifting their attention from the use value of the house as a form of shelter to the exchange value of the house as a form of wealth accumulation and transfer. The greater emphasis this brings to property values increases the likelihood of political action by home owners at a local level to ensure the protection of their financial interests through opposition to forms of change which reduce or threaten the rate of increase of value within their locality. Home owners are, therefore, much more likely than tenants to be part of resident associations and be active within the neighbourhood (Saunders 1988, Burke 1988). Lowe (1986), for example, shows how tenure division forms the basis of mobilisation for many urban movements in Britain.

Although general support is provided for Saunders' position there are some important reservations to be placed upon the pattern of wealth increase and likelihood that owner occupation can provide a unified base for social action. The significance of both regional and intra-urban variations in rates of increase have not been fully recognised.

Once regional changes are given greater recognition together with those of ethnicity and gender it can be seen that the rates of gain are not uniform but dependent upon place and time, ethnic group, and gender, rather than being universal across the tenure category. This suggests a greater degree of fragmentation than Saunders' original discussion accepts. Home owners start to look a diverse social group. Financial gain, however measured, has been unevenly distributed; consequently, wealth transfers take place within as well as between tenures.

The linking of the housing and labour markets becomes crucial for gaining a fuller understanding of the process of change which is occurring. As we noted in Chapters 2 and 3 a result of the

present restructuring of capitalist societies is a reorganisation of the workforce into 'core workers' and 'peripheral workers' among which are growing numbers of part-time and casual workers. Such tendencies are leading to individualistic strategies and solutions by both local groups and individuals. Home ownership fits easily into this emerging pattern of more flexible and fragmented social and economic practices. As Holton and Turner have recently observed:

> the fragmentation of wage and salary earners between different forms of housing tenure might merely reflect the fragmentation of economic class by consumption relations and consumption cleavages both between owner-occupiers and tenants, and between public and private modes of housing consumption.
>
> (Holton and Turner 1989:187)

Home ownership did not, however, create the fragmentation which is observed. It is rather the interconnections of the work and housing experience of individuals, households, and localities which shape the material conditions of home owners and set the base for political action.

SUMMARY

This chapter has been concerned with an exploration of the impact of economic and social restructuring upon the material base of localities as represented by home ownership. Within a locality the place where people live is a central pivot around which their social relations revolve. The nature of tenure, its economic, social, and political dimensions are consequently of key significance. The rise of home ownership to dominance has characterised all three societies. Its dominance, however, came earlier in Australia and New Zealand than in Britain where it has largely been a phenomenon of the past 30 years. With widespread home ownership, under conditions of rapid property price inflation which has been the common experience of the 1970s and 1980s, wealth has been generated and subsequently redistributed. However, neither the rate or the total amounts have been consistent but have varied through time, by region, locality, ethnic group, and gender. The variations have in consequence contributed more to the process of fragmentation than to providing a new and

secure base for collective social action. Local action to protect and enhance local property interests has occurred and can be seen as a collective representation of the collective individualism stimulated by moves to create a more market 'rational' economy and society.

The linking of the housing and labour markets is a crucial part of understanding the restructuring of localities over the past two decades. The data reviewed for the three societies show how all have been reshaped by structural change in the direction of more individualism which has weakened bonds of collectivity, created more fragmented social relations, and provided an environment in which home ownership flourishes. The desire to own one's own property reflects both an acknowledgement of real material advantage and of a desire to acquire some security and autonomy.

8
LOCALITY AS A SOCIAL BASE

THE SIGNIFICANCE OF LOCALITY

The previous chapters have identified a series of changes to the economic and employment base, the structure of regions, the restructuring of state provisions, and the development of a local material set of interests through the extension of home ownership. The main concern of this chapter is with the development of local consciousness and forms of social action. The restructuring of social relations, which has been chartered from the international through to the local level, has not been uniform either across the three nation states or across the many regions which have been identified. The patterns suggest both continuities and breaks with the past. A continuity has been the increasing scale of activity which has shifted decision-making for many aspects of economic activity increasingly to the national or international sphere. Given this shift, debate has emerged as to the continued significance of the local area in this restructured capitalist system. Urry, for example, has taken a position in support of space and suggests that: 'as production capital assumes a more international form capitalist society manifests increasing fragmentation of classes on the local level and therefore political behaviour is characterised by the heightening importance of local social movement not based upon class' (Urry 1981:455).

Such changes give renewed importance to local non-workplace struggles and consciousness as it is in the locality where people live that the macro-changes have greatest impact upon people's lives and experiences. Local struggles which result are often designed to hold on to and preserve local resources and privileges; as such they often cut across class, production-based movements.

Another writer to draw attention to the significance of locale, which is defined as the setting within which all interaction takes place, is Giddens (1981,1984). Here, the emphasis moves not just to the local area but to the house where people live as this constitutes the territorial core of their lives where large clusters of interaction are shaped each day through interpersonal relationships. It is here that urban writing has made a link with contemporary feminist theory. This latter body of theory has much to contribute to the debate as feminists have theorised more extensively the linkage between private and public, and production and reproduction. Traditional analyses of restructuring have concentrated upon systems of paid work and as such have underestimated and under-represented the contribution made by women to society. Women in such analyses are subordinated to a role within the 'reproduction of labour power' or seen as a reserve army of labour. There is a need, therefore, for a more extensive consideration of reproduction within the context of local social relations. Reproduction has been seen as comprising a number of components. First, social reproduction which is the reproduction of the overall relations of production. Second, labour reproduction which maintains the labour force on a daily basis, and finally, human reproduction, which is the reproduction of the labour force through time by child bearing and the raising of children (Endholm *et al.* 1977). However, continuing debate has marked feminist writing as to the nature of the relationship between production and consumption with some writers now advocating the need to re-combine the two into one inclusive category of labour (Jaggar and McBride 1985).

A further writer to raise the question of locale is Short (1982) who in a discussion of urban communities draws attention to the fact that the community is about bounded living spaces, and thus about propinquitious relationships. This notion of community suggests that concerns will be local. Local concerns are about the quality of the local physical environment, with the provision of public goods such as parks, open spaces, transport, and bus services, and with private goods such as property prices and land values. These local concerns are expressed by people as residents and users of particular parts of the city and are essentially small-scale, localised action. Short suggests there are three reasons for the growth of localised social action. The first was the environmental movement of the 1960s and 1970s which

managed to link global consciousness with local concerns. This found expression through such things as local rubbish-recycling schemes promoted to save pollution and the depletion of the earth's finite resources. The second was the separation of home and workplace, which led to the artificial separation of production from reproduction. The formal channels of politics, dominated as they are by men, often fail to provide a means of expressing what are often place-specific issues arising out of social reproduction. This failure provides a basis for the emergence of locality-based action groups. The third was that of housing-market changes and the growth of owner occupation, which involves the transfer of property rights which increase individual autonomy. As Saunders has noted these (rights) include:

> the right to move freely and hence choose where to live, the right to bequeath, sell or give away the property, the right to let the property out or to nominate others to use it, the right to alter its physical appearance, and the right to lay claim to any rise in the value of the property.
>
> (Saunders 1990a: 72)

Owner occupation also provides a stronger financial tie to the locality and to its potential as a store of wealth, although as was shown in the previous chapter, this occurred much earlier in both Australia and New Zealand than in Britain, and nowhere was it a universal process.

A further dimension of local consciousness that we have identified in previous chapters is that of the growth of ethnic sub-communities as a result of international migration and the revival of indigenous peoples. As Castles *et al.* observe 'the minorities are concentrated in inner-city areas, marked by deprivation in housing, health care, education and other social amenities' (1984: 213). Over the period we are considering, these minorities have become an increasingly identifiable group both through 'racism' and the growth of their own consciousness about their distinctiveness. For example, the growth in London of the Notting Hill carnival from a local event into a major national event which provides a focus for all Caribbean people in Britain and forms a link for them with their origins (Cohen 1987). The 1970s have also seen the emergence of much more militant organisations among the black populations of Britain based around the development of

black consciousness and against racialism (Sivanandan 1982, Sarre 1989, Gilroy 1987).

The elements of an analysis at the level of locality have now been identified and include property, gender, propinquity, and ethnicity. Localities are of continuing significance precisely because they are the places where people live; they are the places where people find their sense of belonging. The majority of people, even in the largest of cities, have some sense of identification with a locality. It's their part of the city, their place, their district. The basis of this identification arises from the sets of activities which take place within the local areas and are affected by the boundaries which exist. In some cases these are physical and related to major geographical features such as hills, roads, railway lines, rivers, harbours, etc. In other cases they may be more symbolic. In some cases these merge. For example, in New Brighton, a seaside suburb of Christchurch (NZ), locals recount how the area has 'lost its sense of identity since the pier has gone'. Now they see no symbol which provides a focus for local identity; the area simply merges into the general suburban landscape of the city.

The existence of such local sets of relations is the basis for the development of a communal consciousness. This may remain latent until stimulated by an event such as a threat to the area, changes to the physical environment, local struggles to defend and extend local property rights and interests, or to obtain improved physical or social resources. Once set in motion such local-based activities and sentiments can cut across those emerging out of production-based divisions.

ALTERNATIVE BASES FOR LOCAL SOCIAL ORGANISATION

There exists, therefore, in contemporary localities at least five possible bases for the development of local consciousness and social action. They are property, propinquity, ethnicity, gender, and kinship.

Property relations in the locality are those tied to tenure and represent a possible material base upon which local activity can arise. Areas vary in the degree to which they are dominated by private ownership and also in the extent to which this becomes a base for organisation. This suggests that there is a process required to turn the set of objective interests shared by property

owners or tenants into an effective social group. Tenants, in contrast to owners, are in a shared condition of mutual disadvantage in the sense that the property is a cost rather than a potential source of accumulation. However, tenant organisation often exists in localities especially where a common, usually public, landlord exists. Rent strikes have been one form of social action taken by tenants to defend their interests. Such social actions arise over struggles in the area of social reproduction rather than production (Castells 1983, Damer 1985).

However, it is not only tenants that organise on the basis of property costs. In Christchurch (NZ) there was a successful rates revolt in the mid-1980s. In this case social action by owner occupiers in the wealthiest suburbs of the city over increases to rates led to the restructuring of the rating system. The change made was that all households paid an initial standard payment and then a variable payment was added on according to the value of the property.[1] The base charge was presented as a move towards ensuring everyone paid for the services received and was a shift towards a greater 'user pays' element. The result of the changes was a redistribution of the rate so that a higher proportion came from the lower-income areas and that from the highest was reduced. The action, therefore, successfully defended the property and material interests of the wealthiest sections of the city and redistributed the costs of municipal services. Similar arguments were advanced in Britain for the introduction of the community charge or poll tax in 1989.

Propinquitious relations are somewhat more diffuse and raise the question of the existence of 'community'. Although community has been one of the building blocks or unit ideas of the discipline what constitutes community, especially the links between sets of relationships and territory, has been a continuing source of debate. From the 1950s when Hillery (1955) counted ninety-four definitions of community to the current revival of concern with community as belonging, studies have wrestled with the idea and its significance within the contemporary world (Hillery 1955, Cohen 1982, Hall *et al* 1984, Pearson 1990b, Mullins 1987a).

One way through this problem is to see propinquitious relations as being based around local voluntary organisations. These provide what we could describe as 'latent' community. When the organisations become active and mobilised to promote local concerns based on locally generated sets of interests and people

then manifest community is formed. Such organisations can either be existing ones or new ones. There has, over time, been considerable variation in the extent to which such 'manifest' community has existed. In New Zealand, particularly in the 1920s and 1930s there was a high participation rate in clubs and organisations within the recreation and leisure sphere. This coupled with a generally small-scale and patriarchally organised industrial structure resulted in a small-town capitalism which was socially and morally conservative and resistant to change and innovation. Such a social structure did incorporate people and limited the amount of crime and delinquency with the majority of offenders who ended up in prison being single males over 35 years old. This group were the remnants of the nineteenth-century 'swaggers and itinerant' workers who became increasingly excluded and marginalised as the society became more settled (Calkin 1992).

Another example of the operation of local propinquitious relations would be the experiences of those living on the post-war housing estates which developed in both Britain and Australia. Here a process of opposition to developers and other neighbourhoods occurred (Brennan 1973). Studies documented the phases in the formation of local identity and collective action. The pattern was one which saw initially a high degree of collective action, with social relationships characterised by openness and sociability between neighbours. Much of this activity was devoted to extracting from the developers the promised facilities and services which they were slow to provide. This first phase gave way to a 'settling down' period when collectivity waned as numbers increased and it was no longer possible to know all the residents. Informal sociability begins to give way to more formalised social relations. The final stage was that of the relative isolation of individuals as the internal estate networks tended to break down to be replaced by wider, more formalised, and often impersonal networks (Thorns 1976). In some cases the antagonism between neighbouring areas which bred high degrees of collective activity actually resulted in the building of physical barriers, the most celebrated being in Oxford where the Cuttesloe Wall separated a working-class from a middle-class housing area (Collison 1963). What, then, these examples show is that local organisation based around proximity can provide a base for social

organisation which can cut across property relations or, as in the case of the Cuttesloe Wall, reinforce them.

The development of manifest community as part of the idiom of social life is linked with the more general debate about the shift from gemeinschaft to gesselleschaft with the onset of rationality. Changes within the three societies examined have led to the greater recognition of individual autonomy as the new economic and social liberalism has become established. This is counter to the gemeinschaft of the small collective communities and produces social relations of greater differentiation. This linked with the 'new social movements such as feminism, the peace movement, and the ecology movement' provides greater variety in social formations and leads to a more fluid social structure (Holton and Turner 1989).

We have already noted the formation of ethnic sub-communities as a result of migration and the revival of the indigenous people. The shift in the 1960s of ethnic minorities within Britain from migrants to settlers is a crucial part of this transition, as it was after this that organisations became established which promoted their interests and developed much greater militancy. In Britain we see the rise of black local politics and the mobilisation among black immigrants against exclusion from local housing, employment, and other resources. In Australia and New Zealand consciousness and the formation of ethnic political organisations was in the 1970s, a decade later, and consisted of both migrant and indigenous peoples' organisation. In New Zealand the 1970s saw the emergence of a new Maori political party and the growth of a much stronger sense of identity expressed through a series of land protests.

Gender has also become an increasingly important base for social organisation (McDowell 1989). In the emergence of gender-based struggles local issues and forms of organisation have played an important role. In the 1960s and 1970s women were prominent in attempts to extend the set of services provided within suburbs, particularly those created in the rapid urban growth of the post-1950 period. Such suburbs were places largely of residential property with little in the way of employment or shopping and recreational facilities. The burden of this restricted set of opportunities fell most heavily upon women and children restricting them to the physical confines of the suburb through their lack of mobility once the male member of the household had

taken the car to work in the morning. It was women, therefore, who provided the impetus and social organisation within the suburbs. They organised play centres, were the main supporters of the parent-teachers associations of the local school, and active as fund raisers for local projects. The gendered nature of social relations is shown by the fact that men tended to have a greater prominence on school committees, which allocated finance and controlled school budgets rather than on the PTAs, which raised the money. In this case we can see overlaps between gender and propinquity.

Kinship is a further base upon which sets of relations can develop. Here there is also the same tension between the existence of and the utilisation of relations, between latent and manifest relations. All people have sets of kin but there is considerable variation in the extent to which these are actually utilised. The extent of kinship links is a significant factor in determining patterns of reciprocity which in many traditional communities were a key feature in creating stability (Arensberg and Kimball 1940). The history of the three societies shows the existence of a tie between ethnicity and kinship. Links were established between migrants to all three countries and families in the country of origin leading to both migration streams being established and the reparation of money from the metropolitan societies (Loomis 1990).

Australia and New Zealand, unlike Britain, have relatively shallow kinship structures as they both, with respect to their European populations, are migrant societies. One result of this has been a greater reliance upon peer groups and associational forms of organisation leading to the endorsement of mateship, especially among men, as a predominant feature of the societies particularly in the early phases of their development (Oxley 1974, Pearson 1980, Phillips 1987, Fairburn 1989).

THE DEVELOPMENT OF LOCAL CONSCIOUSNESS

The existence of multiple bases for local social action have now been identified. In all cases a common theme was the need to understand the process whereby objective interests be they property, propinquity, ethnicity, gender, or kin, become real in the sense that they are recognised and acted upon by individuals. This process is about the development of consciousness and is clearly a

key one in understanding whether the variety of bases fragments or reinforces a sense of identity.

The existence of multiple bases means that either they can exist independently or act to reinforce each other in a variety of ways. For example, there may be overlap between property-based and propinquitious relations, or between gender and ethnicity, or ethnicity and propinquity. The multiplicity of potential bases, however, indicates the possibilities of conflict between the various bases and the fragmentation of responses to change. Few studies have devoted specific attention to the relation between alternative bases of local social organisation or attempted to theorise the linkages. The result has been that locality effects are often either regarded as a final 'residual' to explain any variation which cannot be adequately explained by general economic or class changes or ignored. We noted in Chapter 2 that local culture has tended to be treated as a residual in the British locality research programme into urban and regional change rather than as a possible independent variable actually shaping the responses to change. Such analyses underestimate the significance of local consciousness and the impact of contradictory bases of local organisation upon the formation of social movements which have longevity.

The fact that there are varied bases and that there is a need for the development of consciousness provides one of the clues to why action is often sporadic and short lived. The generation of consciousness requires time, energy, and struggle and is a consuming process; therefore, organisation around competing bases often weakens the overall sense of collectivity and produces factions, often in opposition, as the struggle for the preservation of the advantages or the viability of one place may be at the expense of another. It has been shown in earlier chapters how the restructuring of employment impacts unevenly upon regions and localities. The opposition this has provoked has often been locally organised and has resulted in one area fighting for the preservation of its plant or industry regardless of the consequences for other areas. The response becomes not one of class, in the sense of a common acknowledgement of conditions and experience among all affected workers and families generating from the point of production, but one of local community and an attempt to preserve employment and opportunities for the local population. In the pit-closure struggles of the 1980s in Britain, many aspects of this are illustrated. It was the single-industry communities of the West

Yorkshire coalfield which had the strongest commitment to the strike and those who were less identifiable and less part of a 'local' community in the Nottinghamshire coalfield who had the weakest (Warwick 1985, Saunders 1990a). There was in West Yorkshire an overlapping of class and locality which led to a mutual re-enforcement which was lacking among the miners who lived in larger cities and who had thus a less identified sense of class and place. In the restructuring of the New Zealand meat-freezing industry there has also been a similar diversity of response based around the conflicting loyalties of class and locality. Should workers struggle to preserve their locality and accept changes to their conditions of work so that the only source of employment can be maintained as was the case in one South Island freezing works? Or should they join with other areas and conduct a collective struggle which may lead to the closure of their local works and source of employment, and the decline of their locality, but may have general benefits for workers in the industry as a whole?

The early gender-based struggle for the vote also posed similar questions for the development of collectivity and consciousness. The struggle for the vote and for improved economic conditions attempted to join women together in a common struggle. However, this movement also was split by class and ethnicity. Nevertheless, New Zealand became the first country to grant women the vote in 1893, with South Australia following close behind in 1894.

In New Zealand the significant steps in this process were the formation of the Women's Christian Temperance Union in 1885 which, although it began on a narrow temperance platform, quite quickly expanded its aims and became concerned with a wide range of issues including pre-school education, crèches for working women and equal pay. This wider range of issues, however, was not addressed at the time and is still on the agenda of the contemporary women's movement.

The greatest success of the earliest feminist movement was the adoption of universal suffrage and the entry of women into formal politics and the greater recognition this provided. The success here required the formation of a social movement to mobilise women to struggle against the state. In both the USA and New Zealand an important part in creating such a mass movement was played by the Women's Christian Temperance Union.

Women also in the late nineteenth and early twentieth centuries expanded their position within the paid workforce with employment growing. For example, in New Zealand between 1874 and 1921 from 11 per cent to 24 per cent of married women in the workforce (Pearson and Thorns 1983).

The attempts by the early feminists to widen their agenda were, however, met with resistance and moves were made to reinforce the cult of domesticity to encourage women to adopt a 'traditional' role model as wife and mother with her place in the 'home as a homemaker'. In New Zealand this ideology was most strongly expressed through the Plunket movement concerned with child and infant health.

The gender politics of the early wave of feminism in New Zealand, as elsewhere, was a mixture of women's advance through the obtaining of voting rights and reaction from males who saw in this advance a potential, if not real, threat to their position. A counter ideology of women as home and family makers and as the centrepiece of local social organisation reaffirmed their role in social reproduction rather than production and weakened the struggle for overall rights, fractured the unity of the movement, and contributed to the relative decline in the feminist movement from the 1920s to the 1960s. The relative power of women and men is well illustrated by the fact that there was no widespread counter mobilisation of men to resist women's advance. For as Franzway *et al.* (1989:39) have noted 'the key point is that masculine domination is so firmly entrenched in existing political institutions, such as the bureaucracy, the press, and the major parties, that they can normally be expected to do the job as they stand'.

Similarly, evidence of ethnic politics in the 1970s and 1980s is one which suggests the fragmenting of interests between the black and white working class through the generation of 'racism' and the emergence of a stronger 'black' consciousness. The present picture is, therefore, one of groups based around separate rather than joint development for minority groups as they seek to establish control over resources and political agendas. The disparate nature of these struggles illustrates the way in which conflicting forms of consciousness develop within the locality restricting the growth of social movements and an overall sense of identity.

The discussion so far suggests that when we inspect the pattern of local social action, we are more likely to find evidence of

fragmented, sporadic activity than we are to find organised, sustained social movements. Consciousness is a fragile plant and the multiplicity of bases deflects and diffuses rather than reinforces it limiting the growth of consistent and coherent struggles. It is useful now to look at some cases to see how these factors have operated within the urban context over the past few decades.

CASE STUDIES

Urban freeway struggles

The 1960s to the 1980s have been an interesting period for urban-based movements. They have been shaped by both wider structural shifts already documented and by local contextual variables. For example, it was only in Australia that an alliance was formed between union power and environmental and resident interest groups to fight various development schemes through the imposition of 'green bans' (Kilmartin and Thorns 1978).

The late 1960s and the 1970s were the periods of greatest resident activity. The reasons for this are complex but lie in the nature of urban change taking place. The late 1960s were a time of urban infrastructure change, with attempts to 'solve' the problems of increasing scale and rising urban congestion through urban freeways/motorways. In all the major cities of Australia, New Zealand, and Britain schemes were prepared for urban freeways. In all cases these schemes became the object of urban struggles. In some cases the struggles achieved at least limited success as they either stopped the full implementation of the schemes or modified the original proposals. Whether the protest groups which formed constituted urban social movements has been the subject of debate as although they may have assisted in the modification of the urban environment, few if any could claim to have brought about a 'structural transformation' (Castells 1983, Mullins 1977, Lowe 1986, Kilmartin *et al* 1985).

Studies in Australia by Rundle (1984) and Mullins (1977) have documented struggles in Melbourne and Brisbane against freeway development through inner-city residential neighbourhoods. For example, in 1969 the Melbourne Metropolitan Transport Plan was produced which sought a solution to the transport problems of the city through the construction of freeways to bring the outer

suburban residents into the central business district. The plan aroused considerable opposition which was initially led by the inner-suburb residents who considered that their particular localities were being subjected to extensive and unnecessary change. The level of protest action grew making it the most significant and extensive urban conflict to occur within Melbourne over the last three decades. By the mid-1970s over 70 resident organisations opposed the freeways and the social composition of the movement had grown to include a wide range of areas and groups ranging from middle-class professionals through to working-class residents, and from student radicals to feminists and religious groups. As the decade ended and the 1980s began, the freeway proposals either had been modified or abandoned to be replaced by a programme to manage the existing road network. The conflict throughout the 1970s drew the local residents into conflict, first with the state government of Victoria and later with the Commonwealth Roads Board as agent of the federal state. The defeat of the freeway plans was achieved by both the level of opposition generated and the weakening of the federal government's commitment to urban roading with the demise of DURD and the election of the Liberal government in 1975 which moved to a policy of greater fiscal austerity (Rundle 1984).

Mullins' study of Brisbane documents a similar process. The state proposed a freeway system to bring the suburban com muters into the central business districts of the city for work and retailing so improving the flow of goods and customers. The achievement of this scheme required the destruction of inner-city housing, which led to the emergence of protest-group activity through the formation of the Brisbane Freeway Protest and Compensation Committee. This group acted as a catalyst for other movements protesting the pattern of urban change. The decision to postpone the freeway plans, not at this stage a cancellation, was the product as in the Melbourne case, of both the pressure of the protest movement and external changes including the rising costs of construction, inflation, and the reduction of the roads funding from the federal government (Mullins 1977).

Environmental struggles

The environmental movement has had an important impact upon the political process. However, it is necessary to draw a distinction

between the early phase of the 1960s concerned largely with national and local issues and the greater internationalisation of the movement in the 1980s around such questions as global warming, ozone depletion, nuclear weapons, and power generation.

The 1980s have seen the rise of 'green' parties in a number of countries within Europe and Australia. The 1989 European Parliament elections indicated the growing strength of the 'greens' as a political force in Europe. In Australia the Tasmanian elections in May 1989 saw the Green Party winning enough seats to hold the balance of power between the Liberal and Labor parties. Labor and Greens combined in June 1989 leading to the defeat of the Tasmania Liberal government and its replacement by a Labor/ Green alliance. The wider significance of Green politics within Australia was felt in the 1990 federal election where the ALP retained office largely on the second preference votes of 'green' supporters.

In New Zealand 'green' politics were present in the 1960s with the 'Save Manapouri' petition, which attracted thousands of signatures. The issue which evoked such a response was the proposal to raise the level of one of New Zealand's southern lakes to provide power for a hydroelectricity development linked to the construction of an aluminium smelter by Comalco at Bluff in Southland. The significance of environmental politics was further emphasised with the emergence of the Values Party, committed to environmental issues in the early 1970s. The Values Party campaigned on a conservation platform advocating changing life styles to conserve resources. The party received its greatest parliamentary support in the 1975 election and then faded. A 'green' political presence re-emerged at the 1990 election and in some constituencies was an important contributor to the drop in support for the Labour Party.

The environmental agenda has in part become incorporated into New Zealand politics and government through the establishment of a Ministry for the Environment, and more recently, conservation. A continuing campaign has taken place by environmental pressure groups to try and prevent mining within national parks and logging of native timbers. During the National government's 'think big' development programme, opposition to a number of the schemes was led by environmental groups, for example, the opposition to an aluminium smelter at Aramoana near Dunedin, and the use of natural gas to produce electricity and synthetic fuel.

In the 1980s the environmental movement has made common cause with the peace movement in opposing the visits to New Zealand of nuclear-armed or propelled vessels—a policy which became adopted by the Labour government in 1984 and led to New Zealand's defence relations with Australia and the United States being refashioned (Clements 1988).[2] The anti-nuclear policy of the Labour government has remained strongly supported by the population with over 50 per cent support for continuance even if this meant a complete withdrawal from the ANZUS alliance linking Australia, New Zealand, and America in a defence treaty (Heylen Research Centre Poll 1989). In Australia the anti-nuclear movement unsuccessfully fought to oppose the mining and export of uranium and the exclusion of nuclear-armed and powered ships from Australian ports.

In Australia in the early 1970s there was a brief period in which local concerns about the environment became linked with labour concerns and a new form of urban action resulted, the 'green ban'. The development of this coalition between resident action groups and the Builders Labourers Federation (BLF) began in 1971 with the threat of the imposition of the first 'green ban'. The setting was an area of natural bushland which the A.V. Jennings' group had planned to develop with home units. The locals protested via meetings, deputations to the state government, petitions, and through the newspapers, all without success. In some desperation they sought union aid. The building unions responded by threatening a 'black' ban on all A.V. Jennings' projects throughout Sydney. The result was the abandonment of the development scheme for Kelly's bush. The BLF, having succeeded in this case, became actively involved in promoting the 'green ban' as a legitimate weapon in the struggle to control the shape of urban growth and rate of change. This created an uneasy alliance between middle-class environmental protection groups and the communist-led builders union leading to the observation that: 'Middle class groups are a little embarrassed at having to turn to a rough-hewn proletarian communist to protect their homes (and values) from flats and motorways, and their theatres and pubs from office developers. But approach him they do' (Thomas 1973: 40).

By the middle of 1972 the number of 'green bans' had grown to over a dozen sites in Sydney which effectively prevented developers proceeding with schemes, including the redevelopment of the Rocks

area of inner Sydney, an underground car park for the Opera House and the demolition of a church. Resistance of this type spread from New South Wales to the other states where similar alliances were formed.

It seemed, therefore, that the fight against indiscriminate development was being won by emerging coalitions within the major cities of resident action groups and unions. One of the earliest to form was the Coalition of Resident Action Groups (CRAG) in Sydney. Here the coalition developed a strategy of adversary politics waging its campaign via the media, submissions and protest action directed at the local planning authority of the state and city. A further initiative was the local Government Reform Conference of 1972 which saw the need for the reform of local government as a first step towards changing the structure of government in order to create a more participatory democratic process. The movement, like its counterparts in the United Kingdom and New Zealand, was about reforming the planning and consultative processes of local government to ensure local residents' interests were acknowledged. It strongly endorsed the extension of public participation in the planning process and encouraged consultative decision-making. These included environmental protection which became manifested in the opposition to destruction of both natural bush and older residential housing areas to make room for rapid change.

The resident coalitions of opposition included those who saw the answer within a more participatory framework consistent with the existing structure of decision-making through to those who wanted a more radical reform. The community development projects in the United Kingdom, for example, began as reformist but increasingly became more radical as the aim of establishing a more participatory processes became frustrated by the existing social and political structures. This greater radicalism led such projects into increased conflict with the government and their eventual demise.

Ethnic struggles

In both Maori and Aboriginal culture, land is a central aspect of life; it provides both the spiritual and material base for the *hapu* and links the present generation with their ancestors. Therefore, struggles which have appeared in the 1970s and 1980s have

increasingly featured land claims and rights. In New Zealand an important initiative was the land march from Northland to Wellington in 1975. The march, which involved 50,000 people during its course was from Te Hapua in Northland to Wellington to present a petition to parliament. At the end of the march the participants split into factions rather than forming a continuing movement (Walker 1990). The march, however, did capture the imagination of the Maori and led to increased discontent with the existing political processes and further land-based local struggles at Raglan and Bastion Point in 1977. At Raglan a group of local Maoris occupied the golf course which was on land alienated from the its Maori owners. The land reverted to Maori owners in 1979 and the golf club was then required to pay an annual rent for its use. The Bastion Point struggle was more prolonged with the occupation lasting from January 1977 to May 1978, in all 506 days. The coalition of support which formed extended beyond the local Ngati Whatua and included the Auckland Trades Council, Socialist Action, the Socialist Unity Party, and the Citizens Association for Racial Equality with up to 5,000 people collecting at weekends. The protest was well organised with food being grown and a store and meeting house erected. In April 1977 Lands and Survey employees refused to pull down the encampment so effectively a 'green ban' somewhat similar to those in Australia was placed on the site. The final act of this phase of struggle was the forcible removal of the protesters in May 1978 in an operation by 600 police in which the buildings were removed and 218 were arrested.

A result of this increased political activity was the formation of a new political party in 1979, the Mana Motuhake party. The new party was established by a former Labour Cabinet Minister of Maori Affairs, Matiu Rata, and had as its aim self-determination for the Maori within the mainstream of government structures. Two peoples but one nation was their concept of the future (Orange 1987). Although this party has not as yet managed to obtain any parliamentary representation, it has provided a clearer focus for the expression of Maori aspirations and threatens the destruction of the Maori/Labour alliance. This alliance has seen the four Maori seats provide Labour members of parliament since the 1930s when it was first formed between Ratana and Michael Savage, the first labour Prime Minister. However, at the 1981 election the new party polled quite well in the four Maori seats,

collecting between 4 per cent (Eastern Maori) and 18.4 per cent (Northern Maori) of the vote. By 1986 an even more significant presence was sustained with their share of the vote ranging from 31.5 per cent (Northern Maori) to 9.7 per cent (Southern Maori).

Land rights have also occupied a central place within the struggle by the Aboriginal people in Australia to reconstitute their communities. Possession of land is seen as a central part of the attempt to combat the current social and economic conditions of the Aboriginal people, which have resulted in high crime rates, alcoholism, poor health and nutrition, and low levels of employment and income. Studies have shown how disproportionately Aboriginals make up the offending class within the Australian population leading one commentator to observe that 'Aboriginals are among the most imprisoned people in the world' (Thorpe 1987:260). The 1970s saw some attempt, under especially the Labor government, to improve the legal, economic, and social position of the Aboriginal population. With this change came the emergence of new, more politically active groups to campaign for land rights. Some of the forms of protest adopted have been 'orthodox such as bringing cases before the courts, others have been more forceful, such as strikes and freedom rides' (Howe 1977:71). One of the most imaginative was the erection of a 'tent' embassy in front of the federal parliament buildings in Canberra, which lasted for most of 1972. Further, protests were organised at the time of the Commonwealth games in Brisbane in 1986 and during the bicentennial year of 1988.

The growth of distinctive ethnic communities within Britain has led to some reconsideration of the importance of space for the creation of identity. One important consequence of the spatial concentration of 'blacks' into inner-city areas has been the formation of locally-based and territorially defined areas which have effected social closure around their distinctive ethnic identity. Research examining the 'race' riots in 1981 and 1985 in various inner-city areas including Bristol, London, Birmingham, and Liverpool has shown how a concept of local control and the defence of the territory from outsiders, especially the police and media, and community autonomy were central to the actions of the 'rioters'. Gilroy, for example, quotes the case of Handsworth where a deal was supposed to have been struck between the Rastafarians and the police to ensure peace in the area if the police

withdrew (Gilroy 1987). Further, Reicher in a study of St Pauls'
area of Bristol after the 1981 riots comments:

> Once the police had been chased out of St Pauls, they were
> not followed. The only area involved consisted of City and
> Grosvenor Roads and the streets backing off them…even
> later during the looting the participants did not stray beyond
> the boundaries of St Pauls. Not only that, but once police
> were drawn out no one else was stopped from entering the
> area, indeed crowd members even helped organise the traffic
> flow.
>
> (Reicher 1984:12)

> Both these examples indicate the growth of identity based
> around territory, which shows space is not an irrelevant
> variable. It also shows the way that ethnic identity has become
> an increasingly dominant base for local mobilisation rather
> than class (Solomos 1988).

Rent strikes

Documentation has been provided by a number of authors of the
Glasgow rent strikes of 1915, and 1920 to 1927. In both cases a
significant part was played by women in the organisation of the
struggle. The issues which provoked the action were those
associated with 'social reproduction', the cost of renting, and the
difficulties faced by the wives and mothers in surviving. The
driving force was the Glasgow Women's Housing Association
formed in 1914 and the targets of their action were the landlords
who held a monopoly position and their agents and the city and
national governments. The struggle was about keeping costs down
and encouraging the state to become more involved in providing
welfare, especially housing, as the private sector was seemingly
unresponsive to housing needs. Between 1912 and 1915 Glasgow's
population had grown by 65,000 but only 1,500 housing units had
been built. The rent strike began in 1915. The action undertaken
was the refusal to pay the increases in rents, mass protection
against evictions of the strikers, and street demonstrations in
support of the Labour Party proposals for a new housing policy.
The crucial role of women in this struggle is underlined by Damer
when he writes:

> Let the women of Clydebank not be hidden from history. It is plain their internal networks were central in the resistance to eviction. Their self help networks based on the close (the common entrance 'stair' to the tenements) and the tenement block, were admirably adapted to the rapid mobilisation against the Sheriff Officers.
>
> (Damer 1985:42)

By October 1915 15,000 were on rent strike and on the 7 October a mass demonstration led by the women was held, resulting in the introduction into the British parliament on 25 November of a Rent and Mortgage Interest Restriction Bill. The success of the struggle was due to the ability of the women who began the struggle to enlist the support of the trade unions and industrial employers. The employers in this case shared the workers' desire to see rents held or reduced to ease pressure on wages. Thus they joined their employees in a common attack upon monopoly landlords.

The rent strike clearly shows the importance of place, gender, and mobilisation at the local level. As Castells observes it was 'only when a social challenge appeared at the grassroots level that the power relations were altered and the state was forced to intervene in the provision of housing' (Castells 1983:27).

The second Clydeside rent strike was much longer, from 1920–27, and was less successful. Again it was women who were the organisers. As they were the people in charge of budgeting, rents were a vital issue in the organisation of the domestic economy. In this strike it was not possible to build the same coalition from the local issue of rents to include industrial employers and trade unions. As a result the struggle was more prolonged, bitter, and less successful (Damer 1985, 1990).

The rent struggles were both local social actions but they had impact beyond the locality. The rent control legislation and the acknowledgement of the state's role in housing provision which led to the 1919 Housing and Town Planning Act, were outcomes which were, in part at least, attributable to the struggles on Clydeside.

Local struggles in both the case of the rent strike in Glasgow and the Maori occupation of Bastion Point were crucial to the subsequent change in the state's responses to urban issues. In the Maori case it heightened awareness of the centrality of the land issue, which led to an extension of the provisions of the Waitangi

Tribunal back to 1840 in the 1985 legislation and to the greater recognition given to the Treaty in public debate and legislation. Out of the Glasgow rent strike came control over the actions of landlords and the acceptance by the state of a role in housing provision.

RESTRUCTURING OF LOCAL, POLITICAL, ECONOMIC, AND SOCIAL STRUCTURES

The discussion so far has drawn our attention to a number of key questions, among which is why did the pattern of urban social movements change in the latter part of the 1970s and into the 1980s? Among possible explanations are first, the development of owner occupation creating a more individualised mode of consumption and creating increased wealth for many which was canvassed in Chapter 7.

A second explanation is the view that in the late 1970s and into the 1980s many of those who were prominent in the early development of urban-based action groups became absorbed into the consultative and decision-making programme of the various states at both national, regional, and local levels. Such changes diffused protest and turned groups from ones with an action orientation into more routinised forms of activity. Labour governments in all three held office during the 1970s. In New Zealand and Australia both were committed to new initiatives in urban and regional development and supportive of greater public participation in planning. These moves to include urban protest and action groups within the formal processes of consultation led to the loss of some of their appeal and to the more active participants moving into other forms of political activity. Burke, for example, notes that Shelter in Victoria was more effective during the time of the Liberal government from 1975–82 when it adopted a 'contestatory' approach than it has been from 1982 under Labor. In the 1980s, with the change in government, a number of key members took up employment with the Ministry of Housing resulting in a more consultative process being adopted on housing issues (Burke 1988).

The third area of change has been the growth of gender and ethnic politics, both of which have become more central to the 1980s and look certain to be prominent in the 1990s. In New Zealand the women's rights section of the women's movement was

initially represented by the formation in 1966 of the Society for Research on Women. The Society was an important first step towards the documentation of the experience of women and to the demonstration of their lack of equality within employment. A political lobby built, from the data that was generated, to press for improved legislative protection to ensure overt discrimination on the basis of sex was reduced. A more co-ordinated lobby group was formed in 1985, the Women's Electoral Lobby. Further, evidence of the impact of such lobby groups was the establishment of a Ministry of Women's Affairs by the Labour government in 1984 and by the writing in of Equal Opportunities Policies to the State Sector Act of 1987 (Saville-Smith 1987). This Act requires all public employers to act as a 'good employer' with respect to the establishment of an equal opportunities programme to ensure that employees are not discriminated against on the basis of their gender.

In the Australian case the 1970s and 1980s have also been marked by the greater prominence of gender politics (Dowse 1983). The formation of the Women's Electoral Lobby prior to the federal elections of 1972 marks a similar line of development to the one noted for New Zealand. The WEL campaign was based around six elements—equal pay, equal opportunities for employment, equal opportunity in education, free contraceptive services, abortion on demand, and free 24-hour child care (Simms 1981). Candidates before the 1972 election were surveyed for their attitudes and opinions on women's issues and the result published as a way of encouraging women to vote for those candidates most sympathetic to their position.

The pressure of the feminist lobby led to the 1972 Labor government appointing an adviser on women's affairs within the Prime Minister's department. This was upgraded to a Women's Affairs Section in 1974 and finally to an Office of Women's Affairs in 1977. However, after the federal election of that year the Office was transferred from the Prime Minister's department into the newly created Department of Home Affairs which essentially downgraded the Office as it no longer had direct access to the cabinet and, therefore, to the full range of government policy decision making.

Ethnic politics has centred around land issues in Australia and New Zealand with respect to the indigenous peoples and settlement issues with respect to the migrants and the obtaining of full citizen

rights. Such politics have been directed towards legislative change. The struggle has centred on the state and state institutions. The result has been to raise the status of the Maori population through the greater recognition of their culture and language within government departments and the education system, rather than in a substantial shift in the balance of power or resources from the majority to the minority population (Sissons 1989, Kelsey 1989).

The fourth area of change has been the pattern of restructuring which has taken place shifting resources from urban programmes and instead emphasising individual market modes of activity rather than collective. Further, in the mid-1980s the building boom collapsed which placed many of the projects which had generated opposition back onto the drawing board.

The fifth area of change includes local factors, which also played a part. For example, in Australia the election of the federal Labor government in December 1972 was partly on a platform of a new deal for cities and one of the first actions of the government was the establishment of DURD. Between 1972–74 when Labor was bundled out of office, many of the activities of resident action became incorporated into the 'system' through recruitment to or appointment on local councils and committees. The changed relation of the action groups to government served to break down the previous consensus, which held the movement together. Consequently, it splintered and lost ability to produce coherent action. The Builders Labourers Federation also experienced internal problems and by 1974 the New South Wales branch at the forefront of the Green Ban activity had been taken over by the national union. The mid-1970s saw the state changing tack and moving away from major roading projects within the large cities so that virtually all disputed freeway construction had ceased. The reallocation of funds to other areas of activity was one part of the response of the federal state to its increasing fiscal crisis. Another was the move towards greater devolution from the centre to the states a process which came to be called 'new federalism'. However, preservation rather than destruction and wholesale clearance of sites had by the mid-1970s become accepted wisdom and inner-city revitalisation was occurring through 'gentrification', a process which was bringing financial benefits to some inner-city residents and localities and leading to a considerable change in the social composition and political significance of the inner suburbs.

These five areas of change have shifted the bases of activities from space to association and continue the tendency towards fragmentation of response to change which began in the 1970s. This argument has been one of the central themes of our discussion throughout, namely that the impact of global restructuring has impacted upon the nation states, regions, and localities in ways that have fragmented former social structures of kin, family, and territorial-based association. The result has been the move towards a more fluid, social structure where bonds between individuals, families, and workmates are weaker and the levels of social regulation are less effective. The result has been the transformation of many localities' resistance either to one of simple opposition to change of any kind, or informed fatalism. The first is the more collective response and has taken the form of resistance to preserve the particular form of economic activity, which provided the economic and social base for the locality. Local struggles have occurred as efforts have been made to save mines, freezing works, textile factories, steel works, and docks from closing. In all these cases local populations have been confronting international or national capital. The success rate has been limited and where achieved has often been at the expense of a neighbouring locality which was less effectively organised. In this respect, communal struggle for the preservation of territorial localities is a collective manifestation of the striving by individuals for solutions through adopting 'competitive individualism'. Interlocality rivalry is thus encouraged to both splinter collective opposition and to facilitate the most attractive 'new deal' between capital and the locality to provide for continued economic activity. From the 'Nissan way' in the north of England to the restructuring of the New Zealand freezing works, and the shipyards of Australia as it develops a defence-based industry, similar processes are being worked through. The outcomes shaped as they are by the local context are, however, not identical, demonstrating the continued importance of the 'local' in any full understanding of the restructuring of social and economic relations.[3]

Informed fatalism appears to be the other response. Here, we are seeing workers adopt essentially individualistic responses to the changes going on around them. They are more or less informed about the process of restructuring but the pace and extent of it have left many feeling 'shell-shocked' rather than active in resistance. The reaction is one of withdrawal from confrontation

and action into new forms of privatism (Marshall *et al.* 1985, Rees 1985). The paradox for many, which has led to weakened resistance, is that the orchestration of change has been by those who were expected to be the supporters of workers' interests. The 1980s in Australia and New Zealand have been decades when Labour has been the party of government and in Britain the 1970s, a decade mostly of Labour government, was the one that saw the beginning of many of the changes that have accelerated under the Conservatives in the 1980s. One result has been a massive disaffection from traditional party politics with a decline in membership of the main-line political parties. The main parties have struggled for members and funds as their support base has been eroded. All the governments in the 1980s have been elected with a minority of the popular vote and the number of abstentions and votes for minor parties has increased. These shifts indicate a degree of political disengagement occurring. For example, in the 1987 election within New Zealand, Labour lost support in its traditional working-class constituencies through abstentions and gained votes in formerly 'blue' ribbon electorates nearly unseating the sitting national member in Auckland's wealth suburb of Remuera. The 1990 election saw National re-elected by a landslide in terms of seats but with only a small increase in its share of the popular vote. It was Labour losing votes as much as National gaining them that decided the election result. The most recent Australian federal election also demonstrated a lack of enthusiasm from the voters for the main parties with the Labor government only surviving through the number of second preference votes it received. Neither the Labor or Liberal/Country opposition party could increase the proportion of the popular vote they could command; rather it was the alternative Green and Democratic Parties which gained most support.

SUMMARY

In this chapter the issues of local social organisation, consciousness, and identity have been raised. The existence of multiple bases for such local formations need to be acknowledged. Local areas are contexts in which broader social processes are worked out. Thus, they are sites of dynamic processes rather than static ones. For an understanding of the formation and reformation of localities within the three societies reviewed, it is necessary to

examine the extent of conflict and reinforcement that occurs around the variety of potential social bases that exist. The principal ones identified here have been those of class, propinquity, gender, ethnicity, and kinship. The existence of such varied possibilities indicates the need to theorise the process through which consciousness and action emerge to form a locus of social struggle and the building of a movement. The case material reviewed generally shows that social movements have been relatively short lived and have seldom moved beyond the initial set of concerns. Further, present responses to social and economic restructuring at the local level, reflecting the rise of individualism more generally and the breakdown of established forms of collectivity, for example, trade union activity and working-class residential communities, are in the direction of a more fragmented set of social responses. These responses are built around issues which have tended to divide rather than unite opposition to the social and economic restructuring occurring within the societies leading again to an increased number of individuals adopting a personal rather than collective solution to their present and future position.

9
REASSESSMENT OF DEBATE AND PROSPECTS FOR THE FUTURE

The book has now examined both the original formulation of the NIDL writers and the experience of the selected societies over the last three decades. The discussion and evidence provided has shown the need to broaden the original formulation to incorporate an understanding of the role of the nation state, region, and locality. It is not possible to simply 'read off from a consideration of global capitalist change the structure of particular societies. Consequently, a theoretical understanding is required which can accommodate both causal and contingent processes. The three cases explored here raise important questions regarding both the commonality of experience and of the conceptualisation of the world system. It is important to recognise that change can flow in both directions, rather than simply downwards from the 'core' nations. It is also necessary to appreciate that changes are mediated through the social structures which have emerged within nation states over time, leading to modifications to global processes and the emergence of varied forms of local resistance to change.

In the three cases reviewed, although adoption of greater economic rationalism has been common, the way this has been applied in practice has differed depending upon the interrelation between the state and coalitions both within and between capital and labour. In Australia, as noted in Chapter 4, there has been a greater degree of corporatism than in either Britain or New Zealand. This has been because of the existence of the Accord linking labour, government, and capital, in an often uneasy alliance but one which none the less has persisted and aided in controlling Australia's path of development. The existence of the Accord demonstrates the greater ability of the labour movement to resist change. The government has, as a consequence, suffered both success and defeats in its attempts at

restructuring. The most notable defeat was at the tax summit where the Hawke-Keating plans to shift the tax base towards greater indirect tax through the introduction of a Goods and Services (VAT)-style tax was unsuccessful. The less doctrinaire approach of the government is also shown in the promotion by the federal government of an Australian defence construction industry and in the decision at the end of 1989 to provide financial aid to the Kodak Corporation to ensure its continuance in Victoria. The government has also pursued large-scale joint ventures with overseas capital, especially Japanese, as is demonstrated in both the plans for a very fast train connection between Sydney, Canberra, and Melbourne and in the 'multi-functional polis' concept (Kilmartin 1990). At the base of such a 'polis' would be service industries involved in such areas as education and training, biotechnology and health, media and entertainment, information technology, advanced transport systems, building design, and agriculture and environmental management. The cities are envisaged as containing upwards of 100,000 with a substantial Japanese and Chinese population. The promoting group is composed of Australian and Japanese business leaders.

New Zealand, in contrast, was the last to adopt the new market liberalism. However, once this was adopted, the speed and extent of change has been greater than in either of the other two societies. The existence of a simpler structure of government, with no regional authorities outside of the Auckland area, and relatively small-scale and weak local government, has permitted this greater pace of change. The opposition which might have been anticipated from the unions to the scale of change was weakened by a prolonged and bruising struggle with the government and capital during the latter part of the 1970s when the previous National government introduced labour reform, including voluntary unionism. This was followed by wage controls and a decline in real income which provoked an upsurge in strike activity in the latter part of the 1970s. In 1976 the total number of workers (201, 085) and the proportion of the workforce (19 per cent) involved in strike action was the highest ever achieved within the present century (Roper 1989). A limited victory was achieved by this unprecedented level of organised opposition to the government's wage-control policy as in August 1977 the government allowed a return to 'free' collective bargaining over wages. However, industrial struggles still continued at a high level throughout the

latter part of the 1970s and into the 1980s when a further period of wage and price control was introduced. The union movement this time decided to work for the return of a Labour government. This occurred in 1984 and with it wage and price control ceased. However, the union movement was weakened by its prolonged struggle and thus was unable to exact the kind of accord which had been hammered out between the union movement and Labor in Australia. After the 1984 election the opposition to restructuring was divided and lacked a coherent strategy, which enabled the proponents of the free-market liberal position to assume centre stage and claim there was no alternative to their prescription for change, the results of this shift upon employment and state provisions and policies were documented in Chapters 3 and 6.

The growth of an organised support base for such changes within New Zealand capital emerged at the end of the 1970s. It contained the Chambers of Commerce, New Zealand Institute of Directors (NZID), and the newly formed (1980) Business Round Table. The NZID, unlike its Australian counterpart, has remained a branch of the British organisation which has been among the strongest supporters of the Thatcher government. The Business Round Table organisation, composed of the chief executives of the twenty-five largest companies, has been particularly significant as New Zealand capital has become more centralised through takeovers and mergers in the 1980s. The chief executives of these companies have further entrenched their position by being appointed to the boards of the new State Owned Enterprises established by the Labour government (Roper 1989, Boston and Holland 1987, 1990).

The resistance to change that did occur was located mostly within the public sector as this experienced the brunt of the reform through the 'corporatisation' and sale of state assets. Confrontations occurred between the government and the public service unions. However, the government used its parliamentary majority to push the reform of the state sector through, especially the State Sector Reform and the Labour Relations Acts. Both of these pieces of legislation were designed to promote increased flexibility in work practices and activities. Further, in New Zealand, there are not multiple layers of government, as exists in Australia with its federal structure of state governments which can provide alternative sources of power and influence.

In Australia there has always been a degree of tension between the federal and state governments. This has been demonstrated on a number of occasions. In the 1970s federal/state relations were strained in the early 1970s as the federal state under labour, as part of its urban and regional policy, attempted to wrest initiative away from the states. The Fraser government, in the latter part of the 1970s, reversed this trend and moved to give the states greater autonomy. During the 1980s varied strategies have been followed by the different states from the more interventionist policies of the Victoria Labor government to the pursuit of privatisation under the Liberals in New South Wales.

In Britain the 1980s have witnessed continued conflict between the central Conservative government and the larger urban local authorities which have both defied the government over such things as the sale of public housing and have attempted to provide alternative strategies and models of economic and social development. These conflicts have provided legal challenges, central government attacks upon local authorities and the creation of new forms of local organisation to bypass the resistance of local councils. The abolition of the GLC was perhaps the most noted result of this central/local conflict, just as the circumventing of local authorities is best illustrated by the creation of Enterprise Boards as in the London Docklands Development Board. Attacks have also taken place upon the other identified source of opposition to the government's programme of restructuring namely the trade union movement culminating in the year-long miners' strike in 1985.

The regional level is also one where important differences have appeared. Over the 1970s and 1980s all three countries witnessed greater regional variation with areas both growing and declining. In Britain the drift has been from the older industrial areas centred on manufacturing to the new service-based industries. This produces both inter-regional and intra-urban shifts in population. Gentrification of inner-city suburbs has in part been a reflection of this restructuring as old industry declines and employment in the central areas becomes based around offices and the leisure industry. This, coupled with the increased cost of transport and environmental improvements, which have been carried out, have made the inner suburbs much more attractive and led to their repossession by middle-class professionals. Once the drift back began, the changing social composition also enhanced the inner

areas' political power and ability to ensure further environmental improvements, which raised the property values. Australia and New Zealand do not correspond entirely to this pattern and provide a valuable source of critique as in both cases manufacturing was a less significant component of their respective economies (as shown in Chapter 3). The dominant model within the general debate has been one which identifies the key process as one of deindustrialisation. Such a model is based on an industrial-manufacturing society, a situation which never existed to the same degree in Australia and New Zealand. In both cases manufacturing developed initially to process agricultural products and then under tariff-protection policies to provide consumer goods for the local economy from the 1930s. None the less in the 1980s manufacturing has declined with the adoption of policies to reduce tariffs. The result of this liberalisation has been the restructuring of domestic manufacturing and increased unemployment.

The Australian case provides two other important variations. The first is the expansion of mining and minerals exploration which has been highly dependent upon overseas capital. This activity produces wealth for the states in which it is located, although it is a subject of dispute how much remains within these states and, therefore, benefits the local population. The states which have particularly benefited from this expansion over the 1970s and 1980s have been Queensland and Western Australia. The second is that of tourism, which has expanded in all three countries. However, the particular form of development which has taken place in Queensland, the expansion of coastal resort areas, has produced a rapid urbanisation of the region centred on the Gold and Sunshine coasts in the south and the Cairns region in the north of the state. The marked regional variations in population growth, income, employment activity, property prices, and wealth potential have created growing regional inequalities in life chances in all three countries.

It is at the local level where these varied life chances are experienced. The secure way of life which characterised the 1950s and early 1960s and was associated with the post-war welfare state and full employment has been replaced by the marked uncertainties of the 1980s and 1990s, creating a more fragmented social environment. The attack on the public services and moves towards the corporatisation, privatisation, and sale of public assets and services which has taken place in all three countries has

rendered the security of public sector employment and the concept of social welfare as 'care from the cradle to the grave' a thing of the past. The rapidity of change and the greater level of uncertainty created has placed considerable strain upon both individual and collective social relations. Those who were at one time most secure now appear to be the most vulnerable to change. Not only have there been redundancies within the public sector, but those that remain have had their conditions of work transformed with the introduction of performance-based contracts and the application of new accounting procedures.

The introduction of new technology and the dismantling of the labour market protections and controls which were a feature of 'corporatist' forms have generally led to a weakening of trade union power. The traditionally important unions in manufacturing, mining, and distribution have lost members and so found their strength in both numbers and funds reduced (Austrin 1990). The increasing dominance of the service sectors has also affected the gender composition of the workforce. Part-time work has rapidly expanded as has the use of casual work. The majority of both these groups are female. Interestingly, in Britain it is the public sector in the 1980s which has seen the greatest growth in more flexible work practices and thus in job insecurity, especially through growth in part-time work (Millward and Stevens 1986). The differential rate of recruitment of women into the workforce shows that they have ceased to be simply a reserve army. In fact, in many regions it may well be male workers, formerly employed in skilled and semi-skilled jobs within manufacturing, who have become the new reserve army, as these are the groups that have contributed disproportionally to the present numbers unemployed and the underemployed.

As the gender composition of the workforce and the areas of employment within society are modified, the gap between those actively involved in the wage economy and those excluded has grown. The unemployment this produces has not been even across the three countries but has been marked by region, gender, ethnicity, and age variations. This is partly as a result of the increase in dual-income households which have allowed consumption to increase even though the wages of the individual household members may have, in real terms, declined. However, dualearning households have been able to maintain and expand their rate of consumption and enjoy a more elaborate life style

which includes an expanded range of domestic commodities and also more travel and use of public entertainment and leisure industries.

These changes in the labour market, together with the dominance of home ownership in all three societies over the past 30 years has given rise to the emergence of asset-rich and asset-poor households, with the former having access to income from the labour and housing market denied to the latter group. The result has been a reinforcement of the 'middle mass' within the societies. The restructuring of households into asset rich and asset poor has a further dimension of significance for our discussions—its ethnic composition. The asset poor are largely composed of non-whites in each of the societies being considered. In New Zealand, for example,; the two groups are sharply differentiated along Pakeha, Maori, and Pacific Island Polynesian lines. Many of those incorporated into the workforce in the 1950s' and 1960s' expansion of manufacturing are now being made redundant, leading to 20 per cent of both Maori and Pacific Island males being unemployed in 1989 compared to 5.9 per cent of Pakeha (Spoonley 1990). In Australia there is also a correlation between origins of migrants, recency in the country, and likelihood they will find themselves unemployed and in rental accommodation. Further, Aboriginal unemployment rates are markedly higher than for the population as a whole.

The economic and social changes that have been identified are only part of the move towards a more diverse and potentially fragmented social world. The rise of both gender, ethnicity, and locality as bases for social organisation have also had an impact upon patterns of association and the basis upon which social movements have formed. In each case there have been attempts to mobilise around class, gender, ethnicity, and locality. However, these moves have not been entirely successful.

In the 1980s, in all three countries, gender and 'race' issues have been close to the centre stage. The rise of a new wave of feminism committed to pushing for such objectives as equal employment opportunities and equal pay for work of equal value has come up against the opposition of capital committed to deregulative strategies and the reduction of the labour costs. The place of the indigenous people has been a central concern of inter-ethnic politics within Australia and New Zealand. The cultural renaissance of the Maori which began in the 1970s has, in the

1980s, become more political and focused around the Treaty of Waitangi and claims arising from this to land, resources, and sovereignty. In Britain the growing size of the British-born coloured population has led to the growth of local 'black' organisations less concerned with immigration and more involved with direct political action and with the stimulation of black culture and consciousness. The pursuit of these oftenconflicting agendas in a time of increasing unemployment has tended to fragment opposition and weaken forms of collective activity, which become replaced by competitive individualism. A contributory factor in this process has been the expansion of the wealth potential of home ownership as a result of the rapid inflation in property prices over the past two decades. This affects both present property owners and their heirs as the accumulation of wealth has given rise to the possibilities of inheritance on a scale not previously realised. Home ownership, far from producing a general redistribution of wealth, has mostly reinforced the position of the moderately wealthy. Some of this apparent wealth may turn out to be illusory, dependent as it is on the continuance of property price inflation. There are signs that the high costs of entry to ownership are beginning to impact upon the populations in all societies. It is now, for example, virtually impossible to buy a house on a single income. A further factor in the long-term inheritance potential of property is the increased longevity of the population. The speed at which the 'assets' accumulated will be dispersed depends on the future pattern of state care and pension support for the retired. With moves towards greater 'user pays' it may well be that much of the asset taken into retirement will be used to fund life care within private institutions.

The path of social and economic restructuring has, therefore, not been entirely determined by the international process of capital accumulation. The changing world division of labour and global patterns of shifting production activity between nation states are clearly significant factors affecting the life chances of regions, localities, and individual households. These processes are mediated through the structures and policies adopted at the level of the nation state, and regions within those states, particularly in those cases such as Britain and Australia where there are effective political institutions at these levels. The policy outcomes are the result of the coalitions that formed between factions of capital and factions of labour. In some cases these have

allowed the maintenance of a corporatist style; in others they have seen the formation of a strong set of class interests which have come to dominate the political process and push through an extensive programme of change. In this respect Australia sits at one end of this continuum of change and New Zealand at the other as the society which has most rapidly embraced the whole deregulative agenda of the new market liberalism. This is clearly shown by the proposal for the corporatisation of education and health and the introduction of an Employment Contract Bill (December 1990) which became law in May 1991. The explanation for this variation is found within the social structure and political processes of the three societies. Consequently, an economistic explanation such as that found within the more restricted versions of the New International Division of Labour argument is clearly quite inappropriate.

PROSPECTS

The future is likely to be one in which the tensions and contradictions identified are likely to continue. Each of the three nations examined is incorporated in a different way into the International Division of Labour, and the impact of these external changes is mediated through the national, regional, and local structures. Class structures are thus constantly refashioned as the economic and employment base is modified, incomes and wealth redistributed, and consumption patterns changed. Also cross-cutting the patterns of class change are the increased significance of gender and ethnicity. These factors impact upon the nature of local consciousness and identity, creating fragmenting tendencies which coupled with the present dominant ideology of individualism create fragmentation rather than consolidation.

   The location of the three nations within the world system is likely to create increasingly divergent patterns of economic and social development. We began by showing some of the links between the three societies arising out of patterns of economic and social development, colonial history, and migration flows. These links have weakened over the 1970s and 1980s and are likely to continue to do so. Britain's future since its entry into the EEC in the early 1970s has increasingly been tied to that of continental Europe. A Europe which is presently experiencing rapid social change with the emergence of a virulent nationalism across Europe

from the Soviet Union to the Basque separatists in Spain. The uniting of the two parts of Germany in 1990 and the break-up of the Soviet Union are likely to be crucial in shaping the economic and social development of the next decade. Just as nationalist movements indicate diversity, the growing economic interdependence and spread of mass culture pull in the opposite direction. The pictures of queues and waits of hours for McDonald's hamburgers in Moscow, which now has a turnover of 50,000 hamburgers a day, are a poignant example of the growing interdependence of both cultural form and economic practice— an economic practice dominated by market ideologies and the reassertion of the rights of the consumer, and the power of international capital. Much of the rhetoric here claims that power is moving from state bureaucracies to consumers. However, the reality appears to be the exchange of public monopolies for private or, corporate ones rather than to the consumers!

For Australia and New Zealand the changes in Europe have led to a reorientation away from Europe and towards the Pacific Basin. The generational ties with Europe have weakened with time and more diverse migratory paths. As this change has occurred an increased interdependency between the two nations has taken place through both the Closer Economic Relations programme, which finally removed tariff barriers between the two countries on manufactured goods in July 1990, and in such areas as defence, where greater co-operation has been one result of New Zealand's anti-nuclear stance. Speculation and discussion is now taking place on the possible move towards a common currency and maybe even some form of political union. However, both of these are still some time away as countervailing tendencies also exist which push the two countries apart. Within New Zealand the 1990s are likely to be dominated by questions of inter-ethnic relations centring upon the extent to which New Zealand will become a bicultural society and provide greater resources and recognition of the Maori people. For Australia ethnic politics are much more diverse and the rights of the indigenous people have not received the same level of attention in public debate as in New Zealand. The debate in Australia has been more about migration, especially that from Asia and the flow of capital. Asian capital has been prominent in recent development and property purchase. As the date for the transfer of Hong Kong approaches the flight of Asian capital from that region is likely to increase, much of it may flow into Australia. The

reaction of the population both to the 'Blainey debate' and the more recent proposals for a 'multi-function polis' created largely on the basis of Japanese capital show this is not a prospect uniformly welcomed by Australians.

The dynamics of both international change and local resistance and mediation need further detailed study through comparative research. Many of the old certainties have been severely tested by recent events and this provides a continuing challenge to our sociological analysis. There is a need for continuing comparative work that spans the north-south divide and prevents the development of models which fail to recognise the diversity of experience. This book has begun to identify the issues which could inform such a comparative urban and regional sociology.

APPENDIX
Treaty of Waitangi

TEXT OF THE ENGLISH AND MAORI
VERSIONS OF THE *TREATY OF WAITANGI*

Treaty of Waitangi: English version

Her Majesty Victoria Queen of the United Kingdom of Great Britain and Ireland regarding with Her Royal Favour the Native Chiefs and Tribes of New Zealand and anxious to protect their just Rights and Property and to secure to them the enjoyment of Peace and Good order has deemed it necessary in consequence of the great number of Her Majesty's Subjects who have already settled in New Zealand and the rapid extension of Emigration both from Europe and Australia which is still in progress to constitute and appoint a functionary properly authorised to treat with the Aborigines of New Zealand for the recognition of Her Majesty's Sovereign authority over the whole of any part of those islands— Her Majesty therefore being desirous to establish a settled form of Civil Government with a view to avert the evil consequences which must result from the absence of the necessary Laws and Institutions alike to the native population and to Her subjects has been graciously pleased to empower and to authorise me William Hobson a Captain in Her Majesty's Royal Navy Consul and Lieutenant Governor of such parts of New Zealand as may be or hereafter shall be ceded to Her Majesty to invite the confederated and independent Chiefs of New Zealand to concur in the following Articles and Conditions.

Article The First

The Chiefs of the Confederation of the United Tribes of New Zealand and the separate and independent Chiefs who have not become members of the Confederation cede to Her Majesty the Queen of England absolutely and without reservation all the rights and powers of Sovereignty which the said Confederation or Individual Chiefs respectively exercise or possess, or may be supposed to exercise or to possess over their respective Territories as the sole Sovereigns thereof.

Article The Second

Her Majesty the Queen of England confirms and guarantees to the Chiefs and Tribes of New Zealand and to the respective families and individuals thereof the full exclusive and undisturbed families and individuals thereof the full exclusive and undisturbed possession of their Lands and Estates Forests Fisheries and other properties which they may collectively or individually possess so long as it is their wish and desire to retain the same in their possession; but the Chiefs of the United Tribes and the individual Chiefs yield to Her Majesty the exclusive right of Pre-emption over such lands as the proprietors thereof may be disposed to alienate at such prices as may be agreed upon between the respective Proprietors and persons appointed by Her Majesty to treat with them in that behalf.

Article The Third

In consideration thereof Her Majesty the Queen of England extends to the Natives of New Zealand Her royal protection and imparts to them all the Rights and Privileges of British Subjects.

<div align="right">William Hobson
Lieutenant Governor</div>

Now therefore We the Chiefs of the Confederation of the United Tribes of New Zealand being assembled in Congress at Victoria in Waitangi and We the Separate and Independent Chiefs of New Zealand claiming authority over the Tribes and Territories which are specified after our respective names, having been made fully to understand the Provisions of the foregoing Treaty, accept and enter into the same in the full spirit and meaning thereof: in witness of which we have attached our signatures or marks at the places and the dates respectively specified.

Done at Waitangi this Sixth day of February in the year of Our Lord One thousand Eight hundred and forty.

[Here follow signatures, dates, etc.]

Treaty of Waitangi: English translation of Maori version (by Professor Kawharu)

Victoria, The Queen of England, in her concern to protect the chiefs and subtribes of New Zealand and in her desire to preserve their chieftainship and their lands to them and to maintain peace and good order considers it just to appoint an administrator one who will negotiate with the people of New Zealand to the end that their chiefs will agree to the Queen's Government being established over all parts of this land and (adjoining) islands and also because there are many of her subjects already living on this land and others yet to come.

So the Queen desires to establish a government so that no evil will come to Maori and European living in a state of lawlessness.

So the Queen has appointed me, William Hobson a captain in the Royal Navy to be Governor for all parts of New Zealand (both those) shortly to be received by the Queen and (those) to be received hereafter and presents to the chiefs of the Confederation chiefs of the subtribes of New Zealand and other chiefs these laws set out here.

The First

The Chiefs of the Confederation and all the chiefs who have not joined that Confederation give absolutely to the Queen of England for ever the complete government over their land.

The Second

The Queen of England agrees to protect the Chiefs, the subtribes and all the people of New Zealand in the unqualified exercise of their chieftainship over their lands, villages and all their treasures. But on the other hand the Chiefs of the Confederation and all the Chiefs will sell land to the Queen at a price agreed to by the person owning it and by the person buying it (the latter being) appointed by the Queen as her purchase agent.

The Third

For this agreed arrangement therefore concerning the Government of the Queen, the Queen of England will protect all the ordinary

people of New Zealand and will give them the same rights and duties of citizenship as the people of England.

(Signed) William Hobson
Consul and Lieutenant-Governor

So we, the Chiefs of the Confederation and the subtribes of New Zealand meeting here at Waitangi having seen the shape of these words which we accept and agree to record our names and marks thus.

Was done at Waitangi on the sixth of February in the year of our Lord 1840.

The Chiefs of the Confederation

we accept and agree to record our names and marks thus.

Was done at Waitangi on the sixth of February in the year of our Lord 1840.

The Chiefs of the Confederation

NOTES

1
INTRODUCTION

1 For details of the Treaty see Appendix.

2
THE NEW INTERNATIONAL DIVISION OF LABOUR

1 It is, for example, suggested that one result of German reunification will be the 'deindustrialisation' of East Germany and increased unemployment maybe as high as 25 per cent of the workforce.
2 Other studies of internal migration of Maori population have suggested the movement was critical. Data, however, really does not support this. Calkin 1992 clearly shows the greatest volume was in the late 1960s/1970s not as previously suggested in the 1950s (Spoonley 1990).
3 London Transport, for example, opened a recruiting office in Barbados.

4
THE NATION STATE

1 It is interesting to note that Dahl (1982, 1985) has become more critical of defects in western democracies and now acknowledges more conflict and worsening government performance.
2 For a range of discussion about these shifts see Martin 1981, Hawke 1985, Gould 1982, Rosenberg 1986, Pearce 1987, Gallagher and Swainson 1985, Swainson and Gallagher 1983.
3 In Australia 'Labor' party is spelt without the 'u' whereas in New Zealand they use the British spelling Labour. The chapter has

followed the conventions of the two societies in the spellings adopted, hence the inconsistency.

4 Assets sold have included Telecom ($4,250 million), Air New Zealand ($660 million), Petrocorp ($801 million), Post-Bank ($678.5 million), the Rural Bank ($550 million), Government Printing Office ($43.3 million), NZ Shipping Corporation ($33.5 million), State Insurance ($735 million), and State Forests ($383 million). Total revenue from all asset sales to end of 1990 has been $9,391.38 million.

5 The national Government elected in October 1990 in December announced an economic package which included cuts to the unemployment and other welfare benefits on the grounds that the level of such benefits was too high, discouraging people from seeking employment.

5
REGIONS AND BARGAINING POWER

1 Although the examples chosen here of regional change have all been drawn from England, Wales and Scotland have also experienced considerable restructuring and deindustrialisation. Data on changes in Wales can be found in Cooke 1980, 1982a and b, 1989, Morgan and Sayer 1983, Williams 1986 and for Scotland in Lever 1986, Bonney 1986, Damer 1990, Harris *al.* 1986.

2 The Gold and Sunshine Coasts are coastal strips located to the south and north of Brisbane.

6
RE-STRUCTURING OF STATE PROVISIONS

1 The major land owners were:

– Port of London Authority
– British Gas
– British Rail
– Greater London Council
– London Boroughs of Southwark, Tower Hamlets, and Newham.

2 For example, three retailing complexes were constructed.

3 See Scott, C., Fougere, G., Marwick, J. 1986 *Choices for Health,* Wellington, Government Printer.

4 Charter Framework: Goal To Fulfil the intent of the Treaty of Waitangi by valuing N.Z. bi-cultural heritage.

Objectives

Every year prepare policies which will:

a) Ensure the curriculum reflects Maori perspectives
b) Makes equitable provisions in the curriculum for the important needs of Maori children
c) Provide opportunities for students who wish to learn the Maori language and culture
d) Provide for students whose parents wish them to be educated through the Maori language
e) Recognise Maori values in the provision of resources and facilities within the schools
f) Staff the schools to meet requirements of (a)-(d) above.

5 Equity goals and objectives: To enhance learning by ensuring that the curriculum is non-sexist and non-racist and that any disadvantage experienced at the school by students, parents or staff members because of gender, or religious, ethnic, cultural, social or family background is acknowledged and addressed.

6 Although this has now been delayed until January 1992 due to the difficulties of carrying out all the required work by 1991.

7 A similar scheme has been proposed for tertiary institutions which would be corporatised and would have to pay the state interest on loans provided to the institutions to 'buy' their assets.

8 Recent Structural Reforms

Australia has been undertaking a broad ranging programme of micro-economic reforms.

They include:

– Regulation in the financial sector has been reduced:

– the Australian dollar has been floated,
– exchange controls have been abolished,
– interest rate controls have been removed,
– the banking system has been opened up to foreign competition.

– Foreign investment policy has been liberalised.
– Substantial tax reform has been undertaken.
– Industry policy has pursued a more efficient allocation of resources:

- – by generally reducing disparities and cutting tariffs and bounties,
- – a high level of transparency has been maintained,
- – research and development has been encouraged.

- – The crude oil market has been deregulated.
- – Export controls over the defence-related goods have been relaxed.
- – The two-airline arrangement regulating domestic aviation is to be terminated in three years.
- – Education, training and retraining have been emphasised:

  - – with provision of improved incentives and opportunities to pursue education and training;

and

- – The efficiency of government programmes has been improved:

  - – by greater use of means and eligibility tests in welfare programs,
  - – by greater use of market signals, through user charges,
  - – by increasing cost recovery,
  - – by administrative reform,
  - – by reviewing and reducing regulations.

(Source: P.J.Keating, Economic Statement 25 May 1988. Quoted from Head 1989:467)

7
HOME OWNERSHIP AND CONSUMPTION SECTORS

1 Debate here has been quite extensive over the last two decades with important contributions from: Giddens 1981, 1984, Saunders 1978, 1984, 1986, 1990b, Saunders and Williams 1987, Forrest 1983, Harloe 1984, Sullivan 1989, Thorns, 1981, 1984, 1989a.

8
LOCALITY AS A SOCIAL BASE

1 The base charge was set initially at $150 in 1986. It was later amended to $100 with the change from unimproved land value to capital value as the base for rates.

2 New Zealand's anti-nuclear position was endorsed by the National Party prior to the 1990 election. Its commitment is less than the former Labour government and it is currently seeking some way of re-establishing defence links with the USA.

3 Burke, for example, in his study of Victoria comments that residents' action in the 1960s and 1970s was reformist and radical underpinned by values of justice, equity, self-determination, and social change. In the 1980s residents' action in contrast is underpinned by parochialism, bigotry, and self-interest, and the retention of the status quo in face of rapid demographic and economic change (Burke 1988).

BIBLIOGRAPHY

Alexander, M., Nicholas, R., and Walter, J. 'The Queensland Capitalist Class: Spectator or Actor in Regional Differentiation?' *Australian and New Zealand Journal of Sociology* 20 (3): pp. 332–349; 1984.

Allen, J. 'Fragmented Firms, Disorganised Labour?' Allen, J. and Massey, D., Eds. *The Economy in Question.* London: Sage Pub.; 1988a.

Allen, J. 'Towards a Post-industrial Economy?', Allen, J. and Massey, D., Eds. *The Economy in Question.* London: Sage Pub.; 1988b.

Allen, J. and Massey, D., Eds. *The Economy in Question.* London: Sage Pub.; 1988.

Allport, C. 'Women and Suburban Housing: Post War Planning in Sydney, 1943–61.' Williams, P., Ed. *Social Process and the City.* Sydney: George Allen & Unwin; 1983.

Ambrose, P. *Whatever Happened to Planning?* London: Methuen; 1986.

Ambrose, P. and Colenutt, B. *The Property Machine.* Harmondsworth, Middlesex: Penguin Books; 1975.

Arensberg, K. and Kimball, S. *Family and Community in Ireland.* Cambridge: Harvard University Press; 1940.

Armstrong, W. 'New Zealand: Imperialism, Class and Uneven Development.' *Australian and New Zealand Journal of Sociology* 14 (No. 3): pp. 297–303; 1978.

Armstrong, W. 'Land, Class, Colonialism: The Origins of Dominion Capitalism.' Willmott, W.E., Ed. *New Zealand and the World.* Christchurch: University of Canterbury; 1980.

Ascher, K. *The Politics of Privatization: Contracting Out in Local Authorities and the NHS.* London: Macmillan; 1986.

Aungles, S. and Szelenyi, I. 'Structural Conflicts in between the State, Local Government and Monopoly Capital: The Case of Whyalla in South Australia.' *Australia and New Zealand Journal of Sociology* 1 (5): pp. 57–62; 1979.

Australian Bureau of Statistics *Australian Yearbook. Various Years 1921– 1990.* Canberra: Government Printer.

Australian Bureau of Statistics *Australian Yearbook 1987* Canberra: Government Printer; 1987.

Austrin, T. 'Work.' Spoonley, P., Pearson, D., and Shirley, I., Eds. *New Zealand Society.* Palmerston North: Dunmore; 1990.

Badcock, B.A. 'Homeownership and the Accumulation of Real Wealth.' *Society and Space* 7 (1): pp. 61–77; 1989.

Baker, *D.G Race, Ethnicity and Power*. London: Routledge & Kegan Paul; 1983.

Ball, M. 'Housing Provision and the Economic Crisis.' *Capital and Class* 17: pp. 60–77, 1982.

Baracan, A. 'Dawkins and the Schools: the Debate Opens.' *The Australian Quarterly* 61 (2): pp. 251–261; 1989.

Barber, M. 'Recent Government Changes to Planning and their Implications with Respect to Management of Changes to Planning at the Regional and District Level.' Roche, M. and Le Heron, R., Eds. *Economic Structural Changes*. Wellington: Social Sciences Research Fund; 1988.

Bedford, D. and Lloyd, G. 'Migration Between Polynesia and New Zealand 1971–1981: Who are the Migrants? *New Zealand Population Review* 8 (1) 35–43; 1982.

Beechey, V. and Perkins, T. *A Matter of Hours: An Investigation of Womens's Part Time Employment.* Cambridge: Polity Press; 1986.

Ben-Tovim, G., Gabriel, J., Law, I., and Stredder, K. *The Local Politics of Race.* London: Macmillan; 1986.

Berry, M. 'Urbanisation and Accumulation: Australia's First Long Boom Revisited.' Williams, P., Ed. *Conflict and Development*. Sydney: George Allen & Unwin; 1984.

Berry, M. 'To Buy or Rent? The Demise of a Dual Tenure Policy in Australia 1945–60.'Z Howe, R., Ed. *New Houses for Old*. Melbourne: Ministry of Housing and Construction; 1988.

Berry, M. and Huxley, M.F. 'Property, Capital Switching and Conference on State Intervention.' Conference on Urban and Regional Impact of the New International Division of Labour, Hong Kong; 1985.

Beynon, H., Hudson, R., Lewis, J., Sadler, D., and Townsend, A. 'Left to Rot? Middlesbrough in the 1980s.' Cooke, P., Ed. *Localities the Changing Face of Urban Britain.* London: Unwin Hyman; 1989.

Blainey, G. *All for Australia*. Sydney: Methuen Hayes; 1984.

Bluestone, B. and Harrison, B. *The Deindustrialisation of America*. New York: Basic Books; 1983.

Bluestone, B. and Harrison, B. *The Great American Jobs Machine: the Proliferation of Low-Wage Employment in the U.S. Economy.* United States Congressional Joint Economic Committee; 1986.

Boddy, M. and Fudge, C. *Local Socialism*. London: Macmillan; 1984.

Bonney, N. 'Aberdeen and Dundee: A Tale of Two Cities in the Oil Era.' Cooke, P., Ed. *Global Restructuring Local Responses*. London: ESRC; 1986.

Booth, C. Life and Labour of the People of London. London: Macmillan; 1889.

Boreham, P.R. and Clegg, S. 'Semi-Peripheries or Particular Pathways. The Case of Australia, New Zealand and Canada as Class Formations.' *International Sociology* 4 (2): pp. 67–90; 1989.

Boston, J. 'The Fourth Labour Government in New Zealand: the Economics and Politics of Liberalization.' *The Australian Quarterly* 59 (2): pp. 366–376; 1987.

Boston, J. and Holland, M., Eds. *The Fourth Labour Government.* Auckland: Oxford University Press; 1st Edn; 1987, 2nd Edn; 1990.

Bramley, G., Doogan, K., Leather, P., Murie, A., and Watson, E. *Homelessness and the London Housing Market.* School for Advanced Urban Studies Occ. Paper 32; 1988.

Brennan, T., Ed. *New Community: Problems and Policies.* Sydney: Angus Robertson; 1973.

Brooking, T. 'Economic Transformation.' Oliver, W.G. and Williams, B.R., Eds. *Oxford History of New Zealand.* Wellington: Oxford University Press; 1981.

Broome, R. *Aboriginal Australians.* Sydney: Allen & Unwin; 1989.

Brown, C. *Black and White Britain: the Third PSI Survey.* Aldershot: Gower; 1985.

Burke, T. 'Public Housing and the Community/ Howe, R., Ed. *New Houses for Old.* Melbourne: Ministry of Housing and Construction; 1988.

Burke, T., Hancock, L., and Newton, P. 'A Roof Over Their Heads.' *Monography 4.* Institute of Family Studies, Melbourne; 1984.

Bush, G. 'Auckland Its Government and Misgovernment.' Bush, G. and Scott, C., Eds. *Auckland at Full Stretch.* Auckland: Auckland City Council and University of Auckland; 1977.

Butlin, N.G. *Investment in Australian Economic Development 1861–1900.* Cambridge: Cambridge University Press; 1964.

Calkin, R. 'The Imprisonment Re-offending Cycle.' University of Canterbury: PhD Thesis Forthcoming; 1992.

Canterbury United Council *Facing the Facts: Employment and Canterbury's Future.* Christchurch; 1983.

Canterbury United *Council Regional Economic Overview.* Christchurch; 1984.

Castells, M. *The Urban Question.* London: Edward Arnold; 1977.

Castells, M. *The City and the Grassroots.* London: Edward Arnold; 1983.

Castells, M., Ed. 'High Technology, Space and Society.' *Urban Affairs Annual Review,* California: Sage, 51 (28); 1985.

Castles, F.G. *The Working Class and Welfare: Reflections on the Political Development of the Welfare State in Australia and New Zealand, 1890–1980.* Wellington: Allen & Unwin; 1985.

Castles, S. and Kosack, G. *Immigrant Workers and Class Structure in Western Europe.* London: Oxford University Press; 1973.

Castles, S., Booth, H., and Wallace, T. *Here for Good*. London: Pluto Press; 1984.

Catalano, A. and Massey, D. *Capital and Land*. London: Edward Arnold; 1978.

Cawson, A. *Corporatism and Welfare: State Intervention and Social Policy in Britain*. London: Heinemann; 1982.

Cawson, A. and Saunders, P. 'Corporatism, Competitive Politics and Class Struggle.' King, R., Ed. *Capital and Politics*. London: Routledge & Kegan Paul; 1983.

Choldin, H.M. 'Politicians and Statisticians in Conflict: The 1980 United States Census.' Van Vliet, W., Ed. *Housing Markets and Policies Under Fiscal Austerity*. Connecticut: Greenwood Press; 1987.

Christchurch Low Incomes Working Party *Homelessness in Christchurch*. Mimeo, Christchurch; 1981.

Cleave, P. *One, Two and Then…The Sovereignty Game*. Wellington: Institute of Policy Studies; 1988.

Clements, K. *Back from the Brink, the Creation of Nuclear Free New Zealand*. Wellington: Allen & Unwin; 1988.

Cochrane, A. 'Restructuring the State: the Case of Local Government.' Cochrane, A. and Anderson, J., Eds. *Politics in Transition*. London: Sage Pub.; 1989.

Cochrane, A. and Anderson, J. *Politics in Transition*. London: Sage Pub.; 1989.

Cockburn, C. *The Local State*. London: Pluto Press; 1977.

Cohen, A. *Belonging: Identity and Social Organisation in British Rural Cultures*. Manchester: Manchester University Press; 1982.

Cohen, R. *The New Helots*. Aldershot: Gower; 1987.

Collins, J. *Migrant Hands in a Distant Land*. Sydney: Pluto Press; 1988.

Collison, P. *The Cutteslowe Walls*. London: Faber & Faber; 1963.

Commonwealth Bank of Australia *Housing Report*. October Edn; 1989.

Cooke, P. *Dependant Development in the U.K. Regions With Particular Reference to Wales*. Oxford: Pergamon Press; 1980.

Cooke, P. 'Class Relations and Uneven Development in Wales.' Day, G. and Caldwell, L., Eds. *Diversity and Decomposition in the Labour Market*. Aldershot: Gower 1982a.

Cooke, P. *Theories of Planning for Space*. London: Heinemann 1982b.

Cooke, P. The Changing Urban and Regional System in the United Kingdom.' Cooke, P., Ed. *Global Restructuring, Local Response*. London: Economic and Social Research Council; 1986.

Cooke, P. *Local Capacity and Global Restructuring*. University of Kent, Sixth Urban Change and Conflict Conference; 1987.

Cooke, P. *Localities: The Changing Face of Urban Britain*. London: Unwin Hyman; 1989.

Coopers & Lybrand, Scott, W.D. *Study into Homelessness and Inadequate Housing.* Canberra: Australian Government Publishing Service; 1985.

Crewe, I. 'On the Death and Resurrection of Class Voting.' *Political Studies* 34: pp. 620–638; 1986.

Dahl, R. *Who Governs? Democracy and Power in an American City.* New Haven: Yale University Press; 1961.

Dahl, R. *Dilemmas of Pluralistic Democracy: Autonomy versus Control.* New Haven: Yale University Press; 1982.

Dahl, R. *A Preface to an Economic Theory of Democracy.* London: Polity Press; 1985.

Daly, M.T. *Sydney Boom Sydney Bust.* Sydney: George Allen & Unwin; 1982.

Daly, M.T. 'Australian Cities: The Challenge of the 1980s.' *Australian Geographer* 19 (1): pp. 149–161; (May) 1988.

Damer, S. *State, Local State and Local Struggle. The Clydebank Rent Strike of the 1970s.* Glasgow Centre of Urban and Regional Research. University of Glasgow; 1985.

Damer, S. *Glasgow.* London: Lawrence & Wishart; 1990.

Daniel, W. *Racial Discrimination in England.* Harmondsworth: Penguin Books; 1968.

Darke, J. and Darke, R. 'Affordable Housing: Roles for the State and the Community.' Fredrichs, J., Ed. *Affordable Housing and the Homeless.* Berlin: Walter de Gruyter and Co.; 1988.

Dartman, N.S. 'Route 128: the Development of a Regional High Technology Economy.' *Research Policy* 12: pp. 299–316; 1983.

Davies, J. *Asian Housing in Britain.* Social Affairs Unit, Research Report No. 6; 1985.

Deane, R. 'Financial Sector Reform: the Case for New Zealand.' Conference on Financial Reform in Pacific Basin Countries. San Francisco; 1985.

Denoon, D. *Settler Capitalism: The Dynamics of Dependant Development in the Southern Hemisphere.* Oxford: Oxford University/Clarendon Press; 1983.

Department of Maori *Affairs Partnership Perspectives.* Wellington: Government Printer; 1988.

Dickens, P. 'Industrial Restructuring, Social Change and "Locale".' Conference on Urban and Regional Impact of the New International Division of Labour. Hong Kong; 1985.

Dickens, P. *One Nation? Social Change and the Politics of Locality.* London: Pluto Press; 1988.

Dippelsman, R. and McDonald, B. *Housing Prices.* Canberra: Parliament of the Commonwealth of Australia; 1989.

Donaldson, M. 'The State, The Steel Industry and BHP.' *Australia and New Zealand Journal of Sociology* 18 (3): pp. 339–363; 1982.

Douglas, E.R. *Fading Expectations. The Crisis in Maori Housing.* Wellington: Department of Maori Affairs; 1986.

Dowse, S. 'The Women's Movement's Fandango with The State: The Movements' Role in Public Policy since 1972.' Baldock, C.V. and Cass, B., Eds. *Women, Welfare and the State.* Sydney: Allen & Unwin; 1983.

Dummett, M. and Dummett, A. The Role of Government in Britain's Racial Crisis.' *Race in Britain.* Husband, C., Ed. London: Hutchinson University Library; 1982.

Duncan, S. and Goodwin, M. *The Local State and Uneven Development.* Cambridge: Polity Press; 1988.

Dunleavy, P. 'The Urban Base of Political Alignment' *British Journal of Political Science* 7: pp. 409–443, 1979.

Dunleavy, P. *Urban Political Analysis.* London: Macmillan 1980a.

Dunleavy, P. 'The Political Implications of Sectoral Cleavages and the Growth of State Employment.' *Political Studies* 28: pp. 364–384 & 527–549; 1980b.

Dunleavy, P. 'The Limits to Local Government.' Boddy, M. and Fudge, C. Eds. *Local Socialism? Labour Councils and New Left Alternatives.* London: Macmillan; 1984.

Dunleavy, P. 'The Growth of Sectoral Cleavages and the Stabilisation of the State Expediture.' *Enviroment and Planning D. Society and Space* 4: 129–144; 1985.

Dunleavy, P. and Husbands, C.T. *British Democracy at the Crossroads.* London: Allen & Unwin; 1985.

Dunleavy, P. and O'Leary, B. *Theories of the State.* London: Macmillan Education Ltd; 1987.

Dupuis, A. 'Consumption Sectors: A Comparative Study of Housing Experiences in New Zealand and Great Britain.' University of Canterbury: MA Thesis; 1989.

Dupuis, A. 'Financial Gains from Owner-Occupation. The New Zealand Case 1970–1988.' *Housing Studies;* forthcoming 1991.

Easton, B. *Income Distribution in New Zealand.* Wellington: New Zealand Institute of Economic Research (Paper 28); 1983.

Edel, M. 'Home Ownership and Working Class Unity.' *International Journal of Urban and Regional Research* 6: pp. 205–222; 1981.

Edel, M., Sclar, E., and Luria, D. *Shaky Palaces.* New York: Columbia University Press; 1984.

Endholm, F. Harris, O., and Young, K. 'Conceptualising Women.' *Critique of Anthropolgy* 3 (9–10): pp. 101–131; 1977.

Engels, F. *The Condition of the Working Class in England in 1844.* London: George Allen & Unwin; 1892.

Evatt Research Centre *State of Seige: A Renewal or Privatization of Australian State Public Services.* Leichhardt, N.S.W.: Pluto Press; 1989.

Fairburn, M. *The Ideal Society and Its Enemies.* Auckland: Auckland University Press; 1989.

Fitzgerald, K. and Thorns, D.C. *Locality Impacts of Economic and Social Change.* Christchurch: Department of Sociology, University of Canterbury; 1987.

Flynn, N. and Taylor, A. 'Inside the Rust Belt: An Analysis of the Decline of the West Midlands Economy, 1. International and National Economic Conditions.' *Environment and Planning A* 18: pp. 865–900; 1986a.

Flynn, N. and Taylor, A. 'Inside the Rust Belt: An Analysis of the Decline of the West Midlands Economy, 2. Corporate Strategies and Economic Change.' *Environment and Planning A* 18: pp. 999–1028; 1986b.

Forrest, R. 'The Meaning of Homeownership.' *Environment and Planning D: Society and Space* 1: pp. 205–216; 1983.

Forrest, R. and Murie, A. *Setting the Welfare State: The Privatisation of Public Housing.* Andover, Hants.: Routledge, Chapman and Hall; 1988.

Fougere, G. 'Shattered Mirror.' *Comment* 14: pp. 12–14; 1981.

Frank, A. *Capitalism and Underdevelopment in Latin America.* Harmondsworth: Penguin; 1981.

Frankel, Z. *Regional Incomes Per Head 1976–1981.* Wellington: Town and Country Planning Division, Ministry of Works; 1984.

Franklin, H. 'Regional Development and Growth in New Zealand.' *Pacific Viewpoint* 16; 1975.

Franklin, H. *Trade, Growth and Anxiety.* Wellington: Methuen; 1978.

Franzway, S., Court, D., and Connell R.W. *Staking a Claim. Feminism, Bureaucracy and the State.* Cambridge: Polity Press; 1989.

Friedrichs, J. *Affordable Housing and the Homeless.* Berlin: Walter de Gruyter, 1988.

Froebel, F., Heinrichs, J., and Kreye, D. *The New International Division of Labour.* Cambridge: Cambridge University Press; 1980.

Frost, M. and Spence, N. 'The Changing Structure and Distribution of the British Workforce.' *Progress in Planning* 21:63–147; 1984.

Gallagher, K. and Swainson, N. 'Land, Crisis and Restructuring in Aotearoa, 1970–1984.' *Race, Gender, Class* 1: pp. 17–35; (July) 1985.

Gallie, D. *Research Initiatives on Social Change and Economic Life.* Economic and Social Research Council: mimeo London; 1984.

Gallie, D. *The Social Change and Economic Life Initiative: an Overview:* mimeo University of Oxford; 1986.

Gamble, A. *The Decline of Britain*. London: New Left Books; 1979.

Gardiner, W. 'How the West was Lost: Urban Development in the Western Sydney Region.' *Australian Quarterly* 59 (2): pp. 234–244; 1987.

Garrahan, P. 'Nissan in the North East of England.' *Capital and Class* 27: pp. 5–13; (Winter) 1986.

Gibbs Report. Hospital and Related Taskforce *Unshackling the Hospitals*. Wellington: Government Printer; 1988.

Gibson, K.D. and Horvath, R.J. 'Global Capital and the Restructuring Crisis in Australian Manufacturing.' *Economic Geography* 59: pp. 178–194; 1983.

Giddens, A.*A Critique of Historical Materialism*. London: Macmillan; 1981.

Giddens, A. *The Constitution of Society*. Cambridge: Polity Press; 1984.

Gidlow, R.G. 'Unemployment and Technological Change.' *Australian and New Zealand Journal of Sociology* 18 (1): pp. 45–60; 1982.

Gilroy, P. *There Ain't No Black in the Union Jack*. London: Hutchinson; 1987.

Goldthorpe, J.H. *Social Mobility and Class Structure in Modern Britain*. Oxford: Clarendon Press; 1980.

Goldthorpe, J.H, Lockwood, D., Bechofer, F., and Platt, J. *The Affluent Worker: Industrial Attitudes and Behaviour*. Cambridge: Cambridge University Press; 1968.

Goodwin, M. 'Replacing a Surplus Population: the Policies of the London Docklands Development Corporation.' Allen, J. and Hamnett, C., Eds. *Housing and Labour Markets*. London: Unwin Hyman 1991

Gould, J. *A Rake's Progress*. Auckland: Hodder and Stoughton; 1982.

Grace, V. 'The Marketing of Empowerment and the Construction of the Health Consumer: A Critique of Health Promotion in New Zealand.' [PhD thesis]. Christchurch: University of Canterbury; 1989.

Gray, F. 'Owner-Occupation and Social Relations.' Merret, S., Ed. *Owner-Occupation in Britain*. London: Routledge; 1982.

Gurr, T.R. and King, D.S. *The State and the City*. London: Macmillan; 1988. Haddon, R.A. 'A Minority in a Welfare State Society.' *The New Atlantis* 1 (2): pp. 452–499; 1970.

Hall, G. *Two Income Families in New Zealand*. Research Series No. 6 edn Wellington: Research Section, Department of Social Welfare; 1987.

Hall, P. 'Technology, Space and Society in Contemporary Britain.' Castells, M., Ed. *High Technology, Space and Technology*. New York: Sage Pub.; 1986.

Hall, R., Thorns, D., and Willmott, W. *Community Formation and Change*. Working Paper No. 4, Department of Sociology: University of Canterbury, Christchurch; 1983.

Hall, R., Thorns, D., and Willmott, W. 'Community, Class and Kinship Bases for Collective Action within Localities.' *Environment and Planning D: Space and Society* 2 (2): pp. 201–215; 1984.

Hamnett, C. 'The Postwar Restructuring of the British Housing and Labour Markets': *Environment and Planning A* 16: pp. 147–161; 1984a.

Hamnett, C. 'Housing the Two Nations.' *Urban Studies* 43: pp. 389–405; 1984b.

Hamnett, C. 'Accumulation, Access and Inequalities: The OwnerOccupied Housing Market in Britain in the 1970s and the 1980s.' VI Urban Change and Conflct Conference. Canterbury: University of Kent; 1987.

Hamnett, C. The Owner-Occupied Housing Market in Britain in the 1970s and 1980s.' Lewis, J. and Townsend, A., Eds. *The North South Divide: Regional Change in Britain in the 1980s.* London: Paul Chapman 1989a.

Hamnett, C. 'Cycling Across the Gap.' *Housing Review:* pp. 83–85; (May-June) 1989b.

Hamnett, C. 'Consumption and Class in Contemporary Britain.' Hamnett, C., McDowell, L., and Sarre, P., Eds. *Restructuring Britain. The Changing Social Structure.* London: Sage Pub. in association with the Open University; 1989c.

Hamnett, C. *Housing Inheritance, Wealth and Inequality in Australia.* Canberra: Housing Australia Selected Issues; (Oct) 1989d.

Hamnett, C. 'A Nation of Inheritors: Housing and Wealth Inheritance in Britain. 'International Housing Conference. Paris: 1990.

Hamnett, C., McDowell, L., and Sarre, P. *Restructuring Britain. The Changing Social Structure.* London: Sage Pub. in association with The Open University; 1989.

Harloe, M. 'The Recommodification of Housing.' Harloe, M. and Lebas, E., Eds. *City, Class and Capital.* London: Edward Arnold; 1981.

Harloe, M. 'Sector and Class: a Critical Comment.' *International Journal of Urban and Regional Research* 8: pp. 228–237; 1984.

Harloe, M. 'Housing in an Age of Austerity.' Van Vliet, W., Ed. *Housing Markets and Policies Under Fiscal Austerity.* New York: Greenwood Press; 1987.

Harloe, M. and Paris, C. 'The Decollectivisation of Consumption.' Szelenyi, I., Ed. *Cities in Recession.* Beverly Hills: Ca. Sage: pp. 70–98; 1984.

Harman, E. 'The City, State and Resource Development in Western Australia.' Williams, P., Ed. *Social Process and the City.* Sydney: George Allen & Unwin; 1983.

Harris, T., Lloyd, G., McGuire, A., and Newlands, D. 'Oil and the Aberdeen Economy: Structural Change and the Response of the

State.' Cooke, P., Ed. *Global Restructuring Local Response*. London: ESRC; 1986.

Harvey, D. *The Condition of Postmodernity*. Oxford: Basil Blackwell; 1989a.

Harvey, D. *The Urban Experience*. Oxford: Basil Blackwell; 1989b.

Hawke, G.R. 'The Growth of the Economy.' Oliver, W.H. and Williamson, B.R., Eds. *Oxford History of New Zealand*. Oxford University Press; 1981.

Hawke, G.R. *The Making of New Zealand*. London: Cambridge University Press; 1985.

Head, B.W. 'Inequality, Welfare and the State: Distribution and Redistribution in Australia.' *Australian and New Zealand Journal of Sociology* 16 (3); 1980.

Head, B.W. 'The Labour Government and "Economic Rationalism".' *The Australian Quarterly* 61 (3): pp. 466–477; 1989.

Henderson, J. *The Globalisation of High Technology Production: Society, Space and Semiconductors in the Restructuring of the Modern World*. London: Routledge; 1989.

Heylen Research Centre. *Anzus Poll*. Wellington: Heylen Research Centre; 1989.

Hill, R.C. 'The Global Factory and the Company Town: the Changing Division of Labour in the International Automobile Industry.' Conference on Urban and Regional Impact of the New International Division of Labour, Hong Kong; 1985.

Hillery, G. 'Definitions of Community—Areas of Agreement.' *Rural Sociology* 20 (2): pp. 111–123; 1955.

Hodgson, G. *In Our Time*. London: Macmillan; 1976.

Holton, R. and Turner, B. *Max Weber on Economy and Society*. London: Routledge; 1989.

Howe, K.R. *Race Relations. Australia and New Zealand*. London: Methuen; 1977.

Hudson, R. 'Labour-Market Changes and New Forms of Work in Old Industrial Regions: Maybe Flexibility for Some But Not Flexible Accumulation.' *Society and Space: Environment and Planning D* 7 (1): pp. 3–30; 1989.

Jagger, A. and McBride, W. 'Reproduction as Male Ideology.' *Women's Studies International Forum* 8 (4): pp. 185–196; 1985.

Jeffery, D. 'Spatial Imbalance in the Australian Regional Economic System: Structural Unemployment 1955–1970.' *Australian Geographer* 13 (2): pp. 146–154; 1975.

Jessop, B. 'The Transformation of the State in Post-War Britain.' Scase, R., Ed. *The State in Western Europe*. London: Croom Helm; 1980.

Jessop, R. *The Capitalist State*. Oxford: Martin Robertson; 1982.

Johnston, R.J. 'But Some Are More Equal. .. Who Gets What, Where and How in New Zealand?' *Geography* 60 (4): pp 256–268; 1975.

Karn, V. and Henderson, J. *Race, Class and State Housing: Inequality and Allocation of Public Housing in Britain.* Aldershot: Gower; 1987.

Kelsey, J. *A Question of Honour.* Wellington: Allen & Unwin; 1989.

Kemeny, J. 'Home Ownership and Privatisation.' *International Journal of Urban and Regional Research* 4: pp. 372–388; 1980.

Kemeny, J. 'Economism in the New Urban Sociology: A Critique of Mullins "Theoretical Perspectives on Australian Political Economy".' *Australia and New Zealand Journal of Sociology* 9 (3): pp. 45–56; 1983.

Kendig, H. *New Life for Old Suburbs.* Sydney: George Allen & Unwin; 1979.

Kilgour, R. *Housing Women.* Working Paper No. 8. Department of Sociology. University of Canterbury; 1989.

Kilmartin, L. 'Urban Policy in Australia: The Case of Decentralisation.' *Australia and New Zealand Journal of Sociology* 9 (2): pp. 36–39; 1973.

Kilmartin, L. 'New Towns in Australia: Some Planning Problems.' *Australian Journal of Social Issues* 10(4): pp. 271–282; 1975.

Kilmartin, L. 'Exploring Urbanisation: The Japanese Multifunction Polis in Australia.' XII World Congress of Sociology. Madrid: July 1990.

Kilmartin, L. and Thorns, D. *Cities Unlimited.* Sydney: Allen & Unwin; 1978.

Kilmartin, L., Thorns, D., and Burke, T. *Social Theory and the Australian City.* Sydney: Allen & Unwin; 1985.

Kriegler, R.J. *Working for the Company.* Melbourne: Oxford University Press; 1980.

Lash, S. and Urry, J. *The End of Organised Capitalism.* Oxford: Polity Press; 1987.

Layton-Henry, Z. *The Politics of Race.* London: George Allen & Unwin; 1984.

Layton-Henry, Z. and Rich, P.B. *Race, Government and Politics in Britain.* London: Macmillan Press; 1986.

Le Heron, R. 'A Round of Growth: the Verdict on New Zealand's Programme of Regional Development.' *New Zealand Geographer* 35 (2): 71–79; 1979.

Le Heron, R. 'Rethinking Regional Development,' Johnston, M. and Holland, W.B. Eds. *Southern Approaches.* Christchurch: New Zealand Geographical Society Inc.; 1987.

Lever, B. 'From Ships to Clips in Greenock—Port Glasgow.' Cooke, P., Ed. *Global Restructuring Local Responses.* London: ESRC; 1986.

Lewins, F. 'The Blainey Debate.' *Australian and New Zealand Journal of Sociology* 23 (2): 261–273; 1987.

Loomis, T. *Pacific Migrant Labour, Class and Racism in New Zealand.* Aldershot: Avebury, Gower Publishing Company; 1990.

Lovatt, D. and Ham, B. 'The Distributional Implications of Deindustrialisation.' *British Journal of Sociology* 35: pp. 498–521; 1984.

Lowe, S. *Urban Social Movement.* London: Macmillan; 1986.

Mabbett, D. 'Regional Policy. Royal Commission on Social Policy/ *April Report.* Wellington: Government Printer; 1988.

McDowell, L. 'Gender Divisions' Hamnett, C., McDowell, L., and Sarre, P., Eds. *Restructuring Britain. The Changing Social Structure.* London: Sage Pub. in association with The Open University; 1989.

Maguire, M. and Smith, D. *Dimensions of Restructuring in South West Birmingham.* Mimeo. Aston University; 1985.

Mandel, E. *The Generalised Recession of the International Capitalist Economy.* Brussels: Imprecar; 1975.

Mann, M. *The Sources of Social Power Volume I.* Cambridge: Cambridge University Press; 1986.

Marriott, O. *The Property Boom.* London: Pan; 1967.

Marshall, G., Newby, H., Rose, D., and Volger, C. *Social Class in Modern Britain.* London: Unwin/Hyman; 1988.

Marshall, G., Rose, D., Volger, C., and Newby, H. 'Class, Citizenship and Distributional Conflict in Modern Britain.' *British Sociological Review* vxxxvi (2): pp. 257–284; 1985.

Martin, J. *State Papers.* Palmerston North: Department of Sociology, Massey University; 1981.

Marx, K. *Capital, vol 1.* Harmondsworth: Peguin; 1979.

Massey, D. *Spatial Divisions of Labour.* London: Macmillan; 1984.

Massey, D. 'Which New Technology?' Castells, M., Ed. *High Technology, Space and Society.* Urban Affairs Annual Review, Vol. 51, 28. Beverly Hills: Sage Pub; 1985.

Massey, D. 'What's Happening to U.K. Manufacturing.' Allen, J. and Massey, D., Eds. *The Economy in Question.* London: Sage Pub.; 1988.

Massey, D. and Catalano, A *Capital and Land.* London: Edward Arnold; 1978.

Massey, D. and Meegan, R. *The Anatomy of Job Loss: The How, Why and Where of Employment Decline.* London: Macmillan; 1982.

Maxwell, P. 'Growth, Decline and Structural Change: A Study of Regional Labour Markets in Australia, 1971–1981.' *Urban Studies* 22 (6): pp. 493–505; 1985.

Mayhew, H. *London Labour and London Poor.* London: Griffin, Bohn and Co.; 1861

Meegan R. 'Paradise Postponed: the Growth and Decline of Merseyside's Outer Estates.' Cooke, P., Ed. *Localities*. London: Unwin Hyman; 1989.

Merrett, S. and Gray, F. *Owner-Occupation in Britain*. London: Routledge & Kegan Paul; 1982.

Miliband, R. *The State in Capitalist Society*. London: Weidenfield & Nicholson; 1969

Mills, C.W. *The Power Elite*. New York: Oxford University Press; 1956.

Millward, N. and Stevens, M. *British Workplace Industrial Relations 1980–1984*. Aldershot: Gower; 1986

Mohun, S. 'Continuity and Change in State Economic Intervention.' Cochrane, A. and Anderson, J., *Eds. Politics in Transition*. London: Sage Pub.; 1989.

Morgan, K. *State Regional Intervention and Industrial Reconstruction in Post War Britain, The Case of Wales*. Brighton: University of Sussex, Working Paper 16; 1979.

Morgan, K. and Sayer, A. *The International Electronics Industry and Regional Development in Britain*. Brighton: University of Sussex; Urban and Regional Studies, Working Paper 34; 1983.

Morrissey, J. and Gounis, K. 'Homelessness and Mental Illness in America: Emerging Issues in the Construction of a Social Problem.' Smith, C.J. and Griggs, J.A., Eds. *Location and Stigma*. Boston: Unwin Hyman; 1988.

Mullins, P. 'The Social Base, State and Urban Effects on a Brisbane Urban Social Movement.' *Australia. and New Zealand Journal of Sociology* 13 (1): pp. 29–35; 1977.

Mullins, P. 'Australian Urbanisation and Queensland's Underdevelopment: A First Empirical Statement.' *International Journal of Urban and Regional Research* 4 (2): pp. 212–238; 1980.

Mullins, P. 'Theoretical Perspectives on Australian Urbanisation: 1, Material Components in the Reproduction of Australian Labour Power.' *Australia and New Zealand Journal of Sociology* 17 (1): pp. 65–76; 198la.

Mullins, P. 'Theoretical Perspectives on Australian Urbanisation: II, Social Components in the Reproduction of Australian Labour Power.' *Australia and New Zealand Journal of Sociology* 17 (3): pp. 35–43; 1981b.

Mullins, P. 'Hedonism and Real Estate: Resort Tourism and Gold Coast Development.' Williams, P., Ed. *Conflict and Development*. Sydney: Allen & Unwin; 1984.

Mullins, P. 'Community and Urban Movement.' *The Sociological Review* 35 (2): pp. 347–369; 1987a.

Mullins, P. 'The Emergence of Tourism Urbanisation in Australia.' *VI Urban Change and Conflict Conference;* University of Kent, Canterbury; 20–23/9/1987b.

Mullins, P. 'Tourism Urbanisation.' *International Journal of Urban and Regional Research* 15 (3); 1991.

Munroe, M. and Maclennan, D. 'Intra-Urban Changes in House-Prices.' *Housing Studies* 2: pp. 65–81; 1987.

Munroe, M. and Smith, S.J. 'Gender and Housing: Broadening the Debate.' *Housing Studies* 4: pp. 3–17; 1989.

Murie, A. and Forrest, R. 'Wealth, Inheritance and Housing Policy.' *Policy and Politics* 8: pp. 1–19; 1980.

Murie, A. and Forrest, R. 'Social Polarisation and Housing Tenure Polarisation. Associations and Dislocation.' *Urban Change and Conflict Conference.* University of Kent; 1987.

Murie, A. and Forrest, R. The New Homeless in Britain.' Friedrichs, J., Ed. *Affordable Housing and Homelessness.* Berlin: de Gruyter; 1988.

Murphy, P.A. 'Regional Development Policy in New South Wales: Contemporary Needs and Options.' *Australian Quarterly* 61 (2): pp. 262–273; 1989.

Myers, D. 'Wives' Earnings and Rising Costs of Homeownership.' *Social Science Quarterly* 6: pp. 319–329; 1985.

National Housing Commission *Housing New Zealand.* Wellington: National Housing Commission; 1988.

Neutze, M. *Urban Development in Australia.* Sydney: Allen & Unwin; 1977.

Neutze, M. and Kendig, H. *Achievement of Home Ownership Among Post- War Australian Cohorts.* Working paper 16. Canberra: Australian National University; 1989.

New Zealand Department of Labour. *Monthly Operational Reports 1981–90.* Wellington: Department of Labour; 1981–90.

New Zealand Department of Statistics. *Census of Population. Various Years 1921–86.* Wellington: Government Printer; 1921–86.

New Zealand Department of Statistics. *New Zealand Yearbook 1990.* Wellington: Government Printer; 1990.

New Zealand Government. *Learning for Life.* Wellington: Government Printer; 1988.

New Zealand Planning Council *Who Gets What. The Distribution of Income and Wealth in New Zealand.* Wellington: New Zealand Planning Council; 1990.

Nurske, R. *Patterns of Trade and Development.* Oxford: Basil Blackwell; 1962.

O'Connor J. *The Fiscal Crisis of the State.* New York: St Martins Press; 1973.

O'Connor, J. *The Meaning of Crisis.* Oxford: Basil Blackwell; 1987.

O'Connor, K. "The Location of Services Involved with International Trade (Australia).' *Environment and Planning A* 19: pp. 687–700; 1987.

Offe, C., Ed. *Contradictions of the Welfare State.* London: Heinemann; 1984.

Offe, C. *Disorganised Capitalism.* Cambridge: Polity Press; 1985.

Oliver, W.H 'Social Policy in New Zealand: An Historical Overview.' *Royal Commission on Social Policy. April Report.* Wellington: Government Printer, vol. 1: pp. 1–45; 1988.

Ongley P. 'Changing Occupational Distributions: Maori and Pacific Island Polynesian.' MA Thesis. Wellington: Department of Sociology; 1990.

Orange, C. *The Treaty of Waitangi.* Wellington: Allen & Unwin; 1987.

Oxley, H. *Mateship in Local Organisations.* Brisbane: University of Queensland Press; 1974.

Pahl, R. *Divisions of Labour.* Oxford: Blackwell; 1984.

Pahl, R. *On Work.* Oxford: Blackwell; 1988.

Pearce, G. 'Where is New Zealand Going?' PhD thesis, Christchurch: University of Canterbury; 1987.

Pearson, D.*Johnsonville.* Sydney: Allen & Unwin; 1980.

Pearson, D. *A Dream Deferred.* Wellington: Allen & Unwin; 1990a.

Pearson, D. 'Community.' Spoonley, P., Pearson, D., and Shirley, I., Eds. *New Zealand Society.* Palmerston: North Dunmore; 1990b.

Pearson, D. and Thorns, D. *Eclipse of Equality.* Sydney: Allen & Unwin; 1983.

Penhale, E.M. and Wigbout, M. 'An Exploration Of Differences Between One and Two Income Families in New Zealand.' *New Zealand Population Review* 8 (2): pp. 28–43; 1982.

Phillips, J. *A Man's Country? The Image of the Pakeha Male: A History.* Auckland: Penguin Books; 1987.

Picot Report. *Educating For Excellence.* Wellington: Government Printer; 1988.

Pollert, A. 'Dismantling Flexibility.' *Class and Capital* 34: pp. 42–75; 1988.

Poole, I. *Population and Social Trends: Implications for New Zealand Housing.* Wellington: National Housing Commission; 1986.

Poulantzas, N. *Classes in Contemporary Capitalism.* London: New Left Books; 1975.

Poulantzas, N. *State, Power, Socialism.* London: New Left Books; 1978.

Pratt, C. 'Housing Consumption Sectors and Political Response in Urban Canada.' *Society and Space* 4: pp.165–182; 1986.

Pratt, G. 'Class Analysis and Urban Domestic Property.' *International Journal of Urban and Regional Research* 6: pp. 481–502; 1982.

Redclift, N. and Mingione, E., Eds. *Beyond Employment.* Oxford: Basil Blackwell; 1985.

Rees, G., Ed. 'Introduction: Class, Locality and Ideology.' *Political Action and Social Identity*. London: Macmillan; 1985.

Reicher, S.D. 'The St Pauls' Riot: An Explanation of the Limits of Crowd Action in Terms of a Social Identity Model.' *European Journal of Social Psychology* 14: pp. 1–21; 1984.

Reserve Bank 'The Housing Market and the Return to Housing.' *Reserve Bank Bulletin:* pp. 380–384; August 1986.

Rex, J. and Moore, R. *Community and Conflict*. Oxford: Oxford University Press; 1967.

Rich, D.C. 'Australian Manufacturing, 1968–1988: Recession, Reorganisation, and Renewal.' *Geo Journal* 16: pp. 1–20; 1988.

Rich, D.C. 'Industrialisation and South Australia.' *Australian Geographer* 19 (1): pp. 131–148; May 1989.

Rigsby, B. 'Land Rights in Queensland.' *Social Alternatives* 2 (2): pp. 52–55; 1981.

Roper, B. *Limits to the State: Economic Crisis, the Politics of Business and Supply Side of Economic Policy in New Zealand*. Griffith University, Brisbane: Division of Humanities. Occasional Paper; 1989.

Rosenberg, W. *The Magic Square*. Christchurch: Caxton Press; 1986.

Rowntree, B.S. *Poverty*. London: Macmillan; 1901.

Rowthorn, R.E. and Wells, J.R. *De-Industrialization and Foreign Trade*. Cambridge: Cambridge University Press; 1987.

Royal Commission on Social Policy. *April Report*. Wellington: Government Printer. Vol. III, Part 1: p. 520; 1988.

Rundle, G. 'A Study of Anti-Freeway Protest in Melbourne.' Swinburne Institute of Technology, Melbourne: MA Thesis; 1984.

Sandercock, L. *Cities for Sale*. Melbourne: University of Melbourne Press; 1976.

Sarre, P. 'Race and the Class Structure.' Hamnett, C., McDowell, L., and Sarre, P., Eds. *Restructuring Britain. The Changing Social Structure*. London: Sage Pub. in association with The Open University; 1989.

Sassen-Koob, S. 'Notes on the Incorporation of Third World Women into the Wage Labour Through Immigration and Off-shore Production.' *International Migration Review* 14 (4): pp. 1144–1167; 1985.

Saunders, P. 'Domestic Property and Social Class.' *International Journal of Urban and Regional Research* 2: pp. 233–251; 1978.

Saunders, P. 'Beyond Housing Classes.' *International Journal of Urban and Regional Planning* 8: pp. 202–227; 1984.

Saunders, P. 'Space, the City and Urban Sociology.' Gregory, D. and Urry, J., Eds. *Social Relations and Spatial Structures*. London: Macmillan; 1985.

Saunders, P. *SocialTheory and the Urban Question*. London: Heinemann; 1986.

Saunders, P. 'Housing Tenure, Sectoral Cleavages and Political Alignments, ISA.' *Urban and Regional Conference*. Rio de Janeiro; 1988.

Saunders, P. 'The Meaning of the "Home" in Contemporary English Culture' *Housing Studies* 4 (3): pp. 177–192; 1989.

Saunders, P. *Social Class and Social Stratifiction*. London: Routledge; 1990a.

Saunders, P. *A Nation of Home Owners*. London: Allen & Unwin; 1990b.

Saunders, P. and Harris, C. *Homeownership and Capital Gains*. Working Paper 64. School of Urban and Regional Studies. University of Sussex, Brighton, Sussex; 1988.

Saunders, P. and Williams, P. 'The Constitution of the Home: Towards a Research Agenda.' *Housing Studies* 3: pp. 81–93; 1987.

Savage, M. 'Spatial Differences in Modern Britain.' Hamnett, C., McDowell, L., and Sarre, P., Eds. *Restructuring Britain. The Changing Social Structure*. London: Sage Pub. in association with The Open University; 1989.

Saville-Smith, K. 'Women and the State.' Cox, S., Ed. *Public and Private Worlds: Women in Contemporary New Zealand*. Wellington: Allen & Unwin; 1987.

Sawer, M., Ed. *Australia and the New Right*. Sydney: Allen & Unwin; 1982.

Sayer, R.A. *Method in Social Science*. London: Hutchinson; 1984

Scott, C.*Regional Development; Objectives and Policies:An Appraisal*. Wellington: New Zealand Planning Council. Planning Paper no 7; 1980.

Scott, G., Fougere, G., and Marwick, J. *Choices for Health*. Wellington: Government Printer; 1986.

Seabrook, J. 'Unemployment Now and in the 1930s.' *Political Quarterly* 52 (1): pp. 7–15; 1981.

Sherington, G. *Australia's Immigrants 1788–1978*. Sydney: Allen & Unwin; 1980.

Short, J. *Housing in Britain*. Andover, Hants: Methuen; 1982.

Simms, M. 'The Australian Feminist Experience.' Grieve, N. and Grimshaw, P., Eds. *Australian Women*. Melbourne: Oxford University Press; 1981.

Sissons, J. 'The Future of Biculturalism in Aotearoa/New Zealand.' Moss, J., Ed. *Social Science and the Future of New Zealand*. Dunedin: University of Otago; 1989.

Sivanandan, A. *A Different Hunger: Writings on Black Resistance*. London: Photo Press; 1982.

Skinner, D. and Langdon, J. *The Story of Clay Cross*. Nottingham: Spokesman Books; 1974.

Skocpol, T. *States and Social Revolutions*. Cambridge: Cambridge University Press; 1979.

Smith, B.N. and Thorns, D.C. 'Housing Markets and Sub-Markets. An Analysis of the Role of Financial Institutions in the Allocation of Housing.' *Australian and New Zealand Journal of Sociology* 40: pp. 4–13; 1980.

Smith, D. 'Restructuring the Blue Collar Worker in South West Birmingham.' *Sixth Urban Change and Conflict Conference*. University of Kent; 1987.

Smith, M. and Feagin, J., Eds. *The Capitalist City: Global Restructuring and Community Politics*. Oxford: Basil Blackwell; 1987.

Smith, N. 'Dangers of the Empirical Turn: Some Comments on the C.U.R.S. Initiative.' *Antipode* 19 (1): pp. 59–68; 1987.

Smith, N. and Williams, P., Eds. *Gentrification of the City*. London: Allen & Unwin; 1986.

Smith, S.J. *The Politics of Race and Residence*. Oxford: Basil Blackwell Ltd 1989a.

Smith, S.J. 'Gender Differences in the Attainment and Experience of Owner Occupation In Australia.' *Conference on Housing Australia*. Australian National University; 1989b.

Soja, E. Taking Los Angeles Apart.' *Society and Space*. 4: pp. 255–272; 1986.

Soja, E. *Post-Modern Geographies. The Reassertion of Space in Critical Social Theory*. London: Verso; 1989.

Soja, E., Morales, R. and Wolff, G. 'Urban Restructuring: an Analysis of the Social and Spatial Changes in Los Angeles.' *Economic Geography* 59 (2): pp. 195–230; 1983.

Solomos, J. *Black Youth, Racism and the State*. Cambridge: Cambridge University Press; 1988.

Sonder, L. 'The Accord, the Communique and the Budget.' *The Australian Quarterly* 56 (2): pp. 153–162; 1984.

Spoonley, P. *The Politics of Nostalgia, Racism and the Extreme Right in New Zealand*. Palmerston North: Dunmore Press; 1987.

Spoonley, P. 'Racism and Ethnicity.' Spoonley, P., Pearson, D., and Shirley, I., Eds. *New Zealand Society*. Palmerston North: Dunmore; 1990.

Stillwell, F. *Economic Crisis: Cities and Regions*. Sydney: Pergamon; 1980.

Stillwell, F. 'Capital Accumulation and Regional Economic Performance: The Australian Experience.' *Australian Geographical Studies* 20: pp. 131–143; Oct. 1982.

Stillwell, F. 'Structural Change and Spatial Equity in Sydney.' *Urban Policy and Research* 7 (1): pp. 3–14; 1989.

Stone, R.C. *Makers of Fortune*. Auckland: Oxford University Press; 1973.

Stretton, H. 'Life After Dawkins.' *Australian Society:* pp. 30–31; (Oct.) 1989.

Stroombergen, A. and Koy, K. *Housing the Capacity to Buy.* Wellington: National Housing Commission; 1987.

Sullivan, O. 'Housing Tenure as a Consumption Sector Divide: a Critical Perspective.' *International journal of Urban and Regional Research* 13 (2): pp.183–200; 1989.

Sutch, W.B. *Colony or Nation.* Sydney: Sydney University Press; 1966.

Sutch, W.B. *Takeover New Zealand.* Wellington: A.H. Reed; 1972.

Swainson, N. and Gallagher, K. 'The Political Economy of New Zealand: Some Recent Restructuring.' *Development Studies Association.* Brighton; 1983.

Szelenyi, I. 'Structural Changes of, and Alternatives to, Capitalist Development in Contemporary Urban and Regional Systems.' *International Journal of Urban and Regional Research* 5 (1): pp. 1–14; 1981.

Szelenyi, I. *Cities in Recession.* New York: Sage Pub.; 1984.

Tait, D. and Gibson, K. 'Economic and Ethnic Restructuring: An Analysis of Migrant Labour in Sydney.' *Journal of Intercultural Studies* 8 (1): pp.1–26; 1987.

Taylor, M.J. 'Dimensions of Regional Economic Health in New Zealand.' *Pacific Viewpoint* 17: pp. 37–48; 1976.

Thomas, P. *Taming the Concrete Jungle.* Sydney: Quality Press; 1973.

Thompson, G. 'Rolling Back "the State". Economic Intervention 1975–82.' Held, D. and Hall, S., Eds. *State and Society in Contemporary Britain.* Cambridge: Polity Press; 1984.

Thorns, D.C. *Quest for Community.* London: Allen & Unwin; 1976.

Thorns, D.C. 'The Implications of Different Rates of Capital Gain from Owner Occupation for the Formation and Development of Housing Classes.' *International Journal of Urban and Regional Research* 5: pp. 205–230; 1981.

Thorns, D.C. 'Industrial Restructuring and Change in the Labour and Property Markets in Britain.' *Environment and Planning* 14: pp. 745–763; 1982.

Thorns, D.C. 'Owner-Occupation, the State and Class Relations in New Zealand.' Wilkes, C. and Shirley, I., Eds. *In the Public Interest.* Auckland: Benton and Ross; 1984.

Thorns, D.C. 'The Impact of Homeownership and Capital Gains Upon Class and Consumption Sectors.' *Environment and Planning: Society and Space* 7: pp. 293–312; 1989a.

Thorns, D.C. 'The Production of Homeless: From Individual Failure to System Inadequacies.' *Housing Studies* (4): pp. 253–266; 1989b.

Thorns, D.C. 'New International Division of Labour and Urban Change. A New Zealand Case Study.' Smith, M., Ed. *Pacific Rim Cities in the World Economy.* New Jersey: Transaction Publishers; 1989c.

Thorpe, D. 'The Structure of Judicial Racism in Australia.' *Harvard Journal of Criminal Justice* 26 (4): pp. 259–271; 1987.

Thrift, N. 'Images of Social Change.' Hamnett, C., McDowell, L., and Sarre, P., Eds. *The Changing Social Structure.* London: Sage; 1989.

Townsend, P. and Abel-Smith, B. *The Poor and the Poorest.* London: C. Bell; 1975.

Troy, P. *Equity in the City.* Sydney: Allen & Unwin; 1981.

Troy, P. 'Government Housing Policy in New South Wales 1788–1900.' *Housing Studies* 3 (1): pp. 20–30; 1988.

Urry, J. 'Localities, Region and Social Classes.' *International Journal of Urban and Regional Research* 5: pp. 455–474; 1981.

Urry, J. 'Capitalist Restructuring, Recomposition and the Regions.' Bradley, T. and Lowe, P., Eds. *Locality and Rurality: Economy and Society in Rural Regions.* Norwich: Geo Books; 1984.

Vowles, J. 'Fourth Labour Government: End, Means, and for Whom.' Boston, J. and Holland, M., Eds. *Fourth Labour Government.* Auckland: Oxford University Press; 1987.

Walby, S. *Patriarchy at Work.* Cambridge: Polity Press; 1986.

Walby, S. and Bagguley, P. 'Gender Restructuring.' *Environment and Planning D: Society and Space* 7: pp. 277–292; 1989.

Walker, R. *Ka Whawhai Tonu Matou. Struggle Without End.* Auckland: Penguin Books; 1990.

Wallerstein, I. *Modern World System.* New York: Academic Press; 1974.

Wallerstein, I. *The Capitalist World Economy.* Cambridge: Cambridge University Press; 1979

Wanna, J. 'Regional Development and Economic Restructuring in South Australia.' *Australian and New Zealand Journal of Sociology* 20 (3): pp. 350–364; 1984.

Warwick, D. *Coal is Our Life: Then and Now.* Mimeo. Dept. of Sociology, University of Leeds; 1985.

Watson, S. 'Women and Housing or Feminist Housing Analysis.' *Housing Studies* l: pp.1–10; 1986.

Watson, S. *Accommodating Inequality. Gender and Housing.* Sydney: Allen & Unwin 1988a.

Watson, S. *The State or the Market: The Impact of Housing Policy on Women.* April Report edn. Royal Commission on Social Policy. Wellington: Government Printer 1988b.

Watson, S. and Austerberry, H. *Housing and Homelessness, a Feminist Perspective.* London: Routledge & Kegan Paul; 1986.

Wheelwright, E. and Buckley, K., Eds. *Essays in the Political Economy of Australian Capitalism.* Sydney: ANZ Book Company; 1978.

Wilkes, C. and Shirley, I., Eds. *In the Public Interest.* Auckland: Benton Ross; 1984.

Williams, G. 'Economic Restructuring in Gwynedd.' Cooke, P., Ed. *Global Restructuring Local Responses.* London: ESRC; 1986.

Zukin, S. *Loft Living: Culture and Capital in Urban Change.* Baltimore, MD: Johns Hopkins University Press; 1982.

Zukin, S. The Postmodern Debate over Urban Form.' *Theory, Culture and Society* 5: pp. 431–446; 1988.

NAME INDEX

SUBJECT INDEX