Manufacturing the future?

A critical analysis of policy responses to deindustrialisation in South Australia

by

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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:
Completing this thesis would have been impossible without the guidance of my supervisors. The support of Dr. Ray Broomhill over these past three and a half years has been indispensable, as I’m sure it will be throughout the rest of my career. Between our regular coffees, Port Power football matches, and far too many of my emails flooding his inbox with new chapter versions, Ray’s patience, advice and friendship has provided me with clarity and confidence when I needed it most. I will forever be grateful that Professor John Spoehr saw potential in me during my undergraduate internship semester in 2011, subsequently employed me on his staff at WISeR and eventually convinced me to undertake a Doctorate. Our bonding over a shared criticism of neoliberalism’s shortcomings cemented a friendship that I know will last long into the future, and John’s kindness in my darkest moments won’t be forgotten.

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To Farrin Foster – thank you for sharing most of this journey with me and for contributing your unparalleled editing skills to making my thesis so much better.
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.