

# Manufacturing the future?

## A critical analysis of policy responses to deindustrialisation in South Australia

by

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# Table of Contents

Table of Contents .....	i
List of Tables.....	viii
List of Figures.....	i
Abstract .....	ii
Declaration .....	iv
Acknowledgements .....	v
Dedication .....	vi
Introduction.....	1
Analytical purpose .....	6
Locus of analysis .....	10
Theoretical approach and research contribution .....	10
Theoretical framework .....	12
Research methodology.....	13
Methodological tools.....	14
Case study: the City of Playford.....	14
Grounding theory in data collection and analysis.....	16
A note on de-identification.....	19
Organisation of the thesis .....	20
Outline of chapters.....	21
PART I: Understanding and contextualising industrialisation and deindustrialisation.....	25
1    A brief introduction to industrialisation and industry policy .....	26

1.1	What makes manufacturing so important?.....	26
1.1.1	Principles of manufacturing as economic development.....	27
1.1.2	Conceptualising the importance of manufacturing today .....	29
1.1.3	The political-economic rationale for manufacturing industrialisation.....	29
1.1.4	The mainstream view of industrialisation.....	31
1.1.5	Industrialisation as knowledge and economic complexity .....	32
1.2	Industry policy for economic transformation .....	34
1.3	Conclusion .....	35
2	South Australia’s industrialisation and deindustrialisation in the context of global political-economic crisis and change.....	37
2.1	Background to South Australia’s industrialisation .....	38
2.1.1	Early automotive manufacturing in South Australia .....	39
2.1.2	Early industrialisation and economic crisis .....	40
2.2	South Australia’s manufacturing industrialisation .....	42
2.2.1	Beyond the Depression.....	42
2.2.2	World War II and beyond .....	44
2.2.3	South Australia’s post-war industrialisation .....	45
2.3	South Australia’s deindustrialisation .....	46
2.3.1	Global economic restructuring and South Australia’s disadvantage .....	47
2.3.2	Deindustrialisation in South Australia in the twenty-first century.....	51
2.4	The closure of Holden in Playford.....	52
2.4.1	Life after Holden: opportunities for industrial transformation.....	54
2.5	Conclusion .....	55

3	Understanding deindustrialisation as capitalist crisis: a framework.....	56
3.1	Understanding the market-institutional foundation of the global economy.....	57
3.1.1	Neoclassical foundations of policy.....	57
3.1.2	Marxian critique of free market institutions.....	58
3.1.3	The Keynesian macroeconomic approach to shaping social institutions.....	60
3.2	The economy as an institutionally-embedded process .....	61
3.2.1	Bringing in non-market institutions for capitalist development .....	63
3.3	Regulating capital: a substantive theory of capitalist accumulation’s foundation in social institutions.....	65
3.3.1	The role of the state in the economy as an instituted process.....	66
3.3.2	The neoliberal institutional fix: making sense of government policy responses in the era of globalisation .....	68
3.3.3	Defining neoliberalism as it actually exists .....	70
3.3.4	The political-economic implications of ‘actually existing’ neoliberalism .....	72
3.4	A regulation interpretation of globalisation: capitalist crisis and accumulation.....	75
3.4.1	A new institutional fix? .....	75
3.4.2	Neoliberal market institutions: an unsustainable institutional fix .....	78
3.4.3	Deindustrialisation in the era of globalisation as a crisis of neoliberal social structures of accumulation .....	80
3.5	Conclusion .....	82
	PART II: The implications of state intervention for industrialisation and deindustrialisation in Australia .....	84
4	Embedding industrialisation in Australia: The implications of global and federal institutional crisis and change for South Australia’s industrialisation .....	85

4.1	Early institutional developments in the global context .....	85
4.2	Australia's early market institutions for industrialisation .....	87
4.2.1	Depression and economic crisis .....	89
4.2.2	Industrialisation under Fordism.....	90
4.2.3	Keynesian macroeconomic policy.....	92
4.3	Embedding Australia's Fordist-Keynesian industrial regulation.....	94
4.3.1	Industrialisation and state intervention in the post-war era .....	97
4.3.2	Fordist-Keynesian state intervention for industrial development in post-war Australia	98
4.3.3	Implications of federal state intervention in Australia's industrialisation.....	101
4.4	Institutional changes for industrialisation in South Australia .....	104
4.4.1	Embedding industrialisation in South Australia: political action, state intervention and new institutional structures.....	105
4.4.2	Embedding state intervention in South Australia .....	109
4.4.3	Interpreting South Australia's industrialisation .....	110
4.5	Conclusion .....	114
5	Embedding (de)industrialisation in Australia.....	116
5.1	State intervention in the era of neoliberal globalisation .....	116
5.1.1	From post-war Australia to after-Fordist Australia: global crisis and change .....	118
5.1.2	Implications of reforms to state intervention in the 1970s .....	124
5.2	'Actually existing' neoliberal state intervention in Australia in the global era.....	125
5.2.1	Neoliberalism embedded: the Hawke-Keating era .....	127
5.2.2	An alternative to neoliberalism? .....	128
5.2.3	The Keynesian-neoliberal policy contention in state intervention .....	130

5.2.4	A missed opportunity for an alternative direction.....	134
5.3	Implications of neoliberalism for Australia moving forward.....	138
5.3.1	Neoliberalism embraced: the Howard Coalition era .....	140
5.3.2	Neoliberalism contested? The post-GFC era under Rudd-Gillard Governments .....	142
5.3.3	Neoliberalism hegemonic: the Abbott Government and the end of automotive manufacturing .....	146
5.3.4	Implications of neoliberal state intervention for Australian manufacturing in the twenty-first century .....	148
5.4	An engagement with critics of the Australian neoliberalisation thesis.....	152
5.5	Conclusion .....	154
PART III: Embedding ‘actually existing’ neoliberalism in South Australia’s political economy.....		157
6	Searching for the ‘silver bullet’: embedding neoliberalism in South Australia .....	158
6.1	Responding to global change in South Australia.....	158
6.1.1	Implications of neoliberalism for state intervention in South Australia in the global era .....	159
6.1.2	Policy responses of the Dunstan Government .....	161
6.1.3	Implications of Dunstan Government policy responses for South Australia.....	165
6.2	Neoliberal turns in South Australian government policy responses.....	168
6.2.1	Embedding neoliberalism in South Australian state intervention .....	172
6.3	The neoliberalisation of state intervention in South Australia .....	174
6.3.1	Embedded neoliberalism in government’s response to crisis: the Brown-Olsen era ..	175
6.3.2	Ignored alternative responses to a deepening neoliberal crisis in South Australia .....	177
6.3.3	South Australia’s neoliberal state intervention pathway paved .....	180

6.3.4	The implications of neoliberal state intervention in South Australia.....	182
6.4	A ‘third way’: neoliberal state intervention under the Rann Government.....	185
6.4.1	Policy collaboration and experimentation as neoliberalisation.....	186
6.5	Countering neoliberalisation? Embedding new social institutions.....	189
6.5.1	‘Thinking’ about South Australia’s future .....	191
6.5.2	Implications of neoliberal state intervention under the Rann Government.....	196
6.5.3	Neoliberal policy responses to economic transformation.....	198
6.5.4	‘Actually existing’ neoliberal government policy responses to global economic crisis	206
6.6	Leadership change and a new direction for industrial transformation?.....	208
6.6.1	Interpreting ‘actually existing’ neoliberal intervention under Rann and Weatherill governments .....	211
6.7	Conclusion .....	215
7	State government policy responses to deindustrialisation in South Australia: a case study of neoliberal transformation in the City of Playford.....	217
7.1	The City of Playford: industrial and social history.....	217
7.1.1	Situating Playford in South Australia’s current economic trajectory.....	225
7.2	Pre-GFC urban renewal at local level in Playford: building regional institutions.....	226
7.2.1	New institutional developments in Playford.....	230
7.2.2	State and local collaboration: the Playford Alive project.....	232
7.2.3	Emerging tensions between state and local policy responses in Playford.....	236
7.3	Neoliberalising the state government’s policy responses to global economic crisis .....	239
7.3.1	A framework for alternative state government industry policy intervention.....	243
7.3.2	Policy responses to crisis in Playford .....	246

7.3.3	Policy responses to industrial transformation .....	251
7.3.4	Labour market reforms.....	257
7.3.5	Training market deregulation .....	262
7.3.6	Outsourcing service delivery .....	267
7.4	Implications of the state government’s neoliberal policy responses to crisis in Playford ...	270
7.4.1	Interpreting the contradictory logic of ‘actually existing’ neoliberalism in South Australia .....	274
7.5	Conclusion .....	275
8	Conclusion .....	277
9	References.....	289
9.1	Interviews.....	289
9.2	Bibliography.....	291
10	Appendix.....	327
10.1	Participant Information Sheet .....	327
10.2	Participant Consent Form.....	329



## List of Tables

Table 1: Australian federal and South Australian state governments – 1970s-2010s ..... 9

Table 2: Labour force (%) share in the Australian economy, 1901-1966..... 97

## List of Figures

Figure 1: Location of South Australia and its capital, Adelaide, in relation to Australia .....	38
Figure 2: Gross Domestic Product – Australia (1990-2015).....	136
Figure 3: Employee compensation by activity (industry) – Australia (1990-2015) .....	137
Figure 4: Greater Adelaide Area with outline of Playford LGA .....	221
Figure 5: Map of the City of Playford Local Government Area (LGA) .....	222
Figure 6: Unemployment rate (%) by small area – metropolitan Adelaide (September 2014).....	224
Figure 7: Detail of Playford Alive project .....	235

# Abstract

This thesis investigates the policy responses of federal, state and local governments to manufacturing deindustrialisation in Australia. Automotive manufacturing has provided a foundation for development and innovation in modern, industrial economies, including in Australia. The thesis asks why Australia is at risk of losing this capability, focusing analysis specifically on the impact of neoliberal economic ideas on policies developed in the present era of globalisation in response to deindustrialisation in South Australia, a local-state economy highly dependent on the automotive industry.

The thesis answers this question by addressing the nature of Australia's, and South Australia's, engagement with global change. It provides a radical political economy and institutional examination of Australian governments' policy responses to automotive manufacturing deindustrialisation in South Australia, finding at all levels, policy responses that have been profoundly influenced by neoliberalism. The thesis frames the research from a theoretical point of view that although neoliberalism's ideological grounding prescribes a minimal role for the state in the economy, in reality state intervention has been central to the 'actually existing' neoliberal policy approach of governments. Governments at the federal level and in South Australia have implemented policies influenced by neoliberal economic ideas that have actively promoted market-based economic restructuring. However, this research also demonstrates that the impact of neoliberal ideas at federal, state and local levels has been shaped by a range of endogenous factors that are specific to the local political economy of each jurisdiction.

The thesis begins by examining the central role of the state at federal and local-state levels historically in Australia and South Australia in the post-war boom period, demonstrating how Fordist-Keynesian intervention produced a set of foundational political, social and economic institutions that underpinned industrialisation at each level. It then analyses the policy responses of governments to post-boom deindustrialisation and demonstrates how the embedded institutional framework underpinning industrial development has been eroded, with governments at every level influenced by the increasing dominance of neoliberal policy approaches. However, the thesis argues that it is the dominance of a

neoliberal framework at the federal level in Australia that has greatly constrained policy options for governments at state and local levels. The thesis makes an original research contribution in its analysis of the contemporary period of South Australian political economy under the Rann and Weatherill Labor Governments' social-democratic state interventions. The policy responses of these governments provide examples of the emergence of 'actually existing' neoliberalism at the state level. This has resulted in specific local responses to manufacturing decline and economic crisis. This analysis is extended to the local regional level through an investigation of policy responses to the decline of the automotive industry in the City of Playford in Adelaide, South Australia's urban north.

In summary, the thesis concludes that the neoliberal policy responses of governments in Australia and South Australia to deindustrialisation have exacerbated its negative economic and social impacts. Opportunities for alternative responses at each level have been greatly reduced, though not eliminated completely. The impact of neoliberalism on state intervention has further entrenched manufacturing industry's decline in South Australia, producing challenging social and economic implications for the region, and also the nation.

# Declaration

I certify that this work contains no material which has been accepted for the award of any other degree or diploma in my name, in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text. In addition, I certify that no part of this work will, in the future, be used in a submission in my name, for any other degree or diploma in any university or other tertiary institution without the prior approval of the University of Adelaide and where applicable, any partner institution responsible for the joint-award of this degree.

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Mark Bernard Dean

Date:

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# Dedication

This thesis is dedicated to the memory of my grandmother, Frances Ellen Goode (1923-2016), and my brother, Peter Garry Dean (1987-2013). Though neither are here to see me finish it, the impact that both had on my life certainly helped me to start it.