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The geography of unemployment: the Shoalhaven Region

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University of Wollongong

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THE GEOGRAPHY OF UNEMPLOYMENT: THE SHOALHAVEN REGION

A thesis submitted in fulfilment of the requirements of the award of the degree

MASTER OF SCIENCE (HONOURS)

From

UNIVERSITY OF WOLLONGONG

By

Carmel Smallwood, BA, Grad Dip Ed, Grad Dip Hum

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1998
ABSTRACT

Spatial disparity in unemployment levels both within and between regional labour markets has been widening in Australia since the early 1970s. The aim of the present research is to understand and explain the forces and processes underlying this widening disparity and to raise the importance of the geographical implications, that is, the spatial outcomes of this phenomenon. This aim is achieved by studying a regional labour market – the Shoalhaven region on the South Coast of New South Wales – both in a context of external forces and processes and by investigating and analysing internal factors and processes.

It is argued that predominant theories of unemployment and its spatial distribution are inadequate. They tend to overstress certain factors and ignore others. The present research attempts to provide a theoretical framework which encompasses the total environment – the economic, socio-cultural, built, natural and spatial environments. In doing so it is held that all the pertinent variables involved in such a study are acknowledged and analysed within an integrated framework. The combination of structuralist and 'localities' approaches recognises the interdependence of national and local forces, of structure and space.

The forces and processes underlying widening spatial disparity in unemployment in relation to the Shoalhaven region were found to be at both the national and local levels. While the over-arching importance of the impact of national or structural determinants on the Shoalhaven region – which are held to indirectly more than directly impact on the region – is asserted, the compounding effect of local determinants is also expounded.
ACKNOWLEDGEMENTS

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The many people in the field who gave their time, knowledge, experiences and interest.

Special thanks to John, Jackson, Eva and Annie Lillian.
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CHAPTER 1
INTRODUCTION

1.0 Overview: The Significance of Unemployment in Australia

This thesis examines the geography of unemployment with a focus on the Shoalhaven Region on the South Coast of New South Wales. The highest regional unemployment rate in Australia recorded in 1971 was three per cent. In 1976 it was nine per cent. By 1985 it was 15 per cent (O'Connor & Gordon, 1989:208) and in 1992 unemployment in some local government areas (LGAs) exceeded 20 per cent (Karmel et al, 1993). This increase is illustrated in Figure 1.1, the distribution of unemployment by LGA, where the number of LGAs with an unemployment rate of more than 15 per cent increased markedly between 1986 and 1992. Similarly, intra-regional (or urban) variation in unemployment has widened significantly since the 1970s. Gregory and Hunter (1995a) showed that unemployment rates for Census Collector Districts (CDs - usually 200-300 dwellings) in 1976 ranged from two to seven per cent. However, by 1991 variation increased from a minimum of five to a maximum of 37 per cent. Several factors, including recession and economic restructuring since the mid 1970s, have been associated with spatial disparities in unemployment (Gordon, 1989). The focus of the present research is on widening disparities in unemployment both between and within regions.

FIGURE 1.1
The Distribution of Unemployment by Local Government Area

Source: Green, 1993:6
As Australia increasingly faces the phenomenon of prolonged recessions followed by periods of 'jobless' growth and recovery, the free market is clearly not providing solutions for those who have been made redundant, lost their job in other ways or are looking for work for the first time. The unemployment rate in Australia reached a post-war record of 10.3 per cent in 1983 and has remained above 8.0 per cent since, except for four years (McCallum, 1994:v). See Figure 1.2.

**FIGURE 1.2**
Unemployment Rate 1964-94 and Long-term Unemployment 1977-94: Australia

![Unemployment Rate 1964-94 and Long-term Unemployment 1977-94: Australia](source)

Just as unemployment generally has become one of Australia's main socio-economic problems, long-term unemployment (LTU) has also become a serious problem. LTU is officially defined as 'an uncompleted continuous spell of unemployment of 52 weeks and over' (Flatau et al, 1990:3). LTU in Australia has grown from a relatively small concern to a major one. During the early 1970s those unemployed for more than 12 months accounted for two per cent of the total unemployed. By 1985 the proportion reached 33 per cent, but subsequently decreased to 20 per cent by 1990 along with a fall in total unemployment (Flatau et al, 1990, p1)- see Figure 1.2. In 1995 the proportion was 31 per cent (Norris and Wooden, 1996) nationally. Thus, as unemployment has worsened the increase in the number of people out of work has not been as large as one would expect. Instead, those most at risk have faced longer periods of unemployment (Smith, 1984) - the long-term unemployed. Chapman (1994) asserts that the rise in unemployment (from two per cent in the 60s to four in the 70s, seven in the 80s and 10+ for the early 90s) is essentially due to LTU. His explanation involves the term hysteresis.
which is the tendency of unemployment to stay high once it rises, resulting in a possible permanent change in the equilibrium rate of unemployment (Howe, 1993) (the interaction of the supply and demand sides of the labour market determines the equilibrium rate [Bannock et al, 1987]). There has been a substantial increase in unemployment with each of the three recessions since the early 1970s, however, each subsequent recovery has experienced only a small reduction. Once the unemployment level has risen the base level of unemployment seems to rise permanently (Langmore and Quiggin, 1994). Explanations for hysteresis are addressed in Chapter Two.

1.0.1 The Human, Social and Economic Costs of Unemployment
The damaging psychological and social consequences of unemployment have been widely researched (see, for example, Brotherhood of St Lawrence literature including Dixon, 1992, Larwill, 1992; many issues of IMPACT; Castle & Mangan, 1984). The isolation, loneliness, exclusion from society and the inability to consume and live at a reasonable financial and social standard cumulate in degrading the unemployed person into often a serious predicament (Langmore & Quiggin, 1994). The analysis of potential underclass formation in the Shoalhaven below addresses this process.

Economic costs to society include foregone tax revenue, the cost of unemployment benefits, loss of production of goods and services and increasing costs of law enforcement, corrective services, education and training.

Work is more than just a means for monetary reward - it is an essential part of human well-being. To be denied the opportunity to work destroys self-reliance and undermines social integration and personal dignity (ibid).

1.0.2 Structural Change and Spatial Inequality
As introduced, disparities in unemployment rates have been widening both between neighbourhoods (CDs) and regions over the last two decades. What is the significance or geographical implication(s) of this? The inequitable sharing of unemployment (and
related socio-economic factors such as income) across space and groups is related to potential underclass formation in Australia. As unemployment has risen so has the length of time between jobs: the growth in LTU is integral to an emerging social underclass. However, rather than focus on cultural and behavioural explanations of unemployment and associated poverty, this thesis focuses on structural and spatial factors.

Disadvantage, both social and spatial, is essentially the result of social processes that stratify elements of the population in terms of power, status and wealth. Analysis of these social processes must begin in the sphere of production. Accordingly the present research addresses socio-spatial outcomes of the dynamics of capital and the state. The stratification which results is reflected in inequalities, for example, employment, standard of living, housing, education, justice which manifest in outcomes such as unemployment, poverty, inadequate housing. It is structural and systematic 'in the sense that the very nature of social structure determines the pattern of disadvantage in society. Social class is a principal factor in such structure' (Maher, 1994:186).

Both Winchester (1991) and Watson (1993) rebuke behavioural approaches to the underclass thesis, both denoting the substantial loss of trades and unskilled jobs in manufacturing. Winchester notes: 'Of those unemployed in NSW in February 1991, almost half had previously been employed in manufacturing, construction or wholesale and retail trade, where they worked as tradespersons or labourers' (:114). Rather than being 'unfit' for work due to whatever personal attributes, these workers (many of whom are long-term unemployed) are no different to the remainder of the working-class. They are traditional wage earning people whose skills etc., nurtured over decades, are now redundant 'in the wake of Australia's de-industrialisation' (Watson, 1993:223).

Spatial concentration compounds social disadvantage. As the Australian Urban and Regional Development Review (AURDR) (1995:183) states:

From the perspective of social equity, the difference between localities are sufficiently large to be considered offensive to social justice and, in most cases, likely to prove an obstacle to economic growth. Indicators relating to long-term unemployment, children with no parent employed, families with low incomes,
teenage unemployment and the proportion of young people in high education all point to the disturbing likelihood that current patterns of disadvantage will be worsened in the next generation unless action is taken to reverse current trends.

These trends are usually associated with large cities, specifically the inner city and peripheral suburbs. However, Badcock (1994) asserts that spatial inequality should not focus only the outer suburbs, but on low-income areas in general, for example, public housing estates, which have suffered from economic restructuring and demographic change and whose residents typically have limited choice regard housing location.

The above has stressed the significance of widening spatial unemployment disparities. It has also stressed that structurally determined inequalities are compounded by space functions, a central theme of this thesis.

1.0.3 A Geographical Perspective

Most studies of unemployment are either economic or sociological, or a mixture of the two. Many verge on technological, economic or social determinism. They overstress certain factors and ignore others. The complex, broad and dynamic nature of unemployment necessitates an equally complex, broad and dynamic study. A geographical perspective encompasses the total environment of unemployment: the economic, socio-cultural, built, natural and spatial environments. All need to be integrated and analysed holistically for an adequate account of the problem of unemployment.

Macro-economic theories dominate literature on unemployment. Here one simple labour market is expounded. The Phillips Curve dominated as an explanation for unemployment until the mid 1970s. This model, which illustrates a trade-off between inflation and unemployment, lost popularity when stagflation (where the unemployment rate and the price level vary directly (Jackson, 1987)) and associated macro-economic changes were experienced. Much contention as to a model for explaining unemployment has ensued since this period. No dominant model has replaced the Phillips Curve for explaining unemployment. The persistence of high unemployment levels since the mid
1970s and correlating non-existence of an adequate economic explanation exposes the inadequacy and inability of such an uni-disciplinary approach.

In reality there are many differently constructed labour markets superimposed on each other, each with different boundaries and features based on class, gender, ethnicity etc. (Haughton et al, 1993). Geographical segmentation represents one form of segmentation (by region, suburb) of the labour market. Other forms (class, gender etc.) interplay at the local level with geographical forms (Townsend, 1992). Further, a labour market cannot be analysed adequately without taking into account other aspects of society. Policies which address only traditionally conceived labour market problems are unlikely to succeed on their own (Haughton et al, 1993). The demand-deficit approach (where there is a deficiency of demand relative to supply for all labour) which has dominated unemployment literature, is only relevant where dominant sectors have declined or are in decline and replacement employment is not expanding rapidly enough. Supply-side interpretations overstress supply deficiencies (for example, characteristics of the unemployed) (ibid). A more comprehensive approach is essential for a full understanding of unemployment and its different manifestations (spatial and non-spatial) to be achieved.

Standard labour market theory does not involve local-national market structures and dynamics being inter-dependent. It neglects the substantial disparity in unemployment rates between local labour markets. Further, rather than analyse historical changes in labour market structures and processes, it tends to concentrate on contemporary trends in purely economic terms.

The focus of this thesis is to address these inadequacies and attempt to provide a more adequate approach for understanding unemployment and its spatial unevenness by studying a regional labour market\(^1\). Both analysis of the local labour market in the context of national and international dynamics and of internal dynamics are involved in an explanation of forces impacting on spatial variation in unemployment.

\(^1\) Here the term 'regional' is interchangeable with the term 'local'. See Morrison (1990) for a critique on the use and misuse of these terms in relation to labour markets.
Geographical research in Australia has tended to focus on state capitals while other parts of the urban system have either been under-estimated or ignored (Beer and Maude, 1995). Studies of rural issues have also neglected to address non-metropolitan regions separately (ibid). The present research is of a non-metropolitan region - the City of Shoalhaven on the South Coast of New South Wales (see Maps 3.1 and 3.2). The few regional studies which have included the Shoalhaven region discuss the South Coast or the Illawarra Region/Statistical Division (SD) in their entirety which automatically positions the focus on Wollongong, a heavy industrial region. The Shoalhaven, which warrants a separate identity to Wollongong, is antithetical to the latter. Until recently Wollongong has primarily existed for production while the Shoalhaven exists primarily for consumption. For this study the boundary of the Shoalhaven labour market is defined by its local government area (LGA) which correlates to statistical local area (SLA) for ABS statistics. Some labour market studies use SLAs as boundaries (for example, Karmel et al, 1993) while others use SDs (for example, BIE, 1993) which encompass multiple SLAs. It is argued that SLA is more appropriate for the present research as it better correlates to journey to work boundaries.

As noted, labour market segmentation occurs through an individual’s attributes – class, ethnicity, age, skills etc. The disadvantaged groups within these segments are more likely to be long-term unemployed (another form of segmentation) than other groups.

1.0.4 Who are the Unemployed?

The individuals or groups hardest hit by unemployment varies through time. Green (1993) notes that men were more severely affected than women by the early 1990s recession. Male unemployment growth from 1990-1993 increased by 70 per cent compared to 30 per cent for women. However, women were more affected by the two previous recessions. The most disadvantaged groups in the labour force are young people, older workers, indigenous Australians, migrants, the unskilled and less educated and women. These groups are discussed briefly in turn.
As Table 1.1 shows, youth unemployment (15-24 years) has grown to record levels in Australia. Low wages and high turnover are most characteristic of youth employment in the labour market, the latter argued to be a cause of their unemployability. However, rather than instability of young workers being a cause, it is the tendency of poor quality of jobs in the youth labour market (Whitfield and Ross, 1996). Traditional areas of employment for young individuals are disappearing, for example, banking. One estimate holds that jobs performed by young people declined by 40 per cent during the 1990s recession and most new jobs since have been taken by older women (Baker, 1993).

**TABLE 1.1**

<table>
<thead>
<tr>
<th>Year</th>
<th>Persons 15-19</th>
<th>Persons 20-24</th>
<th>All Persons 15+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970</td>
<td>3.2</td>
<td>1.6</td>
<td>1.4</td>
</tr>
<tr>
<td>1978</td>
<td>16.0</td>
<td>8.5</td>
<td>6.2</td>
</tr>
<tr>
<td>1986</td>
<td>18.9</td>
<td>10.4</td>
<td>7.8</td>
</tr>
<tr>
<td>1994</td>
<td>23.2</td>
<td>13.9</td>
<td>9.7</td>
</tr>
</tbody>
</table>


Loss of full-time and growing part-time work associated with growing underemployment among the young is a great concern. ABS surveys reveal that many young would prefer to work more hours but were in part-time work as nothing else was available (ibid).

Stricker and Sheehan (1981) investigated unemployment of older workers and found only 25 per cent of the withdrawal from the work force of 55-59 year old males and 30 per cent of withdrawal of 60-64 year old males to be voluntary rather than enforced. Given these facts, the official statistics in Table 1.2 below should be considerably higher. The Shoalhaven has attracted many retired people. Chapter Six details the implications of this in-migration for unemployment levels.

**TABLE 1.2**

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Population</th>
<th>Persons aged 55 and over</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Unemployment Rate (%)</td>
<td>Average Duration (weeks)</td>
</tr>
<tr>
<td>1978</td>
<td>5.4</td>
<td>28</td>
</tr>
<tr>
<td>1983</td>
<td>9.9</td>
<td>43</td>
</tr>
<tr>
<td>1988</td>
<td>6.5</td>
<td>53</td>
</tr>
<tr>
<td>1993</td>
<td>10.7</td>
<td>60</td>
</tr>
</tbody>
</table>

Source: Whitfield & Ross, 1996:165
The unemployment rate of **indigenous Australians** is several times that of non-indigenous Australians. Castle and Hagan (1984:84) estimated male Aboriginal unemployment levels in 1982 to be seven times higher than the national average and unemployment among Aboriginal teenagers in rural New South Wales to be over 50 per cent and as high as 90 per cent in some places. Ross (1988) estimated non-metropolitan female unemployment for indigenous Australians to be 55 per cent and 75 per cent for males. Miller’s (1989) study of the 1985 Australian Longitudinal Survey found that the considerable differential between Aboriginal and non-Aboriginal unemployment could not be sourced to differences ‘in the average level of marketable skills of the two groups’ (:50) and concluded that ‘the Aboriginal work force appears to experience an inordinate unemployment rate differential in the youth labour market’ (ibid).

The proportion of the Shoalhaven’s population that is indigenous is relatively significant (2.2 per cent of the Shoalhaven’s total population was indigenous in 1991 [ABS Census, 1991]). Unemployment for indigenous Australians in the region is substantially above average, being confirmed by the CES, Nowra. The significant proportion of indigenous Australians coupled with very high unemployment within this group warrants a detailed investigation. Appreciation of cultural differences and sensitivity in undertaking such a study and problems experienced in trying to access data precludes an adequate analysis of this aspect in the present study.

As early as 1972 Coombs noted that indigenous Australians are trapped in a cycle of poverty due to a lack of suitable access to employment. This problem remains pertinent today, however, structural rather than behavioural or ‘cultural of poverty’ explanations need to be brought to the fore.

Unemployment levels for **migrants** have consistently been above the national average (Whitfield and Ross, 1996). However, overall migrant unemployment figures need to be disaggregated to gain a truer picture of the situation. Mangan and Stokes (1984:31) found unemployment rates (1984) for recent arrivals from Asia to be 39.1 per cent, from
the United Kingdom and Ireland, nine per cent and other countries 16.4 per cent. If Sydney were the focus of spatial variation in unemployment, migrant unemployment levels would be of integral importance. However, only a small minority of the Shoalhaven's population are from non-English speaking countries (4.2 per cent - ABS Census - 1991) compared to New South Wales (14.9 per cent - ABS Census 1991).

Statistics show that the less educated and less skilled the more likelihood there is of a person being unemployed (Junankar & Kapuscinski, 1991). Table 1.3 exemplifies this:

**TABLE 1.3**

Unemployment Rates (in per cent) by Education Attainment

<table>
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<tr>
<th></th>
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<tbody>
<tr>
<td>With post-school qualifications (a)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Degree</td>
<td>3.5</td>
<td>5.0</td>
<td>3.8</td>
<td>4.5</td>
</tr>
<tr>
<td>- Trade qualification or apprenticeship (b)</td>
<td>4.0</td>
<td>7.9</td>
<td>5.4</td>
<td>3.6</td>
</tr>
<tr>
<td>- Certificate or diploma (b)</td>
<td></td>
<td></td>
<td></td>
<td>5.0</td>
</tr>
<tr>
<td>Without post-school qualifications (c)</td>
<td>8.0</td>
<td>12.6</td>
<td>11.1</td>
<td>8.8</td>
</tr>
<tr>
<td>- Attended highest level of secondary school available</td>
<td>6.8</td>
<td>11.6</td>
<td>10.4</td>
<td>8.3</td>
</tr>
<tr>
<td>- Did not attend highest level of secondary school available</td>
<td>8.2</td>
<td>12.8</td>
<td>11.2</td>
<td>9.0</td>
</tr>
<tr>
<td>Total (d)</td>
<td>6.7</td>
<td>10.7</td>
<td>8.9</td>
<td>7.0</td>
</tr>
</tbody>
</table>

(a) Includes people with other post-school qualifications
(b) Prior to February 1987 the data now published in the Education Attainment categories 'Trade qualification or apprenticeship' and 'Certificate or diploma' were published as a single group 'Trade, technical or other certificate'.
(c) Includes people who never attended school
(d) Includes people 15-20 at school

Source: Junankar & Kapuscinski, 1991:13

Until recently unemployment rates had been consistently higher for women than men. Higher hidden unemployment for women raises the disparity further. Women are more likely than men to withdraw from the workforce during economic downturn and join the ranks of the hidden unemployed. As Jones (1980) asserts, women have always, and to a lesser extent still form an important latent reserve army able to be drawn on to expand the workforce. The correlation of the rise in part-time, temporary and casual work with the rise in labour force participation of women is detailed in Chapters Four and Five.

1.0.5 The Hidden Unemployed

Monthly unemployment measurements are based on ABS surveys. Respondents are asked if they have worked in the past week and, if not, if they have looked for
employment. Those who had not worked but did seek paid work are classified as unemployed. Those individuals who did not seek paid work are classed 'not in the labour force' (Langmore and Quiggin, 1994). There are various other definitions of unemployment, however, most are based on either registration or seeking work (Metcalf, 1992). The present research proposes that within those classified as 'not in the labour force', there are individuals who are neither registered unemployed nor actively seeking work but who wish to work if various barriers to unemployment could be overcome. They are the hidden unemployed.

The hidden unemployed are overlooked by official statistics, but they form a growing proportion of the unemployed and long-term unemployed. While ABS measurements of unemployment are broader than other sources, they are also inadequate, as they overlook several groups in society who want to work but are unable to due to barriers to employment and training and are not eligible for unemployment benefits. A recent ABS survey (September, 1992) asked respondents if they would like a full-time or part-time job. It was estimated that 1.1 million persons classed as 'not in the labour force' on the usual definition, actually did want to work: 800,000 of these people could start within four weeks (Langmore & Quiggin, 1994). The largest subgroup was 200,000 people (nearly all women) who stated that 'they wanted work, but did not look for it because of childcare commitments' (ibid).

It is recognised that people can be placed on a continuum ranging from those who definitely do not want to work to those wanting to work very much. A cut off is made along this continuum between the unemployed and those 'not in the labour market' (Metcalf, 1992). Metcalf provides a diagram (see Figure 1.3) to clarify this situation. The extent to which a person wants employment at the prevailing wage rate is illustrated along the horizontal axis and the barriers to employment (for example, prejudice, lack of childcare) are shown on the vertical axis. The fewer the barriers and higher the desire for work, the more likelihood of employment or recognition as unemployed. Low or high barriers, those with little desire to work can be considered as non-participants or 'not in
the labour force'. Metcalf notes that while the diagram has been premised on the prevailing wage rate, wages can be a barrier, for example, when they are discriminatory.

**FIGURE 1.3**
The Hidden Unemployed

![Diagram](source.png)


Marx's various forms of unemployment are discussed in Chapter Two. One form - the latent unemployed - is closely associated with the hidden unemployed as during times of prosperity they are pulled in from reserve and during slumps they are left 'latent'. The hidden unemployed include long-term unemployed people who eventually lose the will to search for work (discouraged workers), school leavers who cannot find work and reluctantly return to school, mothers who delay returning to work after childbirth (including sole parents), older workers made redundant, and due to difficulty in finding employment, retire early (Whitfield and Ross, 1996).

Employment rates for sole mothers are much lower than for married women with similar-aged children (Metcalf and Leighton, 1989). They tend to face greater demands at home than married mothers, reducing the net benefit from a paid job. Sole parent benefits and maintenance payments may also affect the net benefit from employment (ibid). It is proposed here that sole mothers comprise a substantial proportion of concentrated hidden unemployment in the Shoalhaven, one of the foci of Chapter Six.
Underemployment is similar to hidden-unemployment as it describes individuals who would prefer full-time work or more hours but can only obtain part-time work. Women again make up a substantial proportion of this category of employment/unemployment.

1.1 Aims and Structure of the Thesis

The Shoalhaven region, on the south coast of New South Wales, has experienced well above average unemployment rates since the mid 1970s. The region has also experienced rising intra-regional variations in unemployment, most of the coastal villages (see Map 3.1) experiencing unemployment rates of more than double that of the urban centre. These phenomena make the Shoalhaven an excellent study area for research into both inter- and intra-regional variations in unemployment. These two different scales for analysis are interconnected as rising unemployment for the region as a whole impacts upon rising internal disparity in unemployment. Consequently, one cannot be researched without the other.

The general aim of the thesis is to gain an understanding of and explanation for the widening spatial disparity in unemployment rates both between and within regions, focusing on the Shoalhaven region. This involves investigation into and analysis of both the causes and processes underlying widening spatial disparity in unemployment and the outcomes of this widening disparity. This general aim is in two parts: the first part moves the study from the general to the specific, that is, from national and international dynamics to the local level. The objective is to expose and analyse macro level determinants of uneven development with a focus on a regional labour market; the second part analyses dynamics at the local level. The objective here is to ascertain and analyse determinants both inside the local labour market (the supply- and demand- sides) and outside (for example, the education and training systems and the housing market) which impact on the level and spatial distribution of unemployment.

The thesis is essentially in two main sections: the theoretical framework and its application. The first section, the theoretical framework (Chapter Two), highlights that
while a general model can be formulated, regional analysis needs to be 'taylor made' as every region has its own political environment, development history, labour market, set of institutions, socio-cultural dynamics etc. The second section (the remaining chapters) introduces the study area and applies the conceptual framework.

The first sub-aim is to provide a theoretical framework for inter- and intra-regional variation in unemployment which is holistic, encompassing all the spheres of the total environment. As Storper and Walker (1989:5) assert, 'geography is one of the best windows through which to view society at work, because it is an extraordinarily complex manifestation of societal relations and productive activity'. In order to achieve this aim, various theories will be critiqued in Chapter Two followed by an attempt to provide a more adequate framework which moves from the general (the national international level) to the specific (the local labour market). The Shoalhaven's local labour market needs to be analysed in a context of external structures and processes that impact on it. Accordingly, at the national level, a structuralist approach is considered the most appropriate. This Marxist perspective allows the root causes of unemployment and its spatial disparity to be exposed. At the local level, several approaches will be applied in order to adequately understand and explain geographical distribution of unemployment/LTU. It is held that segmentation theory provides the most adequate approach for analysis of the demand and supply sides of the local labour market. This perspective allows the integration of several determinants impacting upon unemployment at the local level. Finally, the geographical implications of spatial disparity in unemployment and associated variables are brought to the fore. It is held that potential underclass formation and associated widening spatial inequality are occurring in Australia, and more specifically, in the Shoalhaven region. A cumulative causation model on the underclass phenomenon is considered the most appropriate for this study. The theoretical framework highlights the complexity and multifaceted context of unemployment.

The Shoalhaven region, the features and variables related to its labour market and labour force are then introduced and described in Chapter Three. The Shoalhaven is a high-
growth coastal region with a reasonably diversified economy. However, it lacks the high order functions and associated variety in employment opportunities of metropolitan regions. These and other factors, integral to its unemployment levels, are introduced in this chapter.

The aims of Chapters Four, Five and Six are to apply/test the theoretical framework to the Shoalhaven. The aim of Chapter Four is to investigate and explain the impact of structural forces on spatial disparity in unemployment in relation to the Shoalhaven Region. The chosen Marxian model (Stilwell, 1991) relates the performance of specific regions to the conditions that prevail elsewhere in the international and national economy. Through this model, the objective to ascertain how the Shoalhaven Region fits into structural-spatial restructuring in Australia is pursued. Pertinent questions such as 'is the Shoalhaven region depressed and why? or 'does the Shoalhaven region tend to be resilient or vulnerable to national dynamics?' are posed. A regional comparative analysis supplements this model in order to better understand the Shoalhaven in its context. The intricacies of individual regions are exposed here, which highlight the need to study regions at the local level.

The aim of Chapters Five and Six is to understand and explain the various determinants at the local level which impact upon the level and spatial distribution of LTU within the Shoalhaven region. Chapter Five focuses on the demand side of the local labour market and Chapter Six addresses the supply side. However, the segmentation approaches used in these chapters assert the interdependence of the two sides of the labour market and of forces outside with those within. Exposed in both chapters is the heavy segmentation on both sides of the region's labour market which discriminates against individuals in their search for work. While the empirical study of the demand-side of the local labour market (Chapter Five) encompasses employers throughout the region, the investigation of the supply-side encompasses two study areas: a coastal village (Sanctuary Point) and an area within the nodal township of Nowra (East Nowra). See Maps 3.1 and 3.2.
The primary aim of Chapter Seven is to examine the outcomes of widening spatial disparity in unemployment: spatial inequality and potential underclass formation. The objective here is to determine the extent to which pockets of LTU (overt and hidden) are emerging into spatial manifestations of a social underclass. It is proposed that the two study areas are emerging as potential underclass areas. Through interpretation of and reflection on the empirical research on the demand- and supply- sides of the local labour market and outside of it (reported in previous chapters) these outcomes are made clear. The summary and conclusions of this chapter highlight that if a certain level of unemployment is less equitably shared in outer lying or inner-urban areas, it does matter. There has been much debate about the notion of spatial inequality within geography in the past. However, the combination of structuralist and 'localities' approaches is argued to confirm both the existence and significance of this phenomenon.

Before proceeding to the main body of the thesis it is important to provide an outline of variables pertinent to the present research.

1.2 Unemployment and the Regional Labour Market

To define full-employment the 1945 White Paper stated: 'for the economy as a whole there will be a tendency towards a shortage of men instead of a shortage of jobs (Parliament of the Commonwealth of Australia, 1945). This is not an exact estimate of full-employment as measuring labour shortage (unfilled vacancies) in comparison to the shortage of workers does not take into account discouraged or underemployed workers. Today, economists talk about six or even eight per cent being the natural level of full-employment in the future. These levels are not inevitable and are avoidable. Further discussion of this, which space does not allow, would involve the 'non-accelerating inflation rate of unemployment' (NAIRU): the rate of unemployment at which inflation would be stable (Naylor & Senior, 1988).

The main body that provides unemployment statistics is the Australian Bureau of Statistics (ABS). It conducts monthly surveys and a five-yearly census. ABS statistics
define a person as employed if he/she works in the labour force for at least one week, as an employee, an employer or an unpaid helper in a family business. As noted above, unemployment is defined as a situation where a person is: ' 

(i) willing and able to work; and

(ii) is actively seeking a job but is unable to find one' (Whitfield & Ross, 1996:76).

The definition and measurement of unemployment has been a controversial issue since the rise in unemployment levels. ABS statistics usually show higher rates of unemployment than those provided by the Department of Employment, Education and Training (DEET), the Commonwealth Employment Service (CES) or the Department of Social Security (DSS), other sources of unemployment statistics. The latter three bodies essentially use unemployment registrations as an unemployment indicator whereas ABS surveys also count those looking for work but not necessarily registered with the CES. Further, unemployed people on training programmes are not registered as unemployed, making rates deceptively lower. When they return to unemployment benefits their duration of unemployment returns to zero. The fact that officials in the Shoalhaven relay statistics from unemployment benefit recipients rather than registered unemployed has caused unemployment rates in the region to be perceived as dramatically lower than they really are, and the proportion of long-term unemployed less than is the case. Another bone of contention is the extent of hidden unemployment and under-employment not considered in official measurements. Also not considered are recurrent bouts of unemployment intertwined with employment which add up to LTU.

The substantial influence of space and population density in separating regional labour markets in Australia gives it a distinctive spatial pattern of labour markets (Zagorski, 1989). Karmel et al (1993) describe the closedness of a labour market in terms either of the proportion of residents working in their home LGA or the proportion of employees who also live there. Commuting data has been the standard means for identifying the regional labour market, given that it is anchored to the residential pattern of the workforce (O'Connor and Gordon, 1989). For example, one definition of a regional labour market is 'an area within which 75 per cent of labour employed in a centre live, or
alternatively, the area where at least 75 per cent of the population both live and work’ (ibid: 197). Investigation reveals this is the case for the Shoalhaven where in 1991 76.8 per cent of the workforce both lived and worked in the SLA (ABS, 1991 Census, Journey to Work).

Non-metropolitan regional labour markets, such as the one studied here, tend to have an urban centre that operates as a nodal town for the region. The nodal town invariably contains the area’s highest order economic functions. Thus, the widest range of job opportunities in the region occur at this location. The town, being at the heart of the regional labour market, is the centre for information flows and communication channels (ibid). The core areas around the urban centre supply around 80 per cent of all labour employed in the centre.

Regional labour markets vary considerably in economic structure. To rebuke the simple metropolitan - non-metropolitan dichotomy, Carter (1983) devised a typology of non-metropolitan regions for Australia to highlight their diversity. Maxwell and Hite (1991) have more recently adapted this framework to statistical divisions of the 1986 ABS Census. Paris (1994) has similarly proposed urban/regional types within the changing urban-regional system in Australia. Beer and Maude (1995) have devised a temporal cluster analysis for regional cities using dendrograms. These dendrograms (which show the evolution of regional economies over 30 years form 1961-1991) highlight the fact that regional economies tend to be specialised, making them more vulnerable to recession. A small number of regional labour markets are diversified while a large number have only two or three sectors dominating (O’Connor & Gordon, 1989).

These four typologies are presented in Appendix A. It is held that the Shoalhaven region should be placed in a context of regional types to adequately analyse it within the national/international system. Accordingly, a typology of regional types derived from these sources has been devised - see Table 4.1 - which provides a basis for comparison of regional labour markets in Chapter Four.
1.3 Conclusion

This introduction has briefly outlined the characteristics and operation of a labour market at both a general and regional level. It has also described the widening of spatial disparity in unemployment rates both within and between regions and has briefly outlined the complexity involved in explaining this situation.

The structure and aims of this thesis were also presented. They summarised the foci and highlighted the geographical significance of the present research. The importance of gaining an understanding and explanation for geographical concentrations of unemployment and more specifically, LTU, both among and within regions cannot be overstated. Traditional labour market theory ignores the importance of local labour markets, the disparity in unemployment rates between and within these, and the interdependent relationship between local-national labour market structures. It tends to be ahistorical and perceived in purely economic terms. It concentrates on the symptoms of unemployment rather than the root causes.

The present research attempts to overcome these inadequacies. It attempts to provide a holistic theoretical framework which involves the total environment, not just part of it.

Unemployment is the most devastating and destructive social and economic problem in contemporary Australian society. The geographical implications of widening spatial disparities in unemployment – potential underclass formation and widening spatial inequality - beg the need for a fundamental reappraisal of our political-economic system. The following chapter presents the theoretical framework applied in this study and addresses the issues raised in this chapter.
CHAPTER TWO

THEORETICAL FRAMEWORK FOR UNEMPLOYMENT
AND ITS SPATIAL DISTRIBUTION

2.0 Introduction

The aim of this chapter, as mentioned in Chapter One, is to provide a holistic theoretical framework for an explanation of widening intra- and inter-regional variation of unemployment (and more specifically long-term unemployment [LTU]); a framework which avoids both spatial blindness of predominant economic analyses and spatial fetishism of some traditional geographical studies. The framework encompasses temporal, structural and spatial determinants while also acknowledging the role, characteristics and actions of individuals within the local labour market and related activities outside of it. The framework moves from the general to the specific in order to place the Shoalhaven's labour market in a context of external structures and processes which impact upon it. It is essential to take into account broader political-economic-social structures and trends and to recognise that their outcomes vary between areas or regions. At the local level structures and processes both inside and outside the local labour market interweave to discriminate against certain social groups in their search for work. Both national and local phenomena underlay intra- and inter-regional distribution of unemployed people. Further, while national factors impact upon the local labour market, local dynamics extend feedback effects into the national political-economy.

The majority of literature explaining the rise of unemployment in Australia discusses causes such as technological change and associated restructuring of the labour force, deregulation of industry, the financial sector and labour market, deindustrialisation etc. However, it does not connect and organise these causes with their root source - the imperatives of capital accumulation - within a conceptual framework. The conceptual framework for this study encompasses several theoretical stances. Some of these perspectives have been involved in long-standing theoretical debates about the causes of unemployment which predominate labour market studies. These debates focus on whether causes should be seen in aggregative or individualistic terms or on who or what
is deemed to be 'responsible' for unemployment. Also questioned is whether high levels of unemployment in certain areas require a spatial explanation or one associated with certain populations requiring a social or psychological explanation (Gordon, 1989).

There are essentially four main perspectives on unemployment and its spatial distribution: neoclassical theories, core-periphery theories, Marxist or radical perspectives and institutional or segmentation explanations. Many variations exist within these broad classifications and, as with the present research, it is common for studies to encompass elements from more than one of these schools of thought (Whitfield & Ross, 1996). These perspectives are evaluated in turn below. Section 2.1 evaluates these four main perspectives. Sections 2.1.1 and 2.1.2 provide critiques of neoclassical and core-periphery theories and assert the inadequacy of these perspectives. Sections 2.1.3 and 2.1.4 present critiques of Marxist and Segmentation theories and assert that while criticism is warranted for both approaches, together they provide a more adequate model within a theoretical framework for spatial variation of unemployment than neoclassical or core-periphery theory. Section 2.2 provides the theoretical framework applied in this study. The summary and conclusions are provided in section 2.3.

2.1 Four Main Perspectives on Unemployment and its Spatial Distribution

2.1.1 Neoclassical Theories

In order to explain spatial variation in unemployment, neoclassical theory emphasises self-correcting factors, for example, movements in wage or price levels or inter-regional resource flows (capital and labour). These work to put into place processes that gradually reduce regional inequalities (Karmel et al, 1993).

Neoclassical theories of unemployment attempt to integrate labour market analysis into the supply/demand price auction model of neoclassical economics (Whitfield and Ross, 1996). The price auction model is where the supply and demand sides of the market interact to determine equilibrium output and price (where the two are in balance, exerting no pressure to change) (Bannock et al, 1987). In a free market individuals
compete with each other, selling their labour to employers who purchase extra units of labour to the point where its wage cost is just covered by the extra value of output produced. Changes in conditions in the product market alters the value of that marginal output and thus, the wage that employers are willing to pay and the amount of labour that they purchase (Gordon, 1989). However, as the labour market works like a competitive market for commodities, price (ie wage) adjustments ensure that everyone is selling as much of their labour as they wish, given the currently available wage. Voluntary unemployment is the only kind which results. Those outside paid work preferred the options of study, leisure, prolonged search for a job at the current available wage, unpaid domestic work etc. Everyone is employable at the appropriate wage, even where differences between workers apply in their (expected) productivity as these would be reflected in varying wage offers correlating to the market's perceptions of their abilities (Pinch, 1987). Neoclassical theory holds that if unemployment is not 'voluntary' it must be due to defects in the operation of the labour market. General wage inflexibility leads to 'demand-deficient' unemployment; delays in market adjustments leads to 'frictional unemployment'; inflexibility in relative wages leads to 'structural unemployment' (where demand is deficient in some submarkets only) (Gordon, 1989).

This view holds that people's chances of being unemployed largely depend on the overall balance between labour demand and supply in one's local labour market. As people are essentially free to change their place of work or move house local labour markets are not seen as closed entities (ibid). For example, house price differentials between regions are not seen as constraints. The unemployed can move to lower unemployment regions. Alternatively, employers may invest in higher unemployment regions where there may be better access to required labour or lower wages (Karmel et al, 1993).

Different versions of neoclassical theory exist, however, all assume that the fundamental unit of analysis is the individual who, with freedom of choice, is able to behave in a rational manner so as to maximise his/her welfare, subject to prices and income constraints. As Amsden (1980:13) notes: 'The human subject of neoclassical
investigation is a timeless, classless, raceless and cultureless creature; although male, unless otherwise specified'. Early neoclassical theories held that labour was perfectly homogeneous, and that mobility and information were costless. Being unrealistic these ideas were abandoned for human capital theory. This approach holds that wage differentials are the result of individuals' different human capital assets. These assets determine the productivity of the individual. Employers assess the abilities of workers and, depending on their skills, education and experience, reward them accordingly. It is assumed that investment in human capital via acquisition of skills and training inevitably leads to an increase in productivity (Pinch, 1987). Research informed by human capital theory focuses on labour supply side issues when looking at levels of unemployment.

Associated with human capital theory are explanations for hysteresis (see Chapter One), which focus on either the deskilling and scarring of motivation and confidence of the unemployed resulting in LTU which is hard to eliminate (the state-dependency or duration dependency model) or on the lack of influence of unemployed people on wage bargaining processes (the insider/outsider model). The latter model asserts the loss of 'rights' of the long-term unemployed as established 'insiders', that is, the membership effect of LTU. ‘Insiders’ (employed individuals) are able to bargain and disrupt more effectively with the incidence of significant LTU (Flatau et al, 1990) as it is held that a lack of influence of the unemployed on the wage bargaining process ensues.

Within individualist explanations, unemployment rates are correlated to persons who belong to vulnerable groups (the young, old, less skilled etc.). If there is no real variation between areas in the pressure of demand for labour, unemployment concentration would be wholly attributed to 'personal characteristics'. Migration or commuting is not the answer. Where variations in the pressure of demand for labour do occur, the consequences of disadvantage tend to be more serious in weaker labour markets (Gordon, 1989). A major argument for spatial concentrations of uncompetitive or disadvantaged groups is that these groups are forming an increasing share of the working population in areas of employment decline where more competitive groups have left (see
Karmel et al, 1993; Probert, 1994). In response to human capital theory Berg and Shack-Marquez (1985) point out that the flawed attributes shared by most unemployed people can blind us of the fact that many people currently employed share most of the attributes of the unemployed. Indeed, 'the majority of labour force participants with the most modest human capital traits are employed' (p.105).

The individual determinants of unemployment/LTU and its spatial patterning are important. However, unlike human capital theory and other individualist perspectives on unemployment, the present research perceives these as only part of the explanation and certainly not the cause. Individual characteristics, rather than being 'personal' are the outcome of labour market experience (Kenyon & Wooden, 1996). For example, conventional measures of 'skill' tend to relate to the most recent job rather than the potential or the highest achievement of the worker. Evidence reveals how unemployment during a depressed labour market is associated with a downgrading of 'skill' (ibid).

Neoclassical theory has proved appealing due to its emphasis on the individual, its implicit assumption that the labour market is made up of relatively equal people and its belief that economic wellbeing is best served where individuals make their own contracts in the labour market free from influence on the workers' and employers' side. Any institution which prevents the negotiation of individual contracts is seen as a market imperfection. Institutions include unions seen to push wages above their market levels, wage-fixing tribunals seen to implement wage rigidity and government legislation seen to impose obligations on employers (Whitfield & Ross, 1996). Their eradication is needed (ie, labour market deregulation) for efficient labour market operation (ibid). Chapter Four provides a detailed analysis of the geographical implications of deregulation of the product and labour markets in Australia and its neoclassical/economic liberalism origins, detailing the adverse effects on jobs and employment opportunities in many regions.

Langmore and Quiggin (1994) discuss this liberal individualist ideology which has dominated contemporary policy-making in Australia. They use the term economic
fundamentalism (also termed economic rationalism) as it assumes that the world can be described in simple models found in introductory economics texts. They note that the central assumption of labour market policy has been that unemployment results from 'excessive real wages and over-generous unemployment benefits' (Langmore & Quiggin, 1994). The cause of high unemployment in the 1970s was deemed the 'real wage overhang' according to neoclassical analysis. By the mid 1980s the real wage declined to below its pre-1973 level. However, unemployment remained high. The Hancock Committee (the Committee of Inquiry into Industrial Relations Law and Systems) found this to be a major criticism of neoclassical theory (Whitfield & Ross, 1996).

Langmore and Quiggin's discussion of Australian labour market policies over the last two decades highlights the failure of economic rationalism. However, rather than announce defeat, as in Margaret Thatcher's words, 'there is no alternative' (that is, high unemployment is unavoidable), they devote a book to showing that there is one. The book's prime objective is the application of traditional Keynesian policies for raising the overall demand for labour which improves the employment prospects of all workers. This kind of 'interventionist' economic policy has increasingly come under threat by economic rationalists (neoclassical theory) who view it as detrimental to labour market processes. In effect, neoclassical theory can be seen as both an explanation for and part of the cause of rising unemployment and its spatial manifestations in Australia.

Rather than treat labour in the same terms as a real commodity as neoclassical theory does, the present research stresses how labour is fundamentally different as it is embodied in conscious, living human beings (Storper & Walker, 1989). It also rejects, as do core-periphery theories, the notion of regional self-balance and the 'invisible hand' of the market ensuring spatial equilibrium that is embodied in neoclassical theory.

2.1.2 Core-Periphery Theories

Myrdal's cumulative causation model is the main core-periphery theory explaining spatial variation in unemployment. Myrdal focused on whether regional inequalities such as
unemployment levels and rates tend towards moderation or further inequality (Karmel et al, 1993). Essentially, Myrdal (1957) asserted that continuous growth in one region is 'at the expense of other locations and regions' (:27). He refuted the notion of regional self-balance and argued that rather than countervailing changes occurring that move the system back to equilibrium, supporting changes occur that move the system further away from its initial state (Gore, 1984). Once a region starts to develop it grows through the process of cumulative causation. Economic and employment growth are concentrated due to resource, transport or historical reasons (Karmel et al, 1993). This growth is sustained and fortified via interactions between the growth region and other areas. However, rather than having equalising effects (as in neoclassical theory) trade and factor mobility have 'backwash effects' on lagging regions, widening economic inequality. These lagging regions of high unemployment, and low or stagnant incomes (Karmel et al, 1993) lose their youngest, most enterprising workers leaving unattractive, unemployed workers for potential employers. The unemployed may be unwilling or unable to migrate to low unemployment areas due to lack of information or high housing costs (ibid).

While 'backwash effects' have negative impacts, 'spread effects' have a positive impact on lagging regions, for example, increased demand for their raw materials. Even so, Myrdal (1957) insists that 'in no circumstances do spread effects establish the assumption for an equilibrium analysis' (:32) as 'any change in the forces will start a cumulative movement upwards or downwards' (ibid). Core regions siphon resources from the periphery to enhance their development while destroying that of the periphery (Jones, 1989).

While Myrdal's theory emphasised increasing regional inequality, it allowed for eventual decreasing regional inequality with national economic development. Nations of low levels of economic development have little regional economic inequality (everyone is poor) while a substantial overall affluence allows regional distribution (Stilwell, 1992).

Such diffusionist paradigm perspectives have been widely criticised. Spatial structure is seen to be integral to uneven regional development and the evolution of spatial structure
is seen to occur from an essentially polarised, unequal pattern to a more equal and spatially dispersed one. Explanations for changes in patterning of spatial inequality (for example, unemployment rates) are seen in terms of autonomous and independent spatial processes of integration, interaction and diffusion (Browett, 1984). As Browett (:163) states:

Spatial inequality is examined in order to find an understanding of spatial inequality, regions are analysed in and of themselves, and the processes of uneven regional development are regarded as being separate from the mode of production and the social structure.

Massey (1978) further asserts the need to commence a study with how the imperatives of capital accumulation have generated spatial inequalities. The theoretical core-periphery relationship has not always occurred in reality. Jones (1989) notes that since the 1960s many core regions in Western Europe have been performing less well on several economic indicators than many peripheral regions. While manufacturing sectors in many non-metropolitan regions in Australia are expanding, metropolitan core regions are experiencing decline in this industry sector (Bolam, 1994; Beer et al, 1994). Steel cities were the locational aces in the Australian economy, however, the shift towards mineral resources and speculative investment have seen new ones. Structural change rather than locational advantage must be used for explaining uneven development or spatial variation in unemployment. However, as Rich (1980) stresses, structure and space must be seen as interdependent at the economic level: 'structural change does not cause regional change independently of locational factors - rather it acts to change the relative patterns of locational advantages and disadvantage' (cited in Jones, 1989:7).

While core-periphery theories rightly challenge neoclassical self-balance theories, they are inadequate for analysis of regional impacts of economic crises and rising unemployment as they tend to be ahistorical and not related to the national/international economy (Stilwell, 1980). Polarisation and cumulative causation are experienced, however, the changing patterns of corporations and industry on a global scale necessitate a more comprehensive analysis between explicitly non-spatial and spatial features of the economic system (Stilwell, 1992). A Marxist or structuralist perspective provides a more adequate model for analysis.
2.1.3 Marxist Theories

The third main school of thought on spatial variation in unemployment encompasses Marxist theories. They are critical of neoclassical, core-periphery and segmentation theories (the latter is discussed below), however, they are more akin to the latter in that many perspectives are based on the notion of labour market segmentation. The key issue in Marxian analysis is the maximisation of the rate of return on capital in capitalist economies. It is held that employers or the owners of the means of production establish systems of control which represent the structures underpinning the development of labour market segmentation. These control systems are collectively termed 'social relations of production' (Whitfield & Ross, 1996). There are many examples\(^1\) of the use of technology (in particular the diffusion of microelectronic technology) as a major tool of labour control and displacement. The term 'Taylorism' (the complete separation of conception and execution of work tasks and the deskilling of job content) is used to describe this process of maximising control and simplification of the work process (see Braverman, 1974; Boggs, 1975 and McLoughlan & Clark, 1994 for details).

Marx's theory of relative surplus population, that is, the industrial reserve army, is a sound starting point for explaining spatial disparity of unemployment in Australia. For Marx, the industrial reserve army emerges from the process of capital accumulation as well as the associated qualitative change in the composition of capital (Godfrey, 1989). This surplus population is functional to further accumulation. Marx stated:

> But if a surplus labouring population is a necessary product of accumulation or of the wealth on a capitalist basis, this surplus-population becomes, conversely, the lever of capitalistic accumulation, nay, a condition of existence of the capitalist mode of production. It forms a disposable industrial reserve army, that belongs to capital quite as absolutely as if the latter had bred it at its own cost (Marx, 1867 I, xxv.3:592 cited in Godfrey, 1989:41).

The reserve army is firstly ready in reserve for expansionary phases of capitalism and secondly, it is a constraint on wage determination and allows productivity increases from the intensification of labour use (Godfrey 1989):

\(^1\) One is wordprocessors which have replaced secretaries in many workplaces. Wordprocessing fragments the tasks of a typist. The separation of keyboarding and printing means that often the worker no longer sees the end product. The skill of neat, well set out work is no longer required - buttons do the creating etc. As all data can be stored in one machine, the need to leave the computer is minimised, maximising worker control and intensifying work (Barker and Downing, 1985).
The over-work of the employed part of the working class swells the ranks of the reserve, while conversely the greater pressure that the latter by its competition exerts on the former forces these to submit to overwork and to subjugation under the dictates of capital. The condemnation of one part of the working-class to enforced idleness by the overwork of the other part, and the converse, becomes a means of enriching the individual capitalists, and accelerates at the same time the production of the industrial reserve army on a scale corresponding with the advance of social accumulation (ibid, Marx, 1867, 595-6).

... the industrial reserve army, during the periods of stagnation and average prosperity, weighs down the active labour-army; during the periods of over-production and paroxysm, it holds its pretensions in check. Relative surplus-population is therefore the pivot on which the law of demand and supply of labour works. It confines the field of action of this law within the limits absolutely convenient to the activity of exploitation and to the domination of capital (ibid: 598).

The reserve army takes four forms- the floating, latent, stagnant and the 'lumpenproletariate'. The 'floating' form relates to displaced workers or those mobile between jobs due to technical change and the centralisation and concentration of capital; the 'stagnant' form corresponds to workers whose jobs are irregular, for example, seasonal workers; the 'latent' form is primarily made up of workers displaced from the agricultural sector by improved technology and the encroachment of the capitalist mode of production; the 'lumpenproletariate' 'dwells in the sphere of pauperism' (Marx, 1867 I, xxv.3:602, cited in Collins, 1984:52). This category includes the sick, people past the age of labour and the criminal element (ibid).

Marx's industrial reserve army is relevant in the 1990s. Marx argued that only the 'lumpenproletariate' were permanently in reserve but did not have sole membership rights. The reserve army is swelled by those from outside the system, the latent reserve, and by those from within, the floating. 'Imported' migrants and women from the home represent latent forms whose 'tapping' has been reduced in recent years. Godfrey (1989) notes that the floating form of reserve army would be the only one regarded as unemployed by official definitions in contemporary society. Examples of stagnant workers are part-timers willing to move into full-time work and therefore potential labour reserves (an example of underemployment), casuals and outworkers. Collins (1984) states that 'the precise combination of the reserve army of labour at any one time depends on specific historical circumstances' (:53). Examples are cyclical and structural
economic change. The manifestation of unemployment in the horse-shoe shaped set of manufacturing areas of Newcastle, Wollongong, the la Trobe Valley, Geelong and Adelaide to the 'iron triangle' of Whyalla, Port Augusta and Port Pirie (Stilwell, 1993a) is an example of the impact of economic restructuring on the reserve army.

Marxist theory is often criticised as being functionalist, that is, 'the actions of individuals are seen...as a direct function of economic and social-political structures' (Knox, 1987:102). However, as Cardoso (1971) asserts, Marx ‘was more interested in the dialectical relationship between accumulation and surplus production, as a contradiction of capitalism, than he was in the question of functionality’(in Godfrey, 1989:195). Stilwell further stresses:

the traditional focus of Marxism has been on how people make history, albeit in conditions (including urban spatial forms) not of their own choosing ... What is claimed by the urban political economists is not a general theory from which we can 'read off' an explanation of all urban phenomena, but a mode of dialectical reasoning ... [providing] a means of organising and interpreting experiences of the modern city, its changing form and contradictory features (Stilwell, 1992:169-170).

The reserve army's (or unemployment's) contradictory relationship to the capital accumulation process is evident where human resources are left idle, undermining demand for goods and services while at the same time tending to constrain labour's bargaining power for higher wages. The recurrent generation of unemployment in capitalist society occurs whenever certain industries are shedding employees via structural change more quickly than other industries are recruiting them or wherever there is a fall in the rate of profit. This manifests spatially as unemployment and is typically concentrated in certain occupational groups. The housing of these is also typically located in lower status areas resulting in spatial concentration of unemployment. Further, the restructuring and mobility of capital when it responds to economic crises both impacts a dynamic instability to employment in certain areas and compounds spatial concentration (Stilwell, 1993).

Marxist perspectives have also been criticised for ascribing overwhelming power to managers to manipulate the production process while giving organised workers no
power over working conditions. Further, that there is no guaranteed evidence that segmentation has been deliberately created for control over the workforce (Pinch, 1987).

Another major criticism of structuralist-Marxist accounts is their failure to propose a desirable alternative society. However, as Sayer (1995) stresses: 'it would be illogical to opt for non-structural evaluations of how the game is played, just because we cannot imagine a different, superior game'. (82). He points out that Marxists expose how urban problems result not simply from deficient ways of playing the game but from the structural properties of the game itself; although the winners and losers may change, the game necessarily generates losers as well as winners... While liberals tend to treat capitalism as a positive sum game and downplay the losses, Marxists tend to treat it as a zero- or even negative-sum game (ibid).

The important advantage of a Marxist perspective is that it deals with the root causes of unemployment rather than the symptoms which are the focus of the other perspectives discussed above and below. This is not to say that they are useless in a study of unemployment. Their involvement is unavoidable. A Marxist approach further allows an analysis of uneven spatial outcomes of unemployment, some regions benefitting from capital more than others. While Classical Marxism underpins this thesis, the theoretical framework is strongly influenced by Regulation Marxism, a post-structural approach.

**Regulation Theory and Post Fordism**

Regulation theory is descended from French structural Marxism of the 1970s (Savage and Warde, 1993). The tools of regulationist analysis emerged out of studies of the 'age of growth' (see Figure 2.1 and Table 4.3), otherwise termed 'Fordism'. While the key characteristics will be reviewed here, Tickell and Peck (1992) provide a detailed critique and a list of the main followers of the approach.

The regulation approach is a theorisation of capitalist growth, crisis and reproduction. Central to this theory is the relationship between the process of accumulation and the

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1 Regulationists describe Fordism as a system of social relations during the 'age of growth' characterised by the following: Taylorist (see reference above) fragmentation and deskilling of work; rigid (or inflexible) and narrow job descriptions; the domination of mass production of secondary industries and mass consumption; and the Keynesian welfare-state (Peck & Miyamachi, 1994).
'mode of social regulation' (MSR) – a set of private and state institutional forms and social practices (Peck and Miyamachi, 1995). Regulationists focus upon the institutional forms and practices within the MSR that guide and stabilise accumulation processes and provide a temporary resolution to crisis tendencies, endemic in the accumulation process (Peck and Miyamachi, 1994). Distinct historical periods of stability and expansion (termed 'regimes of accumulation') are held to culminate in crisis (both cyclical and structural). A particular MSR can support a given regime of accumulation, contain crisis tendencies and be reformed to form a new 'institutional fix' for a new regime of capitalist accumulation (ibid). MSRs thus vary through time and from country to country. They are perceived to be produced through active human struggle and thus different MSRs can support a given regime of accumulation (Johnston et al, 1994). Scott (1988) asserts that certain regimes, and the MSR which is historically associated with them, have each favoured a specific set of industries and production locations.

Some regulationists have speculated about an emerging Post-Fordist or flexible regime of accumulation to overcome the crisis of the Fordist regime (for example, Harvey, 1989). Post-Fordism is characterised by more flexible production methods and industrial organisation than those of the Fordist era, for example, labour is more flexibly deployed (the development of multi-skilling and work teams) and machines are more versatile and programmable (the use of multi-task technology). Increased access to and control over new information technology has correlated a complete restructuring of financial markets (Johnston et al, 1994; Peck & Miyamachi, 1994). Firms tend to be smaller and to subcontract activities which leads to vertical disintegration. The development of niche marketing and new products (an emphasis on quality rather than quantity of products) encourages the concentration of small firms which share expert knowledge and attract workers with appropriate expertise (Savage and Warde, 1993). Harvey (1989) observes labour market changes such as a growing disparity between core and peripheral workers and a growth in homeworking and sweat-shops. Many of these 'Post-Fordist' characteristics are addressed within the discussion of spatial-structural restructuring of the Australian political-economy in Chapter Four below.
However, as Peck and Miyamachi (1995) assert '... it would be a mistake to transpose the conditions of the continuing Fordist crisis onto some prematurely drawn post-Fordist regime. The period of searching continues; a search in essence for a new 'institutional fix' and a new sustainable pattern of development' (:40).

The rise of regulation theory has involved a shift towards a finer grained analysis of state practices and their spatial effects and away from broad Marxist theories of the state (Low, 1995). Low (1995) notes how regulation theory has become a vehicle for the exploration of this new politics which is concerned not only with the spatial effects of all kinds of political phenomena 'but also with the impact of politics on the very production of space and place' (:213). Regulation theory departs from classical Marxian orthodoxy by moving down a level of abstraction 'from the 'laws of motion' of capitalist accumulation (where the dynamic of which is classically fixed on a course of terminal crisis) to place a focus upon the material, geographical, historical and perhaps most importantly, institutional specificities of capitalist development (Peck and Miyamachi, 1994:642). As Peck and Miyamachi (1994) state: 'Regulation theory, then, confronts the paradox that capitalism has proved rather more durable than envisaged in Marxian theory, that crises may not only be way stations on the path of terminal decline, but that – in terms of the actualities of capitalist development – they may also play a rejuvenating role, 'brutally restoring the contradictory unity' of the accumulation process' (:642). Further, rather than view power as flowing from a single source - capital, the latter is seen as just one source of power, 'albeit an extremely potent source, among many' (Low, 1995:216). It analyses both structure and human agency and attempts to understand and explain their interdependence and interaction.

Peck and Miyamachi (1994) assert that regulation theory must not be interpreted simply as a transition model where contemporary restructuring processes are interpreted ‘in terms of a posited universal shift from Fordism to post-Fordism’ (:670). Rather, this theory should be perceived ‘as an ongoing research programme operating with a set of broadly agreed methodological parameters'.
2.1.4 Segmentation Explanations

This fourth school of thought argues (as does this thesis) that rather than personal characteristics causing unemployment, it is the outcome of labour market experience. While people’s attributes are important in an analysis of unemployment, they must be related to the structure and processes of the labour markets concerned (Gordon, 1989).

Dual labour market theory, the most long-standing segmentation approach, proposes that there is a dualism in the overall labour market, in that there are broadly two groups of employees: those in the primary or core sector; and those in the secondary or peripheral sector. Primary sector employers are relatively large and profitable. They provide good employment conditions and wages, for example, job security and pension schemes, in order to attract and retain the best workers. Employers tend to develop internal labour markets where most employees are recruited whilst young, trained internally and given a strong, highly visible internal career path. Preferential or exclusive access to higher paid jobs within the firm serves to exclude others outside who seek employment. However, reliance on firm-specific skills limits outside recognition of a worker's skills and thus their career mobility outside the company (Haughton et al, 1993). The secondary sector is in most respects the antithesis of the primary sector, typified by low skill requirements, low wages, little training and poor job security often in small firms. Workers tend to be part-time, casual or contractors, jobs tending to be characterised by high rates of job turnover and limited opportunity for advancement within the firm (Pinch, 1987). Over time, the frequency of being laid off, as companies respond to changing market conditions, results in individuals from the secondary sector becoming typecast as volatile and insecure when in fact it is the employers who are volatile. This is a classic case of 'blaming the victim'. In any case, however, this typecasting (as this thesis argues) tends to embed those already in the secondary labour market to either staying there permanently or being eased eventually into near permanent unemployment (Haughton et al, 1993).

Pinch (1987) asserts that contrary to the belief of this approach, many large companies face market uncertainty, causing insecurity etc. for employees. Also, large firms like IBM
look technologically backward compared to many small computer-companies. Further, while this approach explains how some people enter into unemployment, it does not explain why some areas have more unemployment than others, except in implicitly assuming that such areas would then have more secondary labour market employers than elsewhere (Haughton et al, 1993). Dual labour market analyses are also criticised for being largely descriptive, low on theoretical content and the clear distinction between the primary and secondary sectors of the labour market is seen by many as highly questionable (ibid). Gordon (1995) points out that these two ideal-typical forms of employment relation should be placed at the ends of a continuum marked out by varying rates of planned worker turnover and not seen as two discrete set of jobs. However, this approach has at least overcome the problem of neoclassical theory which tends to reduce all labour market phenomena to a small number of economic variables and sees supply-side attributes as causes rather than symptoms of unemployment. While the inherent problems of this theory are acknowledged, a similar approach – discontinuous labour market theory – is applied in this thesis and is detailed in section 2.2.4 where justification for its applicability as one part of the framework is provided.

A more complex segmentation approach is Peck’s (1989) model which asserts the need to analyse how local labour markets operate in locally specific ways. Peck stresses the difference in structure and dynamics between the demand- and supply- sides of the local labour market. While labour demand is important in influencing the amount and type of labour supplied, factors such as the structure of the household division of labour, demographic conditions and the nature of the state welfare system all exert powerful influences. The state’s role to regulate a 'balance' between supply and demand and between the respective amounts of labour able to be supported both within and outside the labour market is crucial. Peck’s key influences in labour market segmentation are:

a) segmentation arising from labour supply (eg the role of the household division of labour in shaping labour market participation patterns; the stigmatization of certain social groups as 'secondary' workers; the processes of occupational socialization; the influence of trade unions in restricting the labour supply to certain occupations);
b) segmentation arising from labour demand (eg the technical requirement of different labour processes; the stability characteristics of different product
markets; the labour process control strategies utilized by employers; the effect of industrial structure);
c) segmentation arising from the activities of the state (eg the structure of welfare provision and the associated eligibility rules; the structure of taxation; support for the training system; differentiation with the education system) (.49)

This model emphasises how access to job opportunities is restricted by a series of structures and practices systematically discriminating in job allocations to particular types of people. Different jobs are synonymous with different groups of people, for example, women's jobs, young people's jobs etc. This results in a pattern of labour market segmentation that restricts what jobs individuals are likely to be able to get, with the contours of segmentation being derived from the inter-weaving of demand and supply sides of the labour market, and institutional practices, most importantly the state (Haughton et al, 1993). The labour market is segmented in many ways - by class (operationalised by occupation), gender, ethnicity, region etc. Labour market structures develop from many causal influences: industrial structure, technological requirements, the domestic economy, cultural systems, trade union activities, state policies etc. These forces are reconciled at the local labour market level (Peck, 1989). Peck criticises both neoclassical and Marxist labour market theories for ignoring the significant role of local labour markets. A similar model to Peck's - the labour market barriers approach (Haughton et al, 1993) – is applied in this thesis. It is detailed in section 2.2.4.

Criticism has been expressed at all four explanations for spatial variation in unemployment. However, it is argued here that together the latter two, neo-Marxist and segmentation approaches, allow for a holistic and broad framework. One which both acknowledges the root causes of spatial variation in unemployment and recognises the importance of the local labour market, its complex internal and external dynamics, and interdependence with national/international forces. The following section introduces the models and determinants applied in this study which in combination provide a more adequate explanation than neoclassical or core-periphery theories. However it is asserted that academic understanding of unemployment is still rudimentary and, coupled with the fact that information growth on the topic is producing incompatible findings, research needs to proceed with caution (Whitfield & Ross, 1996).
2.2 Theoretical Framework Applied for Spatial Variation in Unemployment

2.2.1 Introduction

The theoretical framework for this study is a synthesis of several models based on Marxist and segmentation theories. After comprehensive evaluation of the main theories of unemployment and its spatial distribution, it is considered that together, the chosen models provide an adequate framework.

The framework, illustrated in Figure 2.1, encompasses the different perspectives used. As shown, analysis at the national level includes a temporal account (section 2.2.3) of the changing political-economic conditions from full employment of the 1950s/60s to the emergence of growing spatial inequality in unemployment in the 1970s.

Stilwell’s (1991) Marxian model of structural-spatial restructuring is a fundamental component of the theoretical framework as also shown in Figure 2.1. This model (also outlined in section 2.2.3) provides a framework for the national and international forces which have unevenly impacted upon regional unemployment rates during the 1980s and 1990s. It is argued that uneven regional development is perpetuated in Australia rather than balanced regional development eventuating which models such as core-periphery purport. This model moves the focus from the national to the local level—the Shoalhaven region. It exposes the Shoalhaven's resilience and/or vulnerability to national/international political-economic forces, the nature and extent of these forces and their impact upon employment and unemployment processes at the local labour market level.

This macro level analysis is supplemented with a regional comparative analysis where the Shoalhaven is placed in a context of different regional types and unemployment rates are correlated with other regional characteristics and compared. While the regional typology (Table 4.1) illustrates the redundancy of the core-periphery dichotomy both metropolitan
FIGURE 2.1
A Framework for Geographical Concentration of Unemployment:
The Shoalhaven Region

NATIONAL/INTERNATIONAL POLITICAL-ECONOMIC FORCES

PHASES OF CAPITAL ACCUMULATION

The Age of Growth with full employment and minimal regional inequality in unemployment
- stable economic & political conditions
- immigration
- protection of industry
- centralised and national wage determination
- post-war reconstruction

The Age of Uncertainty with the emergence of inter- and intra-regional inequality in unemployment
- breakdown of Keynesianism
- oil crisis
- over-production
- collapse of Bretton Woods agreement
- emerging uncontrolled international financial system

The Age of Upheaval – the unemployment crisis and widening regional inequality in unemployment

STILWELL’S (1991) MARXIAN ANALYSIS
Structural-spatial restructuring and the transformation of employment
- restructuring of the labour force
- increased dominance of TNCs
- new technology
- incomes policy
- new international division of labour
- emphasis on export led recovery
- deregulation of industry
- financial deregulation
- partial deindustrialisation

Compounding the tendency towards recession

FORCES IN AND OUTSIDE LOCAL LABOUR MARKET

SUPPLY SIDE
- In-migration
- individual characteristics

OUTSIDE
- barriers in the labour market
- eg, education system transport provision, housing market

DEMAND SIDE
- industrial workforce structure
- barriers to development

WIDENING INTER- AND INTRA-REGIONAL VARIATION IN UNEMPLOYMENT

POTENTIAL UNDERCLASS FORMATION
(a cumulative causation model)

WIDENING SPATIAL INEQUALITY
primacy and peripheral regions are still involved in an analysis of uneven development. As Massey (1988) asserts, uneven development varies in degree and nature. There are different levels of primacy in metropolitan regions and different levels of autonomy in different branch plant economies. Many factors have to be taken into account. For example, multiplier effects occur to greater or lesser advantage for different regions.

While regional typologies and models such as shift-share analysis and regression analysis describe uneven development, they cannot explain it. Their inadequacy is asserted in Chapter Four through Stilwell's model. However, while his framework brings to the fore the underlying root causes of the unemployment problem in Australia, it does not recognise the significant role of local labour markets and the processes of inequality other than class, for example, gender and age, which are exposed at the local level.

The present research proposes that there are three sets of determinants impacting upon employment opportunities and constraints at the local level: those pertaining to the demand-side of the local labour market, those to the supply-side and those outside (detailed in section 2.2.4). While there are three sets of determinants proposed, as shown in Figure 2.1, those outside the local labour market are addressed within the section on barriers in the labour market (Haughton et al, 1993) which encompasses both supply side and outside determinants. The three sets of determinants impact upon the level, type/duration and geographical concentration of unemployment in the Shoalhaven.

A major phenomenon associated with geographical concentration of LTU is potential underclass formation. This thesis analyses the structural determinants rather than individual personal characteristics which underlay potential underclass formation. Figure 2.1 shows this phenomenon and the notion of spatial inequality as outcomes of widening inter- and intra-regional disparity in unemployment. They are addressed in section 2.2.5.

An explanation for the rise of and spatial distribution of unemployment must involve an analysis of the social, economic and political structures that constrain and shape human
behaviour, while recognising at the same time, the role of individual and collective choices and practices (Stilwell, 1992). Here are two extremes - structuralist reasoning versus a voluntarist view of social change - at odds. However, both must be integrated into an analysis of spatial concentration of unemployment for an adequate explanation. Structural political-economic changes impact upon urban areas and regions and in turn they respond producing feedback effects into broader structural changes (ibid). As Marx asserted, people make history albeit within constraints not of their choosing (ibid).

Before detailing the theoretical framework, the problems of conceptualising geographical scale within geographical research must be addressed.

2.2.2 Issues of Scale
Concern has been expressed in geographical literature, in particular during the last decade, over the inadequate conceptualisation of geographical scale. Issues which need to be addressed include the use of common labels when referring to geographical scale; the use of scale as a hierarchical concept and relatedly, giving primacy to one scale; and the problem of linking local-scale changes to broader-scale restructuring.

The tendency to perceive scale as different sized spaces, particularly in past regional geography approaches, has ignored the dynamic relations which occur within and between various scales. As Howitt states, there is no necessary relationship between scale and the importance of social processes (1993:36).

The present research aims to apply a nonhierarchical mode of thinking by examining the relations between economic, political and socio-cultural relations and processes at a variety of scales. The theoretical framework, illustrated in Figures 2.1 to 2.6, recognises that interscale relations are an integral part of change in a globalised world and furthermore, that relations between and within scales operate simultaneously and multidirectionally, not hierarchically and sequentially (Howitt, 1993).
Giddens (1991) asserts that the production of space at various scales must be explained by a complex local-global dialectic where events at one pole can have countervailing impacts at another. Local ecological relations, global capital markets, national political forces and many other factors interact dialectically to shape constraints and opportunities at various scales. Different scales interact simultaneously in multiple causal directions rather than merely adding together or subtracting as one moves down or up levels of geographical scale (Howitt, 1993:38).

Geographers who place a focus on global processes may assume that other scales (national, regional, local) do not impact upon world matters (McGuirk, 1997). Often locality influences are downplayed. They are perceived as reactionary, adapting wider scale processes in order to account for spatial variation. Rather, they are a formative part of wider scale processes (ibid). The tendency towards dualistic thinking, where global (perceived as the abstract and structural level) is privileged over local (perceived as the concrete and human level) ignores the importance and fluid contested nature of all scales (ibid, Jonas, 1994, Howitt, 1993). Alternatively, studies whose research agendas are restricted to locality per se are equally inadequate. It is theoretically naïve and methodologically unacceptable to assume that all locally significant economic, political and socio-cultural processes are manifested locally (Howitt, 1992). The present research inter-links local circumstances with wider scale socio-economic processes.

The proliferation of metaphorical uses of spatial terms (such as core-periphery), particularly in Marxism discourse, has given rise to a concern that sociality, materiality and the produced nature of 'space' may be ignored (Gibson-Graham, 1996). Scale is socially produced and in a constant state of flux.

This thesis acknowledges the importance of the local and regional contexts as formative components in the social production of the national and global scales (McGuirk, 1997:482). It presents a conceptual framework which provides for examination of the dynamic interrelations of socio-economic processes at various geographical scales.
2.2.3 National/International Forces and the Geography of Unemployment: A Marxian Perspective of Structural-Spatial Restructuring

In order to understand the present high levels of unemployment and their spatial distribution, it is essential at the outset to analyse the changing phases of capital accumulation, that is, the political-economic conditions in Australia's post World War II history which correlate to different unemployment paradigms (as shown in Figure 2.1): from the Keynesian era of the post war boom where near full employment predominated (the age of growth), to the breakdown of Keynesianism in the 1970s where unemployment began to rise (the age of uncertainty). These political-economic conditions are well documented elsewhere and thus are briefly outlined in Chapter Four. Today's unemployment crisis in Australia is founded on its history.

An ongoing debate pursues between 'profit-squeeze' theorists and underconsumptionist thinkers on the factors underlying the 1970s slump. The former sees the contemporary capitalist economic crisis as one of a decline in the rate of growth of labour productivity, of rising wage share in national income and a result of the growing strength of labour during the post war boom years. That is, of relative underexploitation of labour power. This view led to supply side policies (with a direct assault on employment and wages) of Reagan in the US, Thatcher in Great Britain and to a lesser degree in Australia. The latter perspective (neo-Marxian) sees the problem as the inability of increasing surplus to be absorbed or realised, manifesting in a realisation crisis, or in Keynesian term, a shortage of effective demand (in the product market) (Foster, 1986). An acceptance of this latter view and rejection of the former economic rationalist view is a theme throughout this thesis.

Contemporary Australian capitalist society has been called the 'age of upheaval' (Wheelright, 1991). Economic restructuring has caused great change in local labour markets and is responsible for many problems, high unemployment being a major one. As shown in Figure 2.1, Stilwell's model of spatial-structural restructuring is applied in this study. Its fundamental importance for the present research has been conveyed. Figure
FIGURE 2.2
A Framework for the Analysis of Structural-Spatial Restructuring

2.2 details this model which provides a framework for analysing the interconnections between the various forces shaping uneven regional development and associated unemployment during the 1980s and 1990s. These trends are spatial expressions of the structural changes that are taking place in the Australian capitalist economy and its fundamental systemic requirements (Stilwell, 1992).

This model brings to the fore the driving force of the capitalist mode of production: capital accumulation. As shown in Figure 2.2, the four conditions for capital accumulation - reproduction of labour power (the need for adequate quantities of labour), production of surplus value, realisation of surplus value and circulation of capital
Theoretical framework

- identify the different phases of the capital accumulation process. These conditions are explained using the Marxist 'primary circuit of capital' model which expresses the different phases in capitalist commodity production: M - C - [P] - C¹ - M¹ where M¹>M. As shown in Figure 2.3, M is the initial capital in money form; C is labour power and the means of production, that is, the inputs for making commodities; P expresses the production process where surplus value is created; C¹ is the outputs of this production process, the increased value; M¹ represents capital in the form of money, a result of the sale of the outputs (C¹) (Stilwell, 1992:123), or, in other words, the money form of the increased value. The circuit proceeds as the enhanced Money (M¹) or capital can then be used to purchase another round of inputs for the process of production (Dicken, 1992). Dicken (1992) notes that non-Marxists accept this circuit of capital even if they may not subscribe to the entire explanatory package.

The four conditions mentioned above are necessary for capitalist commodity production, that is, capital accumulation. M- C requires the reproduction of labour power in certain locations. The size and location of the working class place constraints on this reproduction, C- [P]- C¹ requires surplus value to be generated via the production of goods and services. The productivity of labour and the level of wages pose constraints...
on this process; \( C^1 - M^1 \) requires the realisation of surplus value via the sale of goods and services. The restricted purchasing power of the working class constrains this process. The arrows represent the circulation of capital, underpinning the whole process (ibid). 'Spatial and institutional impediments to the conversion of capital between physical and financial forms' (see Figure 2.2) pose constraints on this circulation. The various responses to these constraints by capital and the state during the 1980s and 1990s have led to structural economic changes which have had spatial consequences, for example, depressed heavy industrial regions and generalised urban unemployment. Figure 2.2 illustrates these processes, constraints and responses by capital and the state and the resulting structural changes and spatial consequences which have been experienced in Australia over the last 20 years or so.

This model expresses how various spatial forms contribute to the four principal conditions for successful capital accumulation. It illustrates the role of regional development in the conditions for capital accumulation. Starting an explanation for unemployment at this level allows, as already noted, for the causes rather than the symptoms to be addressed, the causes being rooted in the needs of capital.

The following explains Stilwell's model (Figure 2.2) where the four principal conditions for capital accumulation (Stilwell 1991, 1992) underlay structural-spatial restructuring:

1) The need for adequate quantities of labour. Regional labour reserves are tapped as a source of labour power for the needs of industry in metropolitan regions. In Australia, massive immigration (in particular, during the two decades after World War II) has been a major force behind metropolitan primacy. However, restructuring of the labour force and other economic changes over the last 20 years have involved a major change in urban areas - labour shortage has turned into labour surplus (as shown in Figure 2.2). High unemployment levels are a general phenomenon, however, the majority of non-metropolitan regions, including the Shoalhaven, bear the brunt considerably more than most metropolitan regions (notwithstanding the internal spatial disparity of unemployment in metropolitan regions).
2) The production of surplus value and its maintenance enough for reinvestment. Surplus value is the portion of value created in the production process which is appropriated by employers. Its maximisation is a primary aim of capital. Here the spatial dimension of the reserve army of labour is relevant once again due to its importance in the shaping of class relationships and depressing wage rates. In Australia, the absence of a large pre-capitalist peasantry and presence of strong trade unions and other institutional features have inhibited this occurrence. However, new technology and associated restructuring of the workforce which have involved the labour flexibility imperative and integration into the new international division of labour (NIDL) to maximise the production of surplus value are factors underlying generalised unemployment (see Figure 2.2). Campbell (1993) notes that the term 'labour flexibility' is most notably derived from neoclassical economics being a new synonym for 'efficiency'. However, its central meaning is variable both amongst and within individual enterprises, implying the ability to establish enterprise-specific work conditions, for the 'needs of the enterprise'. Labour flexibility is also associated with Post-Fordism. The Fordist system in Australia has involved certain managerial strategies (most notably Taylorist, as mentioned above, which involves the fractionalisation of the production process and the separation of mental and manual labour (Braverman, 1974)) in the pursuit of maximising the production of surplus value. The debate in terms of capitalism changing from Fordist to Post-Fordist is beyond this thesis (see section on Regulation Theory). However, restructuring of the labour force and changes in the labour process in order to maximise surplus value (that is, the aim to maximise productivity and keep wages down) has been occurring in Australia over the past two decades with profound negative effects on employment quality and quantity. The Shoalhaven is very much involved in this process.

The term NIDL (see Figure 2.2) was coined in the late 1970s to describe the break up of entrenched patterns of investment and trade between core and periphery to where TNCs search globally for 'cheap labour' (Fagan, 1987). However, more is involved in reality, for example, the role of new host states, host-country capitalists, tax relief, free trade zones etc provided by governments and technological change (such as automation and
standardization of the labour process enabling corporations to relocate manufacturing to nations with unskilled, unorganised workers) are integral to the process. The NIDL thesis assumes much higher levels of geographical mobility among corporations than occurs in reality, underestimating the importance of agglomeration and economic networks (Savage and Warde, 1993). Nevertheless, the movement offshore of the production process or parts of has occurred in many areas of manufacturing in Australia affecting regions unevenly. Impacts on the Shoalhaven are detailed in Chapter Four.

3) **Realisation of surplus value.** Potential surplus must be realised through the sale of commodities produced. Through the need to generate new markets there has been an emphasis placed on home ownership and other consumer durables associated with a privatised life-style in Australia. Suburbanisation and more recently, decentralisation (related to this study - to the Shoalhaven region) have been strongly related to the 'Australian dream'. Both the extension of credit and emphasis on an export led recovery have aided the realisation of surplus value (see Figure 2.2). The latter has resulted in partial deindustrialsation with, on the one hand, depressed heavy industrial regions suffering high unemployment and on the other, booming but disarticulated (where there are few or no linkages between productive sectors - detailed in Chapter Four) mineral extraction regions. While the integration of the Shoalhaven is more indirect than direct, these processes are important factors underlying the Shoalhaven's rising unemployment.

4) **The circulation of capital.** As shown in Figure 2.2, this has involved the growing role of financial capital and increased domination of multinational corporations. Financial deregulation and the penetration of foreign banks in a speculation-oriented economy have adversely affected unemployment levels. Capital has moved from productive to speculative activities, for example, property speculation, real estate and financial assets which have been at the expense of long-term wealth creation (Stilwell, 1988). Various rearrangements of financial assets and mergers expand to the benefit of capitalists but to the detriment of the rest of the population (Stilwell 1989). Intensified inter-regional competition for capital results (Stilwell, 1992), the Shoalhaven providing an example.
This Structuralist (Marxist) framework illustrates how the response by capital and the state to constraints on capital accumulation has given rise to structural changes, for example, the balance between industrial sectors, the institutional form of capital and distributional shares. In turn, these changes are associated with spatial restructuring which include changes in the urban-rural pattern of regional disarticulation, resource allocations and the relative economic status of peripheral regions (Stilwell, 1991). Some regions have been more or less resilient to economic restructuring (in particular those where tourism, financial and business services dominate), others have been greatly affected, suffering very high unemployment (for example, those areas which encompassed heavy industry protection). The combination of this economic and spatial restructuring with two recessions in the last ten or so years has involved devastating consequences for unemployment levels in local labour markets.

This type of analysis implies that the regional economy is shaped by the 'logic of capital'. (Stilwell, 1992). Class struggle, the role of the state, urban social movements and individuals (ibid) also influence regional economic development and social problems such as unemployment.

At this point the framework for explaining the rise of and spatial patterning of unemployment at the local level has encompassed the restructuring of capital and its spatial consequences. These national and international dynamics and structures impact upon local labour market dynamics. Local factors, which are also integral to the explanation, in turn impact upon national dynamics. The following section positions the focus on local level dynamics and structures.

2.2.4 Local Labour Market Forces and the Geography of Unemployment

The theoretical framework illustrated in Figure 2.1 shows local labour market forces which impact upon the spatial distribution of unemployment to be on the demand- and supply- sides of the local labour market and also outside of it. However, as noted above, this section is divided into the demand- and supply- sides of the labour market only as the
barriers in the labour market approach encompasses both supply-side and outside forces. Figure 2.1 shows the demand side to encompass three major components in relation to unemployment: the nature and structure of industry; occupational/workplace structure and processes; and barriers to industrial development. The supply side is shown to involve barriers to employment and training, individual determinants, in-migration and forces outside include the education and training systems, transport provision and the housing market. The framework for empirical analysis at the local level (Chapters Five and Six) is explained below.

THE DEMAND SIDE OF THE LABOUR MARKET

The following details the conceptual framework for the demand side of the local labour market as per the three major components illustrated in Figure 2.1.

The nature and structure of industry of a region impacts on its employment opportunities. The ABS divides the workforce into 12 industry sectors. They are agriculture, fishing and forestry; mining; electricity, gas and water; construction; wholesale/retail; transport/storage; communications; finance, business and property; public administration and defence; community services; and recreational and personal services. Inter-industry analysis allows comparisons both between industry sectors within a region and of industrial structures between regions. The importance of examining regional types designated primarily by predominant industry sectors was highlighted in section 1.5.

Several factors which relate to industrial structure impact upon unemployment level and its spatial distribution in the Shoalhaven. A major one is the polarisation between metropolitan and non-metropolitan regions. Finance, public administration and light/high technology manufacturing tend to be concentrated in metropolitan rather than non-metropolitan regions. This trend has intensified over the last 15 or so years, particularly with rationalisation occurring within financial institutions and the public sector. Conversely, population service-related industry tends to predominate in high-growth, non-metropolitan regions such as the Shoalhaven.
Further, as mentioned above, heavy industrial regions such as Wollongong or once heavily protected regions such as Geelong have suffered greatly in the face of economic restructuring. The Shoalhaven's industrial structure does not lend to such explicit impact, exposed within the Marxian analysis. Chapters Three, Four and Five involve analysis of the Shoalhaven's industry and related employment/unemployment dynamics.

It is held that occupational/workplace structure can be most adequately investigated through the application of discontinuous labour market theory. As noted, this theory is closely related to dual labour market theory in that the workforce is divided into core and peripheral/external sectors. An external appendage (comprised of self-employed, sub-

**FIGURE 2.4**
The Flexible Firm

![Diagram of the Flexible Firm](source: Atkinson, 1987 94)

contractors and agency temporaries) is essentially part of the peripheral sector. This approach rose in response to the neglect of worker bargaining power in all previous approaches. It is argued that large companies are increasingly seeking to develop a 'flexible' workforce of 'core' workers who are unionised and 'peripheral' workers who are non-unionised. Figure 2.4 illustrates the flexible firm (Atkinson, 1987). 'Core' workers consist of managers, technicians, professionals, etc. who perform the most unique and
important activities. They tend to be male, permanent and full-time with long job tenures and deploy skills which are difficult to recruit outside. This core sector encompasses functional flexibility which involves the reorganisation of jobs. Workers' skills can extend across a greater range of tasks, either horizontally, involving similar skills, or vertically, involving higher or less skilled work (ibid). Advocates of a post-fordist society, where work is seen as becoming more creative and less alienating, promote the increase in higher skills with the advent of functional flexibility (see Figure 2.4). The empirical investigation attempts to explain the experience for the Shoalhaven.

'Peripheral' workers are employees of the firm, however, they conduct the routine and mechanical activities. They tend to work in part-time, possibly temporary jobs where shorter tenures and short-term contract jobs predominate. Females also dominate in this sector. Skills are readily available on the external labour market, allowing for a second kind of flexibility - numerical flexibility (see Figure 2.4). Involved here is the ability of firms to adjust the number of workers or the level of hours worked correlating to the level of demand (ibid). As Atkinson states:

> It is therefore concerned with employer's ability to adjust employment levels to workload, period by period. As that workload fluctuates, employers respond to it either by changing the number of workers deployed (i.e. the use of additional workers) or by changing the distribution of worked time (i.e., the use of existing workers). The main determinants of how they do this appear to be (a) the scale, frequency and predictability of these workload fluctuations; (b) the legal, administrative and labour market possibilities for securing additional workers who will not enjoy continuity of employment; and (c) the nature of the jobs in question (ibid:90).

Numerical flexibility has always existed, however, has intensified over the last two decades. Part-time, short-term and contract work have increased significantly in Australia (see below). The present research attempts to ascertain the predominance and extent of the increase of this type of work and the implications for employment and unemployment in the Shoalhaven.

External workers are not employees of the firm but may be employed by other firms. They are the self-employed, sub-contractors and agency workers who conduct activities from which the firm has distanced itself (ibid). Distancing, exemplified by sub-
contracting, is more an alternative to flexibility than another form of it. When production or servicing peaks occur the firm is able to simply contract out those peaks to externals. Cost-cutting is integrally involved as externals tend to be more productive and cheaper. As will be argued in Chapter Four, the onus has been placed on the worker in Australia to increase productivity at whatever cost. Research in the field has revealed that profitability levels are relatively poor in the Shoalhaven, placing further stress on labour to perform (interview, September, 1996).

Atkinson’s ‘flexible firm’ model has been very influential over the last decade in Britain. Burgess (1997) evaluates the applicability of this model to Australia and highlights its shortfalls. At a ‘firm level’ he notes that only a few selected case studies in Britain support its utility. At a workforce level he points out that growth in self-employment, part-time employment and temporary employment, that is workforce restructuring, has given the model credibility. However, he asserts that the reasons behind workforce restructuring are many and varied, which may include factors exclusive of management’s employment strategies which are central to the model. He states that ‘it is not a comprehensive theory, nor does it represent a systematic analysis of the development of contemporary capitalism such as is found in the studies of Lash and Urry (1987), Boyer (1988) or Piore and Sabel (1984)’ (94). He criticises the simplicity of the core/periphery dichotomy where, as noted above, a continuum would be more appropriate. Further, variation across industries, enterprises and public/private sectors rebuke its utility.

However, it is a fact that peripheral/external work has expanded at a dramatically greater rate than core work in Australia over the last two decades. Burgess (1997) notes that between 1982 and 1994, of the 1.5 million increase in jobs, only 14.6 per cent was in standard jobs (core work) and 85.4 per cent in non standard jobs (peripheral work). The present research acknowledges the limits of this model and uses it accordingly. It forms only part of the framework and it is held that it is an adequate model as such.
The 'flexible firm' model is pertinent to contemporary Australian society at both national and local levels (that is, the Shoalhaven region). A more flexible workforce has been a long standing goal of employers and the predominance of economic rationalism is allowing this desire to become reality. Increased flexibility has involved great labour shedding and marginalisation of most sectors of the workforce.

Massey's (1979, 1984) 'spatial division of labour' is pertinent here. Employers tend to choose places according to their needs for different types of labour. Metropolitan areas such as Sydney encompass high level, strategic management functions, while peripheral regions such as the Shoalhaven tend to house the mundane production functions where labour is cheaper, less militant and plentiful. However, intense inter-regional competition for industry of any kind is marginalising the Shoalhaven's function as a mundane, branch plant economy. Massey places regions (in relation to the spatial division of labour) on a continuum rather than convey a clear core-periphery polarisation. Even so, as noted, regions may be defined as 'peripheral' as in this thesis.

**Barriers to industrial development** can be experienced at both the national and local levels. Here the local level is the focus. It is held that several barriers hinder employment generation (or industrial development) within the demand-side of the labour market. Less employment generation is occurring than could be in the Shoalhaven if certain barriers were removed or minimised. Examples of barriers include lack of local employment initiatives (LEIs) (but, see Fagan's (1987) critical assessment of LEIs), locational disadvantages, accessibility, inadequate physical and social infrastructure and cut-throat competition between regions. Unlike the other two components, a detailed explanation is not necessary for this one.

The demand side of the local labour market is integrally related to supply side dynamics. Thus, while they are separate here, they cannot be analysed independently as both impact upon and shape each other.
THE SUPPLY SIDE OF THE LABOUR MARKET

The theoretical framework illustrated in Figure 2.1 shows the supply side of the local labour market to encompass three main forces impacting upon unemployment and its spatial distribution. They are barriers to employment and training, individual characteristics and in-migration. These forces cannot be discussed in isolation. They are interrelated and intricately involved with the demand-side of the local labour market.

The 'barriers in the labour market' approach, devised by Haughton et al (1993), involves the interplay of forces on the demand- and supply- sides of the local labour market and those outside which impact upon the level and spatial distribution of unemployment. This approach is related to Peck's segmentation theory (noted above) in that it illustrates how discriminatory structures and practices interweave to create a series of interrelated labour market barriers which face individuals in their search for employment (ibid).

The original model has five barriers. However, due to the relevance of number three to this study, it has been added. The six major categories of employment and training barriers (ibid:13-16) are divided into supply-side and outside forces. Categories one to three involve supply-side determinants and four to six outside forces which interact with forces inside the local labour market to constrain individuals in their search for work:

1) recruitment practices. These include forms of personal discrimination (eg, age, race, gender, class, 'social image' such as 'dole bludger') which prevent employment for many; discrimination by address where workers are discriminated against depending on where they live; discrimination against unemployed, especially those within the secondary labour market, which have higher rates of turnover. Long-term unemployed often have a stigma attached to them, for example, being undisciplined to work, having self-confidence and similar problems. Relatedly, appearance is a barrier. Many unemployed do not have the resources, for example, to maintain a smart wardrobe.

2) employment practices. Examples include low pay on offer, or alternatively unrealistic wage expectations of unemployed; rolling contracts, poor job security; unsuitable hours of work; poor employment conditions etc.
3) **Inadequate dissemination of job information.** Inadequate information on local jobs and those elsewhere can pose a major hindrance to gaining work. This barrier includes lack of and misinformed or incorrect information on employment opportunities.

4) **Education and training.** Issues include underdeveloped communication and other social skills, poor foundation skills, poor self motivation and self confidence which deteriorate as the spell of unemployment continues; tendency to move into 'stereo-typed' training and employment; unequal access to education and training along age, class, disability, address, race and gender lines; actual and perceived poor quality of both state and private sector training schemes; inadequate information on training available.

5) **Non-labour market service provision,** for example, poor public transport, limited after-school care or child care; limited facilities for the disabled.

6) **Housing** is strictly outside the labour market. However, it is connected in an important way, for example, available land for low cost housing and rented housing or regional house price differentials may inhibit mobility; also, there tends to be restricted job search or transfer mobility of people in public housing. The 'managerialist thesis' (Pahl, 1969; 1975) explains the way in which the housing and labour market interact. Pahl (1969) argues that urban research should focus on the interplay of social and spatial constraints determining opportunities of access to urban facilities and resources such as education, transport, housing, work etc. He stresses that the key to understanding social constraints is found in the policies, activities and ideologies of the managers or 'social gate keepers' of the urban system, for example, lone managers, developers, estate agents, landowners, social security officers, (Knox, 1987). Pahl (1975) states: 'Since the urban managers are the central mediators between urban populations and the capitalist economy and since they also serve to generate and maintain the ideology of Welfare-Statism, their role remains crucial in the urban problematic' (284). However, he stresses that it is not possible to generalise about cities and the urban managers within them. He states 'There is ... considerable variation in the level of services and accessibility to resources between localities' (:269). A 'pure' managerialist model assumes that a common ideology is shared by urban managers and gatekeepers. However, 'local configurations have neither equal demands nor equal needs for national resources'
Pahl asserts that while the manageralist thesis is a useful research strategy, it should not be seen as a theory from which generalisations are derived. (265).

As a research strategy the 'managerialist thesis' is relevant to the rising level of long-term unemployment in the Shoalhaven region and its increasing spatial concentration. The various managers listed above actively work at developing land and housing packages for individuals, whether or not their chances of gaining work in the region are slim.

These barriers are investigated within the empirical research detailed in Chapter Six below. Also analysed in Chapter Six and integrally related to the barriers in the labour market model are individual characteristics and in-migration.

**Individual Characteristics** are deemed a primary determinant of unemployment in neoclassical-individualistic approaches. While seen to be part of an explanation, it is asserted that personal attributes need to be related to other dynamics at work within and outside the labour market. As well as attributes such as class, age, ethnicity and disability disadvantaging unemployed people, labelling with stigmas such as 'dole bludger' which imply that an individual’s unemployment status is voluntary also discriminates against people in their search for work. Similarly, they are seen as unemployed due to bad role models which lends towards 'inter-generational unemployment' or an unemployment culture. These characteristics are briefly outlined below.

**Class** (operationalised through educational attainment and occupation) is a central factor influencing job opportunities in contemporary capitalist Australian society. The less educated, less skilled a person the more likelihood of that person becoming unemployed (Junakar & Kapuscinski, 1991).

Depending upon the sex of an individual, different employment opportunities arise. In a segmented labour market men and women typically occupy different positions. Wajcman (1991) denotes the need to periodise the process of technological change and stresses
the role "new technology play in the construction and reproduction" of rigid sex-typing of occupations\(^1\) (Wajcman, 1991:34).

The age of an individual also impacts upon his/her ability to obtain work. Young and older people tend to be disadvantaged more than other age groups in the labour market. As noted in Chapter One, youth unemployment has reached dramatic levels at 19.5 per cent nationally (15-19 years) in June, 1997 (ABS, special report on teenage unemployment, June, 1997). The decline in traditional areas of employment for young people such as banking has rendered this problem a serious one. Many individuals in the 40+ age group have been made redundant, their skills no longer required. Retraining does not guarantee a job at any age, however, the likelihood of gaining work for this age group is considerably less than for younger workers (Baker, 1993).

Ethnicity is another attribute which can place individuals in a disadvantaged position in the labour market. Indigenous Australians have unemployment rates of between three and four times greater than non-indigenous Australians. They have a higher proportion of long-term unemployment and their position has worsened relative to non-indigenous Australians (Junakar and Kapuscinski, 1991). Other ethnic groups have also faced much discrimination (see Stilwell, 1989; Baker, 1993) in their search for work. As noted in Chapter One, they comprise a very small minority in the Shoalhaven region.

Disabled individuals face continuing marginalisation within the labour market. They are either excluded completely from paid employment or marginalised into lowly paid jobs not commensurate with their physical and intellectual capacities (Oliver, 1991).

The 'dole bludger' image is predominant in Australian society and discriminates against unemployed people, but in particular, long-term unemployed people in their search for work. This myth is refuted in Chapter Six below. Similarly, commentators who promote

\(^1\) The introduction of information technology into the insurance industry in the late 1970s involved fragmentation of jobs within established hierarchies and was accompanied by the feminization of that labour force. However, later applications integrated fragmented tasks to create new jobs, while often eliminating old ones. By the early 1980s a new highly skilled clerical job was designed for women with college degrees. Here, male professional jobs were deskilled and the salary for the newly created highly skilled position for women was considerably less than that of the men's previous position (Wajcman, 1991). The above illustrates fragmentation (deskilling) correlating feminisation of office work.
an 'unemployment culture' as a dominant variable involved in explaining unemployment (see, for example, Mangan, 1991) perpetuate the plight of young unemployed people in particular, whose parents have also been unable to obtain work. These stigmas further disadvantage individuals in their search for work.

These personal characteristics can interweave with each other and interact with a segmented labour market to discriminate against a person in their search for work. Similarly, Granovetter (1981:12) distinguishes three factors that contribute to employment status: "(a) the characteristics of the job and employer; (b) the characteristics of the individual who occupies the job; and (c) how (a) and (b) get linked together". The barriers in the labour market model interacts these supply side attributes with a segmented, discriminatory demand side to highlight the structural rather than individual determinants of unemployment.

Prime age men, women, young people, indigenous Australians, migrants and individuals with low levels of education and skills tend to be concentrated in particular sections of the workforce and are especially vulnerable to unemployment (overt and hidden) in the current economic circumstances. They also tend to be concentrated in areas with high levels of low cost rental housing and relatively cheap house and land packages.

In-Migration, or generally, internal migration in Australia, has correlated much change since the early 1970s. It is held that a 'population turnaround' is occurring (Hugo, 1994; Burnley, 1996; Flood, 1992; Paris, 1994). Most theories of migration focus on the search for employment which is seen to be the main force driving population movements (Flood, 1992). Gordon (1995) compares 'contracted' moves with 'speculative moves' noting that the latter would be undertaken only if one was unable to control when the move had to be made. This does not seem to be the case in several regions in New South Wales. It is argued that 'welfare migrants' who would be classified under 'speculative moves' are attracted to coastal amenity/tourist regions (see Beer et al, 1994). It also is held that unemployment in these regions is a product of large numbers of
'welfare migrants' flocking to these areas in the belief that it is better to be unemployed there than elsewhere (the 'welfare-led or income-transfer hypothesis')—see Hugo, 1989). However, Mullins (1992) argues that rather, the malady is endemic to the regions themselves. The tendency for the construction and tourism industries to be unstable, fluctuating between peaks and lows, booms and busts is a more pertinent factor to be exposed. While this thesis agrees with Mullins' stance, it is argued that rather than there being narrow explanations, several factors underlay this phenomenon.

Beer et al (1994) note that assessment of 'welfare migration' is difficult due to the lack of appropriate data. No data on the movement of individuals who are already unemployed are available. The Census records employment status only at the time of enumeration and thus, after migration, the previous labour force status of the person is unable to be determined. However, they do stress that 'it is clear that a proportion of migrants to non-capital cities, and particularly to those in coastal Queensland and NSW, are already unemployed' (:53) and assert (as does this thesis) that both lack of employment opportunities in source areas and inaccurate information on job opportunities in coastal regional cities encourage labour mobility.

The relationship between the housing and labour markets is integral to this migration. It is argued that a substantial portion of in-migration to the Shoalhaven has been due to restructuring of capital discussed above and the resultant high unemployment levels in western and south-western Sydney. The great adaptation needed by labour to this structural change is difficult in the face of rigidities of workforce skills and structures of employment. Blue-collar workers are left redundant on the 'scrap heap' while unskilled youth with little education find recurrent unemployment intertwined with bouts of employment the order of the day (Fagan, 1994). As noted, while regional mobility of labour to non-metropolitan areas has historically been relatively minimal, there has been considerable change in recent years (Burnley, 1996). A more aesthetic environment, cheaper rent or house prices, no fewer job opportunities perceived than in source region and other factors culminate to entice migrants to these regions. The notion of push and
pull factors within the concept ‘counterurbanisation’ is applied within this analysis. Counterurbanisation is the process of population deconcentration away from large urban settlements towards smaller (often rapidly growing) towns (Camm et al, 1989). A correlating movement of jobs and people to smaller towns is important to this decentralisation process. This is evidenced where the process began, in the USA, which lost workers from its declining industries of large industrialised cities of the north-east and mid-west heartland to the high growth industries of the sunbelt. Counterurbanisation is not seen to reduce urbanisation but rather change its character (ibid, Champion, 1991).

Paris (1994) asserts that counterurbanisation is not occurring in Australia. Rather, 'rural' and non-metropolitan areas experiencing population increases are essentially sites of consumption and social reproduction, not production and consequently represent a 'new form of urban and regional differentiation' rather than 'counterurbanisation'.(: 558-559).

**FIGURE 2.5**

*Push Factors and Mediating Factors in Coastal Migration*

<table>
<thead>
<tr>
<th>PUSH FACTORS</th>
<th>MEDIATING FACTORS</th>
<th>PULL FACTORS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Economic Factors</td>
<td>High Housing Costs Unemployment</td>
<td>TRADE OFF Cheaper Housing; Loss of Accessibility to Some Services</td>
</tr>
<tr>
<td>Environmental Disamenity</td>
<td>Crowding Pollution Congestion</td>
<td>Awareness and Action Space; Perception and Choice of Location</td>
</tr>
</tbody>
</table>

Burnley (1988) notes the difficulty in distinguishing economic from environmental and social reasons for migration. Rather, multiple push and pull factors operate. These are illustrated above in Figure 2.5 and are detailed in Chapter Six below.
2.2.5 Geographical Implications

The geographical implications of widening spatial disparity in unemployment are illustrated in Figure 2.1. They are the outcomes of structures and processes at the national and local levels: potential underclass formation and growing spatial inequality.

POTENTIAL UNDERCLASS FORMATION

The emergence of LTU as a near-permanent attribute of several capitalist economies has stimulated the underclass debate (Haughton et al., 1993). Generally speaking the term underclass expresses a concentrated and persistent poverty, typically associated with long-term unemployment, and located in segregated spaces. It is a condition that tends to push its participants beneath the traditional class system. An additional attribute to the underclass label is maladjusted deviant behaviour (Gaffikin & Morrissey, 1992), for example, high crime, domestic violence, homelessness, unmarried teenage pregnancies, sole parent families. A high level of state dependency is also considered characteristic. A universally agreed definition is yet to be developed.

Myrdal (1965) more or less coined the term 'underclass' to describe 'an unprivileged class of unemployed, unemployables and underemployed who are more and more hopelessly set apart from the nation at large and do not share in its life, its ambitions and its achievements' (:10). Myrdal foresaw the consequences of a postindustrial society where the need for fewer workers would in effect force others to the margins of the workforce in a new and permanent way. He expressed the causes as structural, the marginalised people being economic victims (Gans, 1993).

However, soon after Myrdal's use of the term, it acquired a very racial tone and became a behavioural term. This was partly due to Oscar Lewis' (1968) literature (in the United States) on the culture of poverty. In this new version of the term underclass it refers to poor people, mainly black, who behave in deviant, criminal or just non-middle-class ways (Gans, 1993). This stance is predominant within the American popular press. However,
several rejections of this behavioural definition have risen in the 1980s and 1990s, for example, Katz (1989), Gans (1990), Wilson (1987, 1991) and Alcock (1993).

Today, four broad explanations of deprivation and the underclass dominate the social science literature. The first, a cultural explanation or the conservative school is, as noted, traced back to Oscar Lewis. It perceives poverty and the persistence of an underclass in terms of social pathologies and the debilitating effects of welfarism. The victims are blamed for their own inadequacies. Intervention by government serves to create demoralising dependencies sapping ingenuity and resourcefulness (Murray, 1990).

Auletta (1982 - see Morris 1994), a proponent of the conservative school, categorises the underclass into four subgroups: 1) the passive poor (eg welfare recipients and single parent families); 2) the hostile street criminals, drug addicts and drop-outs; 3) the hustlers of the underground economy and 4) the drifters, traumatised drunks, released mental patients and homeless bag ladies. Each group can be blamed for their behaviour. Indeed, as Morris (1994:81), (and Auletta) asserts, 'the core of the [underclass] debate revolves around whether the defining behaviour should be seen as the cause or the effect of their structural position'.

The second, the reformist school, sees the problem to be both the work and welfare systems. It is critical of disincentives of the existing welfare system and supply-side deficits. Skill enhancing, for example, is prescribed (Gaffikin and Morrissey, 1992).

The third school argues, as does the present research, that poverty and associated high levels of LTU, culminating into an underclass or potential underclass, are the result of an economic system based on the promotion of inequality and competition (ibid). Wilson (1987), for example, examines the pathologies of inner-city life but focuses on the effect of decline in manufacturing employment and the historical burden of racism.
This structuralist stance has been strongly criticised within social geography, or more specifically, postmodernism, the fourth perspective. With regard to social and spatial polarisation, scepticism towards the privileging of class over other societal divisions in structuralist (or Marxist) theories has been strongly conveyed through this perspective, also known as ‘identity and ‘difference’ theory’. Social geographers (in close association with cultural geographers) are increasingly focusing upon the politics of difference, where the social significance of human diversity is examined. It is argued that as well as class divisions, many socially recognised groups, based on ethnicity, gender, sexuality, age, ability etc. must be given prime status in an analysis of social and spatial polarisation (Johnston et al, 1994).

A significant advocate of ‘difference’ theory is Iris Marion Young. Young (1990a) argues that ‘the concepts of domination and oppression, rather than the concept of distribution, should be the starting point for a conception of social justice’ (:16). She holds that the Marxist analysis of the distributive paradigm ‘is both too narrow and too general’ (:17). Rather, issues of decision-making, division of labour, and culture must be analysed (:3) with an emphasis being placed upon institutional organisation. Young states: ‘there are deep injustices in our society that can be rectified only by basic institutional changes ... social justice means the elimination of institutionalised domination and oppression’ (:14-15). Rather than the concept of oppression being perceived as a unified phenomenon, a plural explanation is asserted. Racism, ageism, sexism and homophobia are seen as distinct forms of oppression with their own dynamics, separate from class dynamics. Young concedes that general social theory has a place, however, ‘causal explanation must always be particular and historical’ (:65)

Young (1990b) argues that the desire for community (relationships of mutual identification, social closeness and comfort) may also produce conditions for exclusions ‘by virtue of ... being different in race, class, culture or sexuality’ (:300). She states that ‘community devalues and denies difference in the form of temporal and spatial distancing in modern urban mass society’ (:302-311) (cited in Badcock, 1997). The ‘western
The theoretical framework of Sydney provides an example where a mosaic of ethnic communities becomes ‘the other side of town’ through media representations etc. For an unoppressive city, an ‘openness to unassimilated otherness’, or difference is essential (:319-320).

Frazer (1995) further asserts that group identity must supplant class interest as the major medium of political mobilisation. He states ‘Cultural domination supplants exploitation as the fundamental injustice. And cultural recognition displaces socioeconomic redistribution as the remedy for injustice and the goal of political struggle’ (:68).

In response to the rise of identity and ‘difference’ theory, Badcock (1997) stresses that ‘though a sensitivity to the proliferation of multiple identities even with gender, ethnic, racial and sexual identities might take us much closer to the actuality of ‘identity politics’, it’s not clear what this reveals about the social disparities attributed to urban restructuring’ (:253) He raises reservations amongst even those disposed to the ‘politics of difference’ stating that ‘there is the worry that in unsure hands discourse could degenerate into relativism and particularism’ (ibid). Also, as Young (1990b:305-307) herself concedes: ‘getting the tension right between community and individualism takes extraordinary skill’. He further notes that Smith (1992:69, cited in Badcock, 1997:253) is concerned about the privileging of difference and identity as ‘this is a slippery slope which eventually runs together with the libertarian appeal to individualism immortalised in the Thatcherite declaration, “there is no such thing as society, only individuals” ’.

While the present research places primary importance on the economic base (thus class division) in an analysis of spatial disparity in unemployment and underclass formation, other group divisions in society, that is other ‘differences’, are analysed and are central to this research. A structuralist stance can encompass an analysis of societal divisions other than class and recognise their importance.

The conceptual framework for potential underclass formation devised for the present research (Figure 2.6) is derived from three models, illustrated in Appendix B.
The first, Pacione's (1993) model, in accordance with the present research, relates the emergence of an underclass to urban crisis. He addresses (in relation to Britain) the multifaceted nature of urban crisis which involves economic, social, political, ideological and conceptual crises, underlain by two key problems, poverty and deprivation. However, he stresses the overriding importance of the economic and social crises: economic crisis involving deindustrialisation and social crisis involving 'polarisation between the "underclass" and advantaged' (:88). He presents a model of the process of multiple deprivation where 'a range of social, economic and other problems coincide to create an environment of compound disadvantage for those affected' (ibid).

The second, Glaster's model (in relation to the United States), following Myrdal's cumulative causation model, identifies and links elements within the process of the perpetuation of localised poverty and underclass formation. Illustrated here is the exclusion of people from highly paid, secure, stable jobs (the primary or core sector) who are forced into low paid, unstable, insecure work (the secondary or peripheral sector). This leads to limited housing prospects and associated neighbourhood types. Integral to the inferior labour market position is lack of education, skills and prejudice. Limited labour-market opportunities and public services are central to the spatial separation of the underclass (Smith, 1994, Chapter Six).

The third, Beer et al's Australian model, also exemplifies the cumulative nature of underclass formation where poor accessibility, poverty, welfare dependence etc. combine and compound each other to lock an area into decline and stigmatisation.

While the three models vary, all are underlain with structural determinants in an underclass explanation. See Appendix B for details on these three models.

The essence of the present research is to examine the social processes and dynamics which may operate to select particular individuals or households, collectively within an area, to bear an unequal burden of the effects of economic decline and restructuring.
Further, these individuals tend to benefit more slowly from recovery. The causes are not attitudes and cultural disposition of individuals without work, but are rooted in changes of the economic structure. However (as Wilson, 1987, also acknowledges) this does not reject the behavioural characteristics used to define those within the underclass, but does assert their secondary importance to underlying structural processes. Rather than focus on the label 'underclass' and the 'undeserving' poor, the present research focuses on the complex processes culminating to a degree of socio-spatial polarization.

Haughton et al (1993) point out that the underclass debate can provide insight into possible causes of the clustering of LTU. For example, once an area gains a stigma from its concentration of poverty or 'undesirables' the quality and range of goods and services change. The combination of structural and attitudinal problems may leave an area locked into unenviable stagnation, there being minimal private investment in either social or physical infrastructure. This aspect is investigated in the two study areas.

Even though Glaster and Hill (1992) and Wilson (1987) stress spatial segregation along racial lines, today, ethnic groups are not the only economic victims who suffer socio-spatial polarisation. Further, inner-city areas have dominated underclass studies. However, outer-suburban, rural and semi-rural areas can also suffer this phenomenon. An underclass model is applied to the Shoalhaven region which, as noted, is derived from the three underclass perspectives presented in Appendix B. It is illustrated in Figure 2.6. Underclass formation is in its infancy in the Shoalhaven region. However, it is argued that further widening of socio-spatial inequality will see this cumulative process proceed as described by Glaster (1992) for the United States, Pacione (1993) for the United Kingdom and Radoslovich (1991) for Australia unless fundamental changes are made to the political-economic system.

As Figure 2.6 illustrates, the process of underclass formation is cumulative. Manufacturing decline and global/workplace restructuring, as noted in the preceding
chapter, has impacted adversely on job opportunities for the working class. Both a rising level and duration of unemployment (hidden and overt) has ensued since the 1970s slump in Australia. The Shoalhaven region encompasses very high rates of both unemployment and LTU. It is proposed that barriers on both the demand- and supply- sides of the local labour market have compounded unemployment problems in the area. Declining real incomes leads to among other constraints, limited choice in housing. Public or low cost rental housing is closely associated with spatial clustering of unemployment. The Shoalhaven presents a clear example of concentration of public housing.

Geographical isolation and lack of adequate transport which is often associated with cheaper or public housing is also evident in the Shoalhaven. Prejudice of potential
neighbours and potential workers results in a situation where long-term unemployed people are cut-off from mainstream social-economic life. Their neighbourhood is seen as undesirable to those who can afford to live elsewhere. Consequently friends and family tend to share the same handicaps. The tendency of an increasing proportion of households with no employed persons and loss of contact with networks on job information is perpetuated. Poor schooling and services tends to become more and more characteristic of the neighbourhood. The impact of public sector cutbacks compounds this situation. As well as unemployed people, sole parent families and aged people tend to predominate with a less than average proportion of young people. A concentration of welfare dependency is perpetuated. These and other economic and social problems coincide to create powerlessness and alienation for those disadvantaged. High levels of vandalism, delinquency, domestic violence, drugs and crime, associated with low socio-economic neighbourhoods, reflect this powerlessness. These social problems are growing in the Shoalhaven region, but are concentrated in the two study areas where this suggested scenario will be tested. In response to these problems, Power (1996) asserts how 'localisation coupled with wider links and long-term support can facilitate change' (:1561) in marginal neighbourhoods (see article for full discussion of this response).

This cumulative formation of a potential underclass is applied to the Shoalhaven in Chapter Seven. Given time, financial and space constraints, limited statistical and qualitative research was undertaken. However, it is asserted that this research needs serious attention. This study may pave the way for more comprehensive future research in the Shoalhaven.

SPATIAL INEQUALITY

It could be argued and justified that residential location does little more than impact on an individual's position in the dole queue a few places given the number of unemployed to vacancy ratio (Forster, 1986). For example, Feldman (1977, p30) argues: 'in the absence of any sign of unmet demand for labour within the metropolitan economy, attempts to reduce high local levels of unemployment by spatial measures such as
changing housing-allocation policies or relocating jobs or improving transport and communications networks can only succeed at the expense of somewhere- or someone-else'. Gordon (1989:245) further argues that 'the main issue is whether spatial concentration makes the unemployed less effective as a potential labour supply, increasing the chances of labour shortages being experienced before unemployment has been substantially reduced'. These arguments ignore the issue of social and spatial inequality. It does matter if a certain level of unemployment is less equitably shared and borne with more hardship due to the fact that a large proportion of it is spatially concentrated (Forster, 1986) in outer lying or in inner-urban areas.

Cass discusses locational disadvantage stressing that spatial inequality has a compounding effect upon social conditions; that locational disadvantage can very much exacerbate other forms of economic or social problems. She states

... one of the conditions which may exacerbate and perpetuate disadvantage is locality, living in a region (often as a result of severely restricted housing options) where access to a range of necessary education and public sector services is limited, where suitable jobs are scarce, and the potential journey to and from work long and expensive (Cass, 1990:11).

The perpetuation of inequality, for example, of unequal access to employment opportunities, is both structural and spatial: structural in that socio-economic processes - here, essentially those related to the housing and labour markets - provide unequal allocations of material resources and opportunities; spatial in that some localities are better resourced than others with facilities, services, access etc (Maher, 1994), or have a better image etc. These spatial differences compound existing inequalities.

The study of inequality has predominated in a non-spatial context in the past (Chakravorty, 1996). However, David Harvey (1973) raised the issue of 'spatial consciousness' or 'geographical imagination' rather than purely 'sociological imagination'. An ongoing debate over 'people problems versus place problems' and 'spatial fetish' has ensued within geography. Section 7.3 addresses these issues.
2.3 Summary and Conclusions

The theoretical framework chosen for this study attempts to overcome narrow, partial theories of unemployment. By rejecting neoclassical theory and other stances which focus on symptoms and over stress certain factors (such as wages, unemployment benefits and personal attributes) to the neglect of other more pertinent ones, this chapter has highlighted the complexity and multifaceted context of unemployment.

The combination of structuralist and 'localities' approaches is held to encompass the total environment. The application of Stilwell's framework for structural-spatial restructuring in Australia is held to allow for an explanation rather than a description of uneven development (focusing on spatial variation in unemployment). The use of several models at the local level, including segmentation and cumulative causation approaches, allows for a broad and comprehensive analysis of the problem of widening spatial disparity in unemployment.

This geographical perspective raises more than just social and economic costs. It brings to the fore the spatial dimension which is integral to the problem of unemployment. However, at the same time, it recognises that structural dynamics and processes are at the root of the problem while spatial factors compound the problem. An emerging social underclass and widening social-spatial inequality are exposed within this geographical perspective. These geographical implications need serious attention by those in power if Australian society is to be a just one rather than one where profit prevails over justice. The following chapter introduces the Shoalhaven region, its population characteristics and dynamics and its changing industrial composition.
CHAPTER 3
THE SHOALHAVEN REGION

3.0 Introduction

This chapter provides a description of the Shoalhaven region, its labour market and workforce, laying a foundation for subsequent chapters.

Section 3.1 locates the region and briefly outlines its physical features. Section 3.2 describes the Shoalhaven as a regional labour market (introduced in Chapter One). Section 3.3 discusses the Shoalhaven's changing demographic profile. The region's high population growth and correlating evolution as an amenity-retirement region have had several implications for the economy and social infrastructure of the region. Section 3.4 provides an overview of the region's economic-industrial development since the early 1970s. The economy of the Shoalhaven has had a strong foundation in primary industry. Dairying and forestry dominated the growth of the region from the 1800s until the 1950s. However, today tertiary industry dominates the economy, representing 83.8 per cent (ABS Census, 1991) while public administration and defence, wholesale-retail and community services together make up 47.3 per cent. Primary industry now only represents 4.5 per cent of the workforce. Section 3.5 briefly outlines provision of education services in the region. The present research places emphasis on access to education as an important variable in an analysis of unemployment. Section 3.6 introduces the problem of unemployment in the Shoalhaven region and in particular the problem of spatial concentration of long-term and hidden unemployment. As noted, the focus of this research is on both unemployment in the Shoalhaven region compared to other regions (inter-regional variations in unemployment) and on spatial concentration of the long-term and hidden unemployed in two areas within the region: Sanctuary Point, a coastal village and East Nowra within the town centre (intra-regional variation in unemployment). Section 3.7 emphasises the importance of all these descriptive factors as a basis for explaining widening spatial disparity in unemployment.
3.1 Location and Size

As shown in Map 3.1, the Shoalhaven region is situated on the south coast of New South Wales. Its main urban centre, which operates as the nodal town of the labour market, is the township of Nowra-Bomaderry. It is located on the Pacific Highway 160 kilometres south of Sydney.

It was pointed out in Chapter One that the few studies which have included the Shoalhaven region acknowledge it in terms of the Illawarra Region Statistical Division of which the Shoalhaven is part - see Map 3.1. The Shoalhaven region warrants a separate identity to the Illawarra region where Wollongong is the focus. The Shoalhaven encompasses a labour market area where at least 75 per cent of the residents work. Further, it exists primarily for consumption whereas Wollongong has existed essentially for production.

The Shoalhaven covers an area of 4,660 square kilometres, (Shoalhaven City Council, 1995) being the largest local government area (LGA) in the Illawarra Region. While the Shoalhaven (which is called a city) encompasses two main commercial/residential areas, Nowra-Bomaderry in the North and Milton-Ulladulla in the South (see Map 3.1), as noted, the former is the nodal township of the labour market. The latter is considered more a coastal village, its population being similar to that of Sanctuary Point and adjoining villages (about a third the size of Nowra-Bomaderry). The two study areas, East Nowra and Sanctuary Point, are annotated on Map 3.1. Sanctuary Point is one of the 50 small towns and villages within the region.

Map 3.2 shows the region’s five planning districts (PDs) (identified by Shoalhaven City Council), PD 1 to 5. East Nowra is situated within PD 1 and Sanctuary Point is within PD 3. Statistics gathered for the two study areas will relate to both PD 1 and PD 3 in some instances. This is due to the fact that various statistics are relevant which pertain to both the PDs and the precise study areas. For the purposes of the present research, the PDs are further identified by their major village/town, as shown in Map 3.2.
Geography has had a significant effect on economic and social life in the Shoalhaven. The region is on the coast, only 2 hours from Sydney and is the main centre between Wollongong and Melbourne. However, rail services from Sydney terminate at Nowra-Bomaderry, there being no rail linkage further south or to Melbourne. Migration theory denotes a distance-decay effect (Burnley, 1996) which suggests that the greater the distance from the source area the weaker the migration. The very strong migration from Sydney to the Shoalhaven verifies this effect. However, lack of transport links further south is also an important factor. Migration and its implications for economic and social life are detailed in section 3.5 and Chapters Four and Five.
The natural resources of the Shoalhaven have also had a great impact upon both the economic and social life. The region encompasses Jervis Bay Marine and National Parks, Morton National Park, Kangaroo Valley, Camberwarra and Pigeon House Mountains, the Shoalhaven River and several picturesque beaches (see Map 3.1). While these natural features, the region's coastal location and proximity to a major city have encouraged the in-movement of people, significant industry, both secondary and tertiary, has not been established in the area. Most of the Shoalhaven's industry is population-service related. These issues are detailed below and in Chapter Five.

3.2 The Shoalhaven as a Regional Labour Market

O'Connor and Gordon (1989) note that other than small areas of overlap, regional labour markets in Australia tend to be independent and separate from one another, forming a jigsaw pattern. Map 3.3 shows the regional labour markets of Australia, the boundaries determined by the definition of a regional labour market as noted in Chapter One, (an area where approximately 75 per cent of labour which is employed in a centre live (ibid)). The Shoalhaven region, number 11, is combined with one other LGA, the Wingecarribee Shire to form a labour market area. However, as noted and justified in Chapter One, only the Shoalhaven LGA is studied in this thesis. The 1991 ABS Census, Journey to Work statistics verify that residents from Wingecarribee form a minute proportion of the workforce in the Shoalhaven and vice versa.

As mentioned in Chapter One, non-metropolitan regional labour markets tend to have an urban centre which operates as a nodal town for the region (ibid). This town usually contains the area's highest order economic functions and the widest range of job opportunities in the region. It is the centre for information flows and communication channels (ibid). Map 3.4 illustrates the non-metropolitan south coast of New South Wales. The core (which supplies around 80 per cent of all labour employed in the centre) and commuting area are shown for the Shoalhaven, Eurobodalla and Bega regional labour markets.
MAP 3.3
Australian Regions for Labour Market Analysis

Source: O'Connor & Gordon (1989): 196

MAP 3.4
Commuting and Labour Markets,
Non-Metropolitan South Coast, New South Wales

NEW SOUTH WALES

SHOALHAVEN
Nowra
EUROBODALLA
Batemans Bay
BEGA

Labour market areas
Major Towns
Commuter areas
Core of labour market: 85%
plus of workforce
in town live in the area
3.3 The Shoalhaven’s Changing Demographic Profile

The Shoalhaven's population took 140 years to evolve to 27,000 in 1970. However, between 1970 and 1987 its population doubled to 60,000. A growing emphasis on recreation and retirement has correlated this high population growth.

The region’s population was estimated in 1996 to be 80,000 (Shoalhaven City Council, 1996). It has a very high growth rate (an average annual average growth rate of 4.4 per cent per annum compared to 1.2 per cent for NSW [ibid]), being ranked the 22nd largest city in Australia in 1992 and it is expected to be number 20 in the year 2001 (Coopers & Lybrand, 1994) (see Table 3.1).

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1971</td>
<td>28,570</td>
</tr>
<tr>
<td>1976</td>
<td>37,034</td>
</tr>
<tr>
<td>1981</td>
<td>46,778</td>
</tr>
<tr>
<td>1986</td>
<td>55,980</td>
</tr>
<tr>
<td>1991</td>
<td>68,236</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>YEAR</th>
<th>POPULATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>80,600</td>
</tr>
<tr>
<td>2001</td>
<td>93,400</td>
</tr>
<tr>
<td>2006</td>
<td>106,200</td>
</tr>
<tr>
<td>2011</td>
<td>119,000</td>
</tr>
<tr>
<td>2016</td>
<td>132,000</td>
</tr>
</tbody>
</table>

Source: ABS Census and Shoalhaven City Council

In 1991, the populations of the PDs covering the two study areas – PD 1 (Nowra PD), 34,354 and PD 3 (Sanctuary Point PD), 11,584 – encompassed the largest and third largest populations. The populations of the remaining three PDs were PD 2 (Culburra PD), 5,171; PD 4 (Sussex Inlet PD), 3,156; and PD 5 (Milton-Ulladulla PD), 13,971 (Shoalhaven City Council, 1995:12).

The Shoalhaven's population has a higher than average proportion of both children (5-12 years) and older people (55 years plus). It also has a significantly less than average proportion of 18-24 year old people (see Figure 3.1). These anomalies have implications for the region's workforce and industry as a larger proportion than normal is outside the workforce and non-productive. High unemployment levels (see below) further compound the situation. Further, the lower than average proportion of young adults may be related to lack of tertiary education and job opportunities which also poses problems for the region. These issues are analysed in Chapter Five.
Table 3.2 illustrates the region's employed workforce by age in 1991. A significantly lower proportion for the 15-19 and 20-24 age groups is represented for the region in comparison to the New South Wales average (ABS Census, 1991). This phenomenon corresponds with a dip for the region's total population in these age groups.

<table>
<thead>
<tr>
<th>AGE</th>
<th>TOTAL POPULATION (%)</th>
<th>NUMBER EMPLOYED (Absolute)</th>
<th>EMPLOYED (%)</th>
<th>NEW SOUTH WALES (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>6.0</td>
<td>1,502</td>
<td>6.8</td>
<td>7.6</td>
</tr>
<tr>
<td>20-24</td>
<td>5.0</td>
<td>2,134</td>
<td>9.7</td>
<td>13.0</td>
</tr>
<tr>
<td>25-34</td>
<td>14.1</td>
<td>5,774</td>
<td>26.3</td>
<td>26.7</td>
</tr>
<tr>
<td>35-44</td>
<td>14.1</td>
<td>6,583</td>
<td>30.0</td>
<td>25.5</td>
</tr>
<tr>
<td>45-54</td>
<td>9.7</td>
<td>3,878</td>
<td>17.7</td>
<td>17.3</td>
</tr>
<tr>
<td>55-64</td>
<td>11.7</td>
<td>1,784</td>
<td>8.1</td>
<td>8.2</td>
</tr>
<tr>
<td>65+</td>
<td>16.1</td>
<td>313</td>
<td>1.4</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Most of the Shoalhaven's population increase is through internal migration rather than natural increase. Table 3.3 shows in- and out-migration for selected coastal SLAs of New South Wales 1976-81 and 1981-86, including the Shoalhaven region. Of these high-growth regions, the Shoalhaven had the highest level of in-migration in all age groups for both five-year periods. However, as illustrated, out-migration is strong as
well as in-migration and more so in the 25-54 age group than the older ones. The migration dynamics of the Shoalhaven are analysed in detail in Chapter Five.

**TABLE 3.3**

<table>
<thead>
<tr>
<th></th>
<th>In-migration</th>
<th>Out-migration</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25-54</td>
<td>55-64</td>
</tr>
<tr>
<td>Coffs Harbour</td>
<td>1976-81</td>
<td>5307</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>5503</td>
</tr>
<tr>
<td>Hastings Shire</td>
<td>1976-81</td>
<td>4733</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>4512</td>
</tr>
<tr>
<td>Ballina Shire</td>
<td>1976-81</td>
<td>3185</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>3138</td>
</tr>
<tr>
<td>Great Lakes Shire</td>
<td>1976-81</td>
<td>2535</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>2557</td>
</tr>
<tr>
<td>Shoalhaven City</td>
<td>1976-81</td>
<td>5878</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>6468</td>
</tr>
<tr>
<td>Bega Valley Shire</td>
<td>1976-81</td>
<td>2398</td>
</tr>
<tr>
<td></td>
<td>1981-86</td>
<td>2562</td>
</tr>
</tbody>
</table>

Source: Burnley, 1996, Table 3:60

A survey conducted in 1992 found the main pull factors for in-migration to be the Shoalhaven's environment and retirement. See Figure 3.2.

**FIGURE 3.2**

**Reasons For Moving to the Shoalhaven**


Most (54 per cent) of the Shoalhaven's in-migration (1986-91) is from Sydney. Figure 3.3 shows the various source areas.
Increased population growth in the Shoalhaven has been associated with several factors including improvements in transportation (including construction of a freeway from Waterfall to Bulli, Mt. Keira to Dapto by-pass and smaller, fuel efficient motor vehicles), increased land availability for sub-division, the land booms of 1972-73 and 1980-81, the dropping of the retirement age and the extension of services, for example water and sewerage (The Shoalhaven landuse Display Committee, 1987). However, other factors have not been documented, for example, labour displacement and rising accommodation costs in Sydney. These many push and pull factors have seen a growing population alongside a growing number of unemployed people.

Further, while increased population growth has been associated with improved services, infrastructure in the Shoalhaven is less than adequate in most areas. Physical infrastructure needs substantial upgrading. Many coastal villages are without mains sewerage. The internal transport system is not coping with the increasing population nor is its connections to external areas to an adequate standard attractive to potential employers or tourists (emphasised at a recent conference on development in the region, March, 1997). Several transport upgrades are in the pipeline but their eventuality is not assured. Social infrastructure is also a problem, for example, lack of quality education in the region, addressed below. Private infrastructure has improved in the last 20 years with regard to shopping malls etc. However, in regard to areas such as recreation and
entertainment, again several projects are in the pipeline which are needed for tourist expansion (where much emphasis is placed for economic development) but their eventuality is also not certain.

3.4 The Shoalhaven’s Workforce and Changing Economic Structure

Unlike other regions which have suffered dramatic losses in manufacturing employment, as addressed in Chapter Two, the Shoalhaven’s economy has experienced changes in several sectors since the early 1970s but none have been dramatic. Table 3.4 shows the percentage employed by industry for 1971-1991 and the percentage change over this period. The decline in agriculture and manufacturing and rise in services correlates with national trends. However, intra-industry analysis (the 12 industrial sectors, as defined by the ABS, are shown in Table 3.4) reveals metropolitan-non-metropolitan differences. The impact of these and other implications on the Shoalhaven are detailed in Chapter Five.

Together Table 3.4 and Beer and Maude’s (1995) cluster analysis (Appendix A) of functional typologies of non-capital cities illustrate the Shoalhaven's changing economic structure in a context of non-metropolitan regions. The Shoalhaven has tended to be more diversified, suffering less adverse effects than the more specialised regions. However, many high unemployment regions in Australia are also experiencing high employment growth (see Appendix C). This paradox is evident in the Shoalhaven, although not to the extent of some regions on the north coast of New South Wales.

In many non-metropolitan regions agriculture and the population related sectors (that is wholesale/retail and community services) provide the main labour demand. There are potential problems with this tendency as except for a small amount of private sector activity, much of community services are dependent upon government expenditure. Many jobs have already been lost which rely upon government funds (see, for example, Taylor, 1991) and many more losses may occur in the future.
Table 3.4: The Shoalhaven's Changing Industrial Structure, 1971-1991

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>9.9</td>
<td>7.3</td>
<td>5.8</td>
<td>6.0</td>
<td>4.1</td>
<td>1.7</td>
<td>-5.8</td>
</tr>
<tr>
<td>Mining</td>
<td>.3</td>
<td>.1</td>
<td>.2</td>
<td>.2</td>
<td>.4</td>
<td>.2</td>
<td>.1</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>15.2</td>
<td>11.1</td>
<td>11.0</td>
<td>11.3</td>
<td>10.5</td>
<td>-.5</td>
<td>-4.7</td>
</tr>
<tr>
<td>Electricity etc.</td>
<td>1.0</td>
<td>1.3</td>
<td>1.5</td>
<td>1.3</td>
<td>1.2</td>
<td>-.3</td>
<td>.2</td>
</tr>
<tr>
<td>Construction</td>
<td>10.3</td>
<td>12.9</td>
<td>11.1</td>
<td>9.9</td>
<td>9.6</td>
<td>-1.5</td>
<td>-7</td>
</tr>
<tr>
<td>Wholesale/retail</td>
<td>17.0</td>
<td>18.3</td>
<td>17.3</td>
<td>20.9</td>
<td>20.2</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Transport/storage</td>
<td>2.9</td>
<td>2.6</td>
<td>2.8</td>
<td>2.8</td>
<td>2.7</td>
<td>-.1</td>
<td>-.2</td>
</tr>
<tr>
<td>Communications</td>
<td>2.2</td>
<td>2.0</td>
<td>1.9</td>
<td>2.0</td>
<td>1.4</td>
<td>-.5</td>
<td>-.8</td>
</tr>
<tr>
<td>Finance, Prop, Bus ser</td>
<td>4.1</td>
<td>4.5</td>
<td>6.2</td>
<td>7.1</td>
<td>7.8</td>
<td>1.6</td>
<td>3.7</td>
</tr>
<tr>
<td>Public Admin, Defence</td>
<td>20.4</td>
<td>17.1</td>
<td>16.7</td>
<td>13.0</td>
<td>11.3</td>
<td>-5.4</td>
<td>-9.1</td>
</tr>
<tr>
<td>Community Services</td>
<td>6.7</td>
<td>7.8</td>
<td>11.0</td>
<td>14.6</td>
<td>15.8</td>
<td>4.8</td>
<td>9.1</td>
</tr>
<tr>
<td>Rec &amp; Persln Services</td>
<td>6.5</td>
<td>6.7</td>
<td>6.9</td>
<td>7.9</td>
<td>8.6</td>
<td>1.7</td>
<td>2.1</td>
</tr>
<tr>
<td>Other</td>
<td>3.5</td>
<td>8.3</td>
<td>7.6</td>
<td>3.0</td>
<td>6.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Workforce (%)</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Workforce (numbers)</td>
<td>10680</td>
<td>13373</td>
<td>18323</td>
<td>21432</td>
<td>26318</td>
<td>43.6</td>
<td>146.4</td>
</tr>
</tbody>
</table>


(O'Connor & Gordon, 1989). Wholesale/retail and community services together accounted for 36 per cent of the Shoalhaven's economy in 1991. The implications of this are analysed in Chapter Five.

Both Table 3.4 and the cluster analysis (Appendix A) show the predominance of public administration and defence in the region. The naval base at HMAS Albatross employs approximately 1540 of the Shoalhaven's residents. HMAS Creswell, Jervis Bay, is located in Australian Capital Territory (See Map 3.1), and is therefore not included in statistics on the region. This places even greater Defence Force presence in the area. However, the Department of Defence is not an employer for the region. Most of the employees (approximately 90 per cent) are recruited from outside the region. Approximately 948 persons are employed at the Shoalhaven Local Government Administration Centre. It is a major employer for the region.

Industrial development is also revealed through number and size of employers. The Shoalhaven's largest employers are in retail, manufacturing, public administration, defence, community services and construction. Table 3.5 shows that there are more than 3000 business establishments operating in the region with 95 per cent of non-rural
establishments employing less than 20 persons. Only 17 businesses employ more than 100 persons, 9 of which are in retail and community services.

These official figures, however, are misleading in that they only include those businesses registered as group tax employers. Those businesses without employees (for example, the self-employed and partnerships) are not included. Many builders, for example, would be excluded from those official statistics.

TABLE 3.5

<table>
<thead>
<tr>
<th>TYPE OF BUSINESS</th>
<th>N/A</th>
<th>&lt;5</th>
<th>5-9</th>
<th>10-19</th>
<th>20-49</th>
<th>50-99</th>
<th>100+</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>312</td>
<td>192</td>
<td>9</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>517</td>
</tr>
<tr>
<td>Forestry &amp; Fishing</td>
<td>-</td>
<td>38</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>49</td>
</tr>
<tr>
<td>Mining and Const</td>
<td>-</td>
<td>10</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>13</td>
</tr>
<tr>
<td>Materials</td>
<td>-</td>
<td>19</td>
<td>45</td>
<td>19</td>
<td>13</td>
<td>3</td>
<td>4</td>
<td>175</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Elect, Gas &amp; Water</td>
<td>13</td>
<td>2</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>21</td>
</tr>
<tr>
<td>Construction</td>
<td>261</td>
<td>46</td>
<td>8</td>
<td>3</td>
<td>1</td>
<td>1</td>
<td>320</td>
<td></td>
</tr>
<tr>
<td>Wholesalers</td>
<td>97</td>
<td>33</td>
<td>12</td>
<td>8</td>
<td>-</td>
<td>-</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>389</td>
<td>128</td>
<td>33</td>
<td>13</td>
<td>5</td>
<td>4</td>
<td>573</td>
<td></td>
</tr>
<tr>
<td>Transport &amp; Storage</td>
<td>81</td>
<td>18</td>
<td>10</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>110</td>
<td></td>
</tr>
<tr>
<td>Communication</td>
<td>6</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>2</td>
<td>-</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Fin, Prop &amp; Bus Ser</td>
<td>320</td>
<td>83</td>
<td>21</td>
<td>8</td>
<td>1</td>
<td>1</td>
<td>434</td>
<td></td>
</tr>
<tr>
<td>Public Admin &amp; Def</td>
<td>15</td>
<td>6</td>
<td>4</td>
<td>5</td>
<td>1</td>
<td>2</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>Community Services</td>
<td>185</td>
<td>42</td>
<td>16</td>
<td>25</td>
<td>8</td>
<td>5</td>
<td>281</td>
<td></td>
</tr>
<tr>
<td>Rec,perl serv</td>
<td>192</td>
<td>93</td>
<td>34</td>
<td>17</td>
<td>1</td>
<td>-</td>
<td>337</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>312</td>
<td>1890</td>
<td>518</td>
<td>166</td>
<td>101</td>
<td>24</td>
<td>17</td>
<td>3029</td>
</tr>
</tbody>
</table>

Source: (1) ABS Business Register 1992 (2) Shoalhaven City Council

The Shoalhaven's workforce growth between 1976 and 1991 was 96.8 per cent and between 1981 and 1991 was 43.6 per cent compared to 20.2 per cent nationally. Between 1971 and 1991 manufacturing declined by 4.7 per cent while services increased by 9.8 per cent. While workforce growth has been significant, it has not catered for the region's growing population.

As well as being segmented by industry, the workforce is also divided by occupation. Table 3.6 shows the occupations of the Shoalhaven's labour force by sex. The percentage of professionals is significantly below national average which has adverse effects on employment opportunities. Further, these statistics mask the fact that most of the professional occupations are population-service related (e.g., teaching etc.), unlike a metropolitan region where many are related to high-order functions such as in the
financial sector. The percentage of professionals is also deceptive in regard to employment opportunities in that the two largest employers recruit most of their staff from outside the region. Approximately 20 per cent of the Department of Defence’s workforce (which represents about six per cent of the area’s total workforce) is professional. As noted, these jobs are recruited from outside the area (interview, December, 1996). The Department of Defence at HMAS Albatross (see Map 3.1) represents an enclave in this respect. The Department of Education which also represents about six per cent of the workforce, recruits more than 95 per cent of its teaching staff (approximately 75 per cent of its total school workforce) from outside the region. (Interview, December, 1996). Tradespersons and Sales/Personal Services represent 17.6 per cent and 15.2 per cent respectively, being above the state averages. These figures reflect the high growth and service/amenity aspects of the region.

<table>
<thead>
<tr>
<th>TABLE 3.6</th>
<th>Relative Distribution of Occupations - Shoalhaven, 1991</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupation</td>
<td>Males (%)</td>
</tr>
<tr>
<td>Managers and Administrators</td>
<td>14.0</td>
</tr>
<tr>
<td>Professionals</td>
<td>9.0</td>
</tr>
<tr>
<td>Para-Professionals</td>
<td>7.2</td>
</tr>
<tr>
<td>Tradespersons</td>
<td>26.6</td>
</tr>
<tr>
<td>Clerks</td>
<td>4.0</td>
</tr>
<tr>
<td>Sales &amp; Personal Service Workers</td>
<td>8.6</td>
</tr>
<tr>
<td>Plant/Machinery Operators/Drivers</td>
<td>11.0</td>
</tr>
<tr>
<td>Labourers</td>
<td>13.8</td>
</tr>
</tbody>
</table>

Source: ABS Census, 1991

Related to occupation is income. Table 3.7 shows the proportions of various annual household incomes for the region as a whole, the five PDs and New South Wales. Income levels are significantly lower in the Shoalhaven region compared to New South Wales. In 1991 48.6 per cent of households had incomes less than $25,000 compared to 34.6 per cent for New South Wales. The average household income for the region is $26,800 per annum compared to $38,600 for New South Wales (ABS Census, 1991).

The strong presence of retired people and unemployed reflect these percentages to a degree. Of the region’s population, 52 per cent is dependent upon social security of some kind (DSS, February, 1997). However, the occupational and industrial structure and related variables (for example, lack of educational opportunities) are also related.
TABLE 3.7
Annual Household Income for the Shoalhaven, 1991 (% of Household)

<table>
<thead>
<tr>
<th>INCOME LEVEL</th>
<th>AREA 1</th>
<th>AREA 2</th>
<th>AREA 3</th>
<th>AREA 4</th>
<th>AREA 5</th>
<th>SHLHVN NSW</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Nowra PD</td>
<td>Culburra PD</td>
<td>SP PD</td>
<td>Sussex PD</td>
<td>Ulladulla PD</td>
<td></td>
</tr>
<tr>
<td>0-$12,000</td>
<td>14.7</td>
<td>13.5</td>
<td>17.6</td>
<td>22.1</td>
<td>15.9</td>
<td>16.2 12.8</td>
</tr>
<tr>
<td>$12,001-$25,000</td>
<td>26.9</td>
<td>40.6</td>
<td>36.0</td>
<td>39.0</td>
<td>38.0</td>
<td>32.4 21.6</td>
</tr>
<tr>
<td>$25,001-$35,000</td>
<td>13.2</td>
<td>11.6</td>
<td>12.7</td>
<td>13.5</td>
<td>14.1</td>
<td>13.1 12.0</td>
</tr>
<tr>
<td>$35,001-$50,000</td>
<td>5.3</td>
<td>10.9</td>
<td>10.7</td>
<td>7.4</td>
<td>11.3</td>
<td>12.8 15.3</td>
</tr>
<tr>
<td>$50,001-$80,000</td>
<td>10.4</td>
<td>6.6</td>
<td>6.1</td>
<td>3.0</td>
<td>5.5</td>
<td>7.8 14.5</td>
</tr>
<tr>
<td>$80,001+</td>
<td>2.3</td>
<td>0.8</td>
<td>1.1</td>
<td>1.4</td>
<td>1.2</td>
<td>1.7  6.7</td>
</tr>
<tr>
<td>Not/Partially Stated</td>
<td>17.1</td>
<td>16.0</td>
<td>15.9</td>
<td>13.7</td>
<td>14.2</td>
<td>15.9 17.0</td>
</tr>
</tbody>
</table>

Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 100.0 |
Average ($,000's) | 30.1 | 23.2 | 24.3 | 22.0 | 24.5 | 28.8 38.6 |

Source: ABS Census, 1991

3.5 Education in the Shoalhaven

Educational opportunities are very limited in the region which, as noted above, may be reflected in the less than average number of young adults in the region. Young people have to leave the area to obtain most tertiary qualifications. There are two TAFE colleges in the region, one at Nowra and one at Milton. However, the range of courses is limited, many young adults having to travel to Wollongong or leave the region to undertake their chosen course. A University of Wollongong campus was established at Berry recently, however, again it is very limited in its range of courses. A university is being developed in Nowra which is planned to open in 2000. No private secondary education to year 12 level existed until 1990. These factors disadvantage those living in

TABLE 3.8
Qualification (highest) – The Shoalhaven, 1991

<table>
<thead>
<tr>
<th>QUALIFICATION</th>
<th>MALE</th>
<th>FEMALE</th>
<th>TOTAL</th>
<th>%</th>
<th>NSW %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher Degree</td>
<td>152</td>
<td>66</td>
<td>218</td>
<td>.4</td>
<td>1.1</td>
</tr>
<tr>
<td>Post Graduate Diploma</td>
<td>179</td>
<td>283</td>
<td>462</td>
<td>.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Bachelor Degree</td>
<td>868</td>
<td>688</td>
<td>1555</td>
<td>3.0</td>
<td>5.8</td>
</tr>
<tr>
<td>Undergraduate Diploma</td>
<td>416</td>
<td>1307</td>
<td>1723</td>
<td>3.3</td>
<td>3.7</td>
</tr>
<tr>
<td>Associate Diploma</td>
<td>294</td>
<td>250</td>
<td>544</td>
<td>1.0</td>
<td>1.5</td>
</tr>
<tr>
<td>Skilled Vocational</td>
<td>6539</td>
<td>642</td>
<td>7181</td>
<td>13.8</td>
<td>10.6</td>
</tr>
<tr>
<td>Basic Vocational</td>
<td>609</td>
<td>1331</td>
<td>1940</td>
<td>3.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Inadequate Description</td>
<td>327</td>
<td>241</td>
<td>568</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Sub Total (Qualified)</td>
<td>9382</td>
<td>4809</td>
<td>14191</td>
<td>27.2</td>
<td>28.7</td>
</tr>
<tr>
<td>Not Qualified</td>
<td>13280</td>
<td>17676</td>
<td>30956</td>
<td>59.3</td>
<td>58.8</td>
</tr>
<tr>
<td>Not Stated</td>
<td>2962</td>
<td>4063</td>
<td>7035</td>
<td>13.5</td>
<td>12.4</td>
</tr>
<tr>
<td>TOTAL</td>
<td>25534</td>
<td>26548</td>
<td>52182</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: ABS Census, 1991

the region as a whole and also inhibit employers or potential entrepreneurs from moving to the region, whose families often prefer the better quality education offered in
metropolitan areas. Table 3.8 shows the highest qualifications of persons in the region. The proportion of people over 15 years with a tertiary qualification of some description (27.2 per cent) was less than for the State (28.7 per cent) (ABS Census, 1991).

3.6 Unemployment: the Long-term and Hidden Unemployed in the Shoalhaven

As noted in Chapter One, unemployment was not a problem until the 1970s when national and regional rates began to rise. They have persistently stayed high since the 1970s 'slump'. Figure 3.4 shows the rising unemployment rates for the Shoalhaven from 1971 to 1996. The present unemployment rate for the Shoalhaven region is approximately 22 per cent which is based on those registered with the CES as unemployed (CES, Nowra, December 1996). Those registered with the CES as unemployed in December, 1996 was 6,990 (ibid). The size of the Shoalhaven's workforce was approximately 31,206 in December 1996 (Industrial Officer, City Council). The unemployment rate of 22.4 per cent is conservative, given that it does not include people seeking work or wanting to work but not registered with the CES. Examples include married women, early retirees, sole mothers and simply those not wishing to search for work through the CES. The proportion of unemployed which is long-term is estimated at 48 per cent (CES, Nowra, March, 1997).
Table 3.9 shows the unemployment rate by age for 1991 in the Shoalhaven. These figures reveal the high youth unemployment in the region: 26.4 per cent for 15-19 year olds in 1991 compared to 21.8 per cent for New South Wales. Youth unemployment is even higher, however, in the coastal villages as shown below in Table 3.10. Participation rates for females express to an extent, the degree of hidden unemployment among women. They were 60.5 per cent for men and 39.5 per cent for women. Female participation was slightly lower than for New South Wales which was 41.9 per cent in 1991. This lower rate is typical of a non-metropolitan region.

A Marxist analysis of national/international forces impacting on regional unemployment rates (Chapter Four) attempts to partially explain the rising unemployment rates in the Shoalhaven. However, it is at the local level that geographical concentration of unemployment within the region is revealed. The following section highlights the extent of geographical concentration of unemployment within the region.

### Table 3.9

<table>
<thead>
<tr>
<th>AGE</th>
<th>SHOALHAVEN</th>
<th>NEW SOUTH WALES</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-19</td>
<td>26.4</td>
<td>21.8</td>
</tr>
<tr>
<td>20-24</td>
<td>23.5</td>
<td>16.2</td>
</tr>
<tr>
<td>25-34</td>
<td>17.7</td>
<td>11.4</td>
</tr>
<tr>
<td>35-44</td>
<td>11.3</td>
<td>8.4</td>
</tr>
<tr>
<td>45-54</td>
<td>11.3</td>
<td>7.4</td>
</tr>
<tr>
<td>55-64</td>
<td>23.4</td>
<td>10.6</td>
</tr>
<tr>
<td>65+</td>
<td>11.1</td>
<td>7.1</td>
</tr>
<tr>
<td>Total</td>
<td>16.5</td>
<td>11.2</td>
</tr>
</tbody>
</table>

Source, ABS Census, 1991

3.6.1 Geographical Clustering of Long-Term Unemployment in the Shoalhaven

LTU fluctuates between 47 and 52 per cent of total unemployment in the region (CES, Nowra, August 1996). This is significantly high compared to the national average which was 31 per cent of total unemployment in 1995 (Norris and Wooden, 1996). Higher proportions of LTU are estimated in the two study areas (CES, Nowra, August, 1996).

Table 3.10 shows the breakdown of unemployment rates by age for the five PDs within the region. It highlights the significant variation in unemployment within the region.
One of the two study areas, Sanctuary Point, is within PD 3 which has the highest rate of unemployment, almost double that of the urban centre of Nowra-Bomaderry (PD 1).

**TABLE 3.10**

<table>
<thead>
<tr>
<th>AGE</th>
<th>AREA 1</th>
<th>AREA 2</th>
<th>AREA 3</th>
<th>AREA 4</th>
<th>AREA 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nowra PD</td>
<td>Culburra PD</td>
<td>SP PD</td>
<td>Sussex PD</td>
<td>Ulladulla PD</td>
<td></td>
</tr>
<tr>
<td>15-19</td>
<td>22.0</td>
<td>29.5</td>
<td>35.6</td>
<td>27.8</td>
<td>34.8</td>
</tr>
<tr>
<td>20-24</td>
<td>19.2</td>
<td>36.4</td>
<td>28.1</td>
<td>24.0</td>
<td>29.8</td>
</tr>
<tr>
<td>25-34</td>
<td>13.6</td>
<td>22.9</td>
<td>24.0</td>
<td>24.1</td>
<td>21.7</td>
</tr>
<tr>
<td>35-44</td>
<td>9.4</td>
<td>14.9</td>
<td>16.1</td>
<td>17.6</td>
<td>10.8</td>
</tr>
<tr>
<td>45-54</td>
<td>8.3</td>
<td>16.1</td>
<td>17.4</td>
<td>12.0</td>
<td>14.0</td>
</tr>
<tr>
<td>55-64</td>
<td>14.0</td>
<td>33.1</td>
<td>39.6</td>
<td>26.1</td>
<td>23.4</td>
</tr>
<tr>
<td>65+</td>
<td>5.9</td>
<td>11.1</td>
<td>18.2</td>
<td>33.3</td>
<td>18.8</td>
</tr>
<tr>
<td>Total (average)</td>
<td>12.9</td>
<td>22.4</td>
<td>23.3</td>
<td>21.4</td>
<td>19.1</td>
</tr>
</tbody>
</table>

Source: ABS Census, 1991

Sanctuary Point is situated on St Georges Basin on the coast of the region (see Map 3.1). It is approximately 27 kilometres from the nodal town of Nowra-Bomaderry. The population of Sanctuary Point and adjoining urban areas (PDs 3 and 4) was estimated at approximately 18,000 in 1996. Population growth rate was around eight per cent during the 1980s and dropped to around six per cent after the 1991 recession (Shoalhaven City Council, 1996). Population growth in PDs 2 and 4 has significantly declined, however, Sanctuary Point PD continues to experience high growth rates (ibid). While the population of this area is at a level considered to be a well-established regional city (of 10,000 people or more), there is essentially no industry (three industrial estates have been established for 10 years or more but two remain with negligible or no industry) and minimal services. The significantly high unemployment rate of 23.3 per cent and extremely high youth unemployment rate of 35.6 per cent in 1991 in part reflect this very poor infrastructure; they also form prerequisites for an emerging social underclass.

Official statistics on the village of Sanctuary Point were obtained by merging 12 collector-districts (CDs) statistics from the 1991 Housing and Population Census. The population of the village of Sanctuary Point was 3839 persons in 1991 which is similar to that of the other study area, East Nowra. The unemployment rate was 32.0 per cent (ABS Census, 1991) in 1991 which was dramatically higher than both the average for the region and New South Wales. Variables such as transport provision, housing,
recruitment practices etc. highlight the extent of barriers to employment and training which are present in the area. These are detailed in Chapters Five and Six.

Map 3.1 shows the position of East Nowra, within the township of Nowra. Unlike Sanctuary Point and adjoining urban areas (PD 3), the unemployment rate for the Nowra-Bomaderry area (PD 1) is the lowest of the five PDs—see Table 3.10 (Shoalhaven City Council, 1995). This area also has many more services, facilities and job opportunities and a much larger surrounding population of 34,354 persons in 1991 (ibid). However, social disadvantage is a predominant problem in East Nowra, which consists of five CDs. The population of this study area was 3483 persons in 1991 (ABS Census, 1991). As mentioned in Chapter One, the present research proposes that significant hidden unemployment exists in East Nowra where both sole parent families and housing commission estates predominate. The proportion of indigenous Australians is also significant (7.9 per cent compared to 2.2 for the region and 1.2 for New South Wales (ibid)). The percentage of sole parent families to the total population of the area was 26.0 per cent compared to 11.6 for the region and 13.1 for New South Wales. This proportion may have risen considerably, given the significant rise in sole parent families in the region—from 973 in July, 1993 to 2054 in June, 1996 (DSS, February, 1997). The official unemployment rate is also very high, being 24.3 per cent in 1991 (ibid). While this is not as high as Sanctuary Point, it is proposed that significant hidden unemployment raises its unemployment rate to one similar to the coastal study area.

There is a low level of public housing in the Shoalhaven as a whole, with 4.4 per cent of dwellings being public compared to 5.7 per cent for New South Wales. However, 45.0 per cent of East Nowra is housing commission (ABS Census, 1991).

Sanctuary Point and East Nowra are areas whose images have been stigmatised as ‘bad’ areas. The socio-spatial segmentation of the Shoalhaven has not occurred primarily through the movement and attributes of the people living in the region. The processes sanctioned by the decision makers—the state and capital at both the national and local
levels – are at the root source of this segmentation. These issues are detailed in subsequent chapters.

3.7 Conclusion: the Shoalhaven, a High Growth/High Unemployment Region

The above description of the Shoalhaven has covered its total environment - its natural, built, socio-economic, political and spatial environments. All these factors must be explored in order to gain an adequate understanding of the problem of unemployment and its spatial distribution.

The Shoalhaven is a large region, both in size and population. It has a fast-growing population but with a significant and growing proportion being ‘unproductive’. Its location and natural resources have both positive and negative effects on employment growth for the region. They are attractive for tourism growth, however, manufacturing and quaternary industry have not made significant inroads into the region.

Lack of educational facilities and work opportunities is related to a less than average proportion of young adults who tend to leave the area for better quality education and work opportunities. These trends have adverse effects on the productive proportion of the population, for example, skills and qualifications are lower than average.

While retail, community services and public administration/defence dominate the industrial structure of the region, great hope is placed on tourism as a future employer. Emphasis is also placed upon growth of the manufacturing sector. However, it is held that, among other factors, much upgrading of physical and private infrastructure is needed for this to be possible. The following chapter addresses external forces affecting widening inter- and intra-regional disparities in unemployment in the Shoalhaven.

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CHAPTER FOUR

POLITICAL-ECONOMIC FORCES, UNEVEN REGIONAL DEVELOPMENT AND THE SHOALHAVEN REGION

4.0 Introduction

This chapter essentially analyses the national and international forces which have unevenly affected unemployment at the regional or local level with a focus on the Shoalhaven region. As noted in Chapter One, the aim of this chapter is to explain the impact of structural-spatial restructuring in Australia on spatial disparity in unemployment in relation to the Shoalhaven region.

The essence of this chapter is derived from Stilwell's (1991) model on spatial-structural restructuring in Australia introduced in section 2.2.3 and illustrated in Figure 2.2. The political-economic conditions in both the temporal account (also introduced in section 2.2.3) and contemporary analysis of structural-spatial restructuring are documented in much literature. However, few authors have organised and connected these conditions to the accumulation of capital as has Stilwell, whose framework is partially derived the work of David Harvey (for example, 1976 and 1978). This does not overlook the fact that structuralist approaches for understanding the changing geography of the spatial division of labour and the relationships between capital, labour and the state are well established within industrial geography in Australia (for example, Wilde and Fagan, 1989, Fagan and Webber, 1994).

The unemployment rate is a primary variable for indicating regional economic inequality or uneven regional development. Accordingly, Stilwell's model of uneven regional development highlights the uneven impact of national and international forces on regional employment and unemployment while exposing the root causes. At the local level, however, individual regional problems and variables interact with these external forces, necessitating an individual explanation. The regional comparative analysis presented below highlights this need.
The traditional regional labour market assumption is 'that high regional population growth leads to a buoyant labour market' (Watson and Murphy, 1993:106) which assumes a low unemployment rate. The analysis below rebukes this traditional view, denoting that a paradox exists in several regions, including the Shoalhaven, where high employment growth coincides with high unemployment. This anomaly along with other factors make an analysis of uneven regional development a complex one where individual explanations need to supplement 'top-down' approaches.

Section 4.1 outlines the pattern of uneven development in Australia and places the Shoalhaven in this context. Section 4.2 analyses the national trends underlying this pattern with a focus on the Shoalhaven region. It outlines the key historical political-economic conditions relating to widening spatial disparity in unemployment and applies the Marxian analysis of structural-spatial restructuring to Australia. It addresses the notion of uneven regional development and rebukes predominant core-periphery and associated theories detailed in Chapter Two. Section 4.3 concludes on the implications of uneven regional development in Australia and its impact on the Shoalhaven region. It denotes the Shoalhaven's resilience and vulnerability to national and international forces.

4.1 The Pattern of Uneven Development in Australia

Map 4.1 (regional variation in unemployment, Kelty et al, 1993) illustrates the extent of uneven development in Australia in terms of unemployment. The regions are separated by natural labour market (NLM) boundaries specified by the Taskforce on Regional Development (1993). These NLMs are similar to the designated regional labour markets in Map 3.4. Wingecarribee and Kiama SLAs, together with the Shoalhaven LGA, form a NLM. The map shows significant variation in unemployment, some areas suffering very high levels of unemployment, for example, the western suburbs of Sydney and Melbourne and coastal amenity regions, while others experience low levels, for example, parts of Brisbane, Canberra and Sydney. The Taskforce on Regional Development (1993:31) highlights the dramatic variation, giving examples of areas with an unemployment rate (1993) well above the state average. These include: New South
MAP 4.1
Regional Variation in Unemployment, Australia

Source: Taskforce on Regional Development, 1993: 88-89
Wales – Walgett (25.2 per cent), Coffs Harbour (19.4 per cent), Byron (21.2), Newcastle and the Shoalhaven (both 15 per cent); Victoria- Maryborough (22.4 per cent) and Mildura (18.9 per cent); Queensland – Bundaberg (17.1 per cent) and Maryborough (16.0 per cent); South Australia – Coober Pedy (19.0 per cent); and Western Australia – Broome (12.6 per cent) and Geraldton (12.5 per cent). Some of these areas have suffered directly from structural-spatial restructuring, for example, Mildura and Newcastle while others, it is argued, have suffered indirectly, for example, Coffs Harbour, Byron and the Shoalhaven region. This proposal is detailed below.

It is beyond the scope of this thesis to undertake an extensive analysis of regional variation in unemployment throughout Australia. However, analysis has been undertaken for selected regions (at LGA level) based on the regional typology – Table 4.1 - derived from the four typologies in Appendix A, introduced in Chapter One.

### TABLE 4.1
Typology of Regions: Australia

<table>
<thead>
<tr>
<th>Region Type</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Region (Ag)</td>
<td>Those with a relatively high percentage of employed in agriculture, forestry and fishing.</td>
</tr>
<tr>
<td>Agricultural/Manufacturing Region (Ag/Mn)</td>
<td>Mixed regions where both agriculture and manufacturing are important</td>
</tr>
<tr>
<td>Remote Resource Region (R Res)</td>
<td>Where at least 10 per cent of employment is in mining or electricity, water and water</td>
</tr>
<tr>
<td>Restructuring Basic Manufacturing (Rt Mn) Region</td>
<td>Where manufacturing in basic products such as iron and steel dominates</td>
</tr>
<tr>
<td>Manufacturing Region (Mn)</td>
<td>Where manufacturing is the predominant employer</td>
</tr>
<tr>
<td>High Growth Coastal Region (HG Ctl)</td>
<td>Where the population is growing rapidly, related to environmental amenity etc.</td>
</tr>
<tr>
<td>Low Growth Coastal Region (LG Ctl)</td>
<td>Where population growth is static or in decline, related to location and/or other factors</td>
</tr>
<tr>
<td>Capital City (CC)</td>
<td>These regions enjoy metropolitan primacy and provide diverse employment opportunities</td>
</tr>
</tbody>
</table>


Descriptions of these regional types are detailed in Appendix A.

To better understand and explain the Shoalhaven's high unemployment levels relative to the other regions, labour force statistics were obtained for several regions. Statistics on population growth, workforce growth, industrial structure, percentage change in selected industry sectors between 1981 and 1991 and unemployment rates from 1976 to 1991
from the ABS housing and population censuses were collected for the following regions (see Table 4.1 for regional type): Moree, NSW, Shepparton, Victoria, Greater Lithgow, NSW, Gladstone, Maryborough and Rockhampton, Queensland and Coffs Harbour, Greater Taree and the Shoalhaven. Statistics were gathered for every regional type except for a restructuring basic manufacturing region and a capital city. The former has been referenced many times (for example, Newcastle and Wollongong) in relation to high unemployment and the explicit reasons for this phenomenon. The latter has such a wide variation in unemployment rates internally that averages are inadequate. However, it is acknowledged that metropolitan regions offer broader, more concentrated work opportunities and encompass lower average unemployment rates than non-metropolitan regions. Case studies on some regional cities within these regions by Beer et al (1994) provide insight into hidden problems not revealed by official statistics.

Table 4.2 shows selected statistics for each region and Figure 4.1 provides their industrial structures for 1991. These statistics verify the high employment growth/high unemployment anomaly for the high growth coastal regions, which have significantly higher unemployment rates than the other regional types, with the exception of Shepparton. Initially it was assumed that an inter-regional comparison based on regional types would reveal particular characteristics which make regions vulnerable to unemployment. However, what has been revealed is that individual investigation at the local level, acquiring local knowledge and insight into experiences, is essential for an adequate explanation of socio-economic problems, such as high unemployment.

<table>
<thead>
<tr>
<th>TABLE 4.2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional Comparison – Selected Statistics</td>
</tr>
<tr>
<td>Unemployment Rate (%)</td>
</tr>
<tr>
<td>Moree (Ag)</td>
</tr>
<tr>
<td>Shepparton (Ag/Mn)</td>
</tr>
<tr>
<td>Lithgow (R Res)</td>
</tr>
<tr>
<td>Gladstone (Mn)</td>
</tr>
<tr>
<td>Maryborough (LG Ctl)</td>
</tr>
<tr>
<td>Rockhampton</td>
</tr>
<tr>
<td>Coffs Harbour (HG Ctl)</td>
</tr>
<tr>
<td>Taree</td>
</tr>
<tr>
<td>Shoalhaven</td>
</tr>
</tbody>
</table>

Source: ABS Census 1976-91
FIGURE 4.1
Industry by Sector (percentage) for Selected Regions (1991)

Moree

Gladstone

Lithgow

Shoalhaven

Shepparton

Taree

Maryborough

Coffs Harbour

Rockhampton

Source: ABS Census, 1991
Unlike the Shoalhaven, which does not specialise in any industry, Moree Plains (an agricultural region) is essentially a 'one industry region' based on cotton (see Figure 4.1). Its high unemployment rate, however, is not only due to the vulnerability of agriculture to declining terms of trade but also 16 per cent (this is the official statistic, however, locals estimate around 27 per cent) of the population is indigenous of which around 85 per cent are unemployed. Further, skill levels of the population are seen to be a major problem (Beer et al, 1994).

The Shepparton region (agricultural/manufacturing mix) has a similar industry mix to the Shoalhaven apart from its small public administration/defence sector. However, its manufacturing sector is almost totally linked to local primary industries making it vulnerable to shifts in the world markets of agricultural commodities. Again several factors are associated with its high unemployment level, including a working population with well below average qualification levels and a much larger than average casual/part-time workforce. Unlike similar regions, it was bypassed by public sector employment including tertiary education and commonwealth and state government employment (ibid). These factors, as well as industrial structure, have proven important in an investigation.

Unlike the Shoalhaven, Lithgow region (a remote resource region) experienced employment contraction between 1981-91. It is a very vulnerable region, possibly in decline (with a stagnating population level) where retail/trade and community services are very weak (see Figure 4.1). Its relatively lower unemployment rate of 10.8 is indicative of emigration, most probably to Sydney (ibid). Again investigation at the local level reveals important hidden problems.

Gladstone, a manufacturing region, had a below average (an average of 13.0 per cent for non-metropolitan regions in 1991) unemployment rate in 1991, however, this is masked by a considerably lower female participation rate for women aged 20-54 years (58.9 per cent compared to the national rate of 67.6).
Rockhampton (a low growth coastal region) has a similar industry mix to the Shoalhaven (see Figure 4.1) and is also situated on the coast. However, unlike the Shoalhaven, it has experienced below average unemployment rates (see Table 4.2). This may be related to its slow population growth and its greater distance from metropolitan regions than the high growth/high unemployment coastal regions. It has not suffered significant retrenchments/labour shedding but has experienced slow workforce growth (see Table 4.2). An interview with the region’s Chamber of Commerce revealed that while the area suffered significantly in the retail sector from a decline in the beef industry during the late 1980s/early 1990s, the establishment of Central Queensland University in 1992, which is the fastest growing university nationally, compensated for this decline. It is held that without the university the region would be suffering to a much greater degree. However, it was further relayed that while neighbouring regions, Mackay and Gladstone, have experienced substantial investment growth, Rockhampton has experienced little. This is held to be due to lack of strategic planning, initiative and cooperation at the local level. While Rockhampton is considered a coastal region, Livingston Shire (or the Capricorn Coast) is actually east of Rockhampton and experiences much higher unemployment, workforce and population growth. Tourism related industries (retail and recreation/personal services) and construction, where part-time work dominates, are the fastest growing (interview, July, 1997).

Maryborough, another slow growth coastal region, had a significantly higher unemployment rate than Rockhampton in 1991 (see Table 4.1). An interview with the region’s employment/industrial officer revealed that losses of three major employers – logging and sand mining on Fraser Island and ship building – are related to this high rate (see Table 4.2). Both conservation issues and a decline in demand for naval/military type vessels underlay this job loss. Also related is significant recruitment from outside the region, particularly for trades positions for its large manufacturing sector (see Figure 4.1 – 16.6 per cent). The neighbouring region of Hervey Bay experiences three times the unemployment rate and a much higher population growth rate, being a high growth coastal region (interview, July, 1997).
Coffs Harbour and Taree are high growth coastal amenity regions as is the Shoalhaven. Coffs Harbour has a similar population growth rate to the Shoalhaven but a higher workforce growth rate (see Table 4.1). While it has experienced a very fast growing workforce, its unemployment rate was the highest of all the selected regions in 1991. This is primarily attributed to its high in-migration (interview, July, 1996). However, it is argued here that its significantly large recreational, personal services sector and relatively small manufacturing sector (12 per cent and 8.8 per cent respectively—see Figure 4.1) are indicative of a growing part-time/casual workforce and contracting full-time workforce. Its relatively large agricultural sector is not an employment generator comprising mainly family businesses (ibid). While Taree, which has also experienced very high unemployment, has a relatively large manufacturing sector at 14.2 per cent in 1991 (see Figure 4.1), an interview with the region’s strategic planner revealed that contract work predominates in this sector resulting in insecure, short-term work (July, 1997). Analysis on the Shoalhaven is detailed below in this and subsequent chapters. However, what is clear is that indepth investigation is needed to explain high unemployment in regions, and specifically, high growth/high unemployment anomalies which contradict the traditional regional labour market assumption of high population growth leading to a buoyant labour market and low unemployment rates.

This simple regional comparison based on regional types provides a basis to begin an indepth investigation. However, on its own it is inadequate. Similarly, the inadequacy of shift-share analysis and regression analysis for understanding regional disparity in unemployment is asserted. Studies undertaken by Beer et al (1994) and Karmel et al (1993) verify this view.

Beer et al (1994) undertook a shift-share analysis of Australia’s non-capital cities (including Nowra-Bomaderry, - see Map 3.1). Shift-share analysis essentially relates differences in a region’s growth performance to differences in its employment and/or industrial structures (BIE, 1994). It attempts to relate decline or growth in a region to
Uneven Regional Development

national decline or growth by referring to the structure of the region's economy. The authors concluded that:

While employment growth in non-capital cities as a whole over the period 1976-91 reflected national employment trends in each industry group, the individual experience of the majority of cities cannot be explained by the extent to which their economies were based on nationally fast growing or declining industries.

A lagging region with mainly senescent industries that are nationally in decline should suffer similar rates of decline to the national rate of contraction in those industries. However, in reality much growth and decline cannot be accounted for by this procedure, as a certain branch of industry has a tendency to perform differently in different regions (Jones, 1989). As Massey (1984) asserts, geography does matter.

Mining (a nationally growing industry) and manufacturing (a nationally declining industry) in Australia have both been the reason for growth in some regions and decline in others. The stagnation or decline of employment in many non-capital cities was due to their relatively slow rates of growth in a number of nationally fast growing service industries. Employment growth in retirement related and tourist industries in other non-capital cities was much higher than the national rates of growth in these industries (Beer et al, 1994). While employment growth in many regions was significantly different to national trends, the Shoalhaven's (or Nowra-Bomaderry) trends essentially correlated.

Shift-share analysis neither explains the sources of differential regional economic performance nor decline or growth in certain industries for particular regions. A structuralist account is needed at the outset, supplemented by individual regional analysis.

Similarly, Karmel et al (1993) undertook a regression analysis and posed the question 'are regional disparities in unemployment rates due more to population or locality characteristics'. From the correlation and analysis of statistics they concluded that population characteristics were predominantly the cause of regional disparities in unemployment rates, followed by locality characteristics. Regional disparities were not seen as a result of 'the uneven impacts across regions of the business cycle and structural
changes’ (:61). Persistence in regional disparities in unemployment were seen to be generated by longer-term factors relating to the characteristics of the residents and the structure of the regional economies (the latter a locality characteristic). Again, simply analysing statistics, which mask both hidden regional problems and the source of the problems, is insufficient for gaining an adequate explanation for regional disparity in unemployment rates. The source of the problem needs to be identified and investigated, and supplemented with fieldwork in each individual region. Accordingly, the application of Stilwell’s model of structural-spatial restructuring is presented below.

4.2 The Dynamics of Uneven Development: National Trends
The preceding section gave a descriptive account of uneven development and regional variation in unemployment with a comparative focus on the Shoalhaven region. It highlighted the need to go further than analysis of official statistics. This section attempts to achieve this by explaining uneven development and placing the Shoalhaven in this context via a structuralist perspective. Section 4.2.1 presents a brief temporal account of the changing national political-economic conditions underlying the rise in unemployment in Australia (and the Shoalhaven). Section 4.2.2 presents the application of Stilwell’s Marxian model of structural-spatial restructuring.

4.2.1 Boom and Slump and the Shoalhaven
The post World War II boom (the late 1940s to the late 1960s) in Australia was marked by unemployment rates rarely exceeding two per cent, a very high (historically) rate of real GDP growth justifying rising real wage growth and rising living standards (Burgess 1994). In 1971 the unemployment rate for the Shoalhaven region was 1.8 per cent. By 1981 it had reached 10.9 per cent. The underlying factors integral to the boom period and 1970s slump are well documented (see, for example, Fagan, 1987, Burgess, 1994, Langmore and Quiggin, 1993, Stilwell, 1993a, Rich and Linge, 1991) and accordingly, only a brief outline of these is presented below. The key features of these periods are summarised in Tables 4.3 and 4.4.
The post World War Two boom period was a time of full employment, high population growth and rising standards of living for most Australians. Approximately 70 per cent of jobs created (228 000) in manufacturing between 1947 and 1961 were filled by European migrants. Australia’s population grew from 6 600 000 to 13 900 000 between 1947 and 1976 of which around 60 per cent was contributed to by the immigration programme (Fagan, 1987). Post-war reconstruction, particularly in manufacturing, building and transport, was fuelled by cheap oil from (then) poorer nations (Stilwell, 1993a).

Employers were compensated for upholding a minimum wage with protection afforded by tariffs from ‘cheap’ labour based imports. A minimum wage meant that competitive advantage was not possible through wage cutting (Burgess, 1994).

Rather than unemployment and productivity perceived as the main labour market problems of this period, skilled labour shortage and industrial disputation were the dominant problems (ibid). Unemployment levels in the Shoalhaven, as elsewhere averaged below two per cent.

**TABLE 4.3**

The Age of Growth: 50s and 60s Boom

<table>
<thead>
<tr>
<th>Characteristic</th>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Immigration Programme</td>
<td>Allowed expansion of large cities and labour force (esp. manufacturing) Contributed to needed market for import-replacement strategy</td>
</tr>
<tr>
<td>Protection of industry</td>
<td>Extensive import replacement (firstly based on quantitative import restrictions and later on tariff protection for many goods)</td>
</tr>
<tr>
<td>Centralised and national wage Determination</td>
<td>Allowed a minimum wage, employers compensated with protection, eg, tariffs</td>
</tr>
<tr>
<td>Direct foreign investment</td>
<td>allowed development of mining and manufacturing; TNCs provided substantial capital inflow, new branch plant establishments and expansion of local subsidiaries</td>
</tr>
<tr>
<td>International post-war reconstruction</td>
<td>Productive catch-up, particularly in manufacturing and building; Australian consumption per capita doubled from 1940-70</td>
</tr>
<tr>
<td>Stable economic and political conditions</td>
<td>Bretton Woods agreement allowed predictability in the settlement of payments for international trade; cold-war saw a stable division between capitalist and ‘communist’ nations</td>
</tr>
</tbody>
</table>

Source: Burgess, 1994, Langmore & Quiggin, 1994; Fagan, 1987; Stilwell, 1993
The 1970s saw the emergence of widening regional disparity in unemployment rates.

**TABLE 4.4**
**The Age of Uncertainty: 1970's Slump**

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Key Features</th>
</tr>
</thead>
<tbody>
<tr>
<td>Breakdown of Keynesianism</td>
<td>Instigated by, among other factors (including those listed below), the instability of the inflation/unemployment relationship</td>
</tr>
<tr>
<td>Oil crisis</td>
<td>Four-fold increase in oil prices during 1973-74 saw rising inflation and recession</td>
</tr>
<tr>
<td>Over-production</td>
<td>World overproduction of several manufactured goods (ships, steel, clothing, motor vehicles) related to industrialisation of Japan, renewed industrial activity in Western Europe and switch from import-substitution to export led industrialisation in several developing nations; declining profitability and increased competition resulted</td>
</tr>
<tr>
<td>Collapse of Bretton Woods Agreement</td>
<td>The contrast of chronic balance of payment deficits in the US and chronic balance of payments surpluses in nations such as Japan and Germany (and the latter's consequent currency devaluation) is associated with the US decision to no longer buy and sell gold</td>
</tr>
<tr>
<td>Emerging uncontrolled international</td>
<td></td>
</tr>
<tr>
<td>Financial system</td>
<td>This undermined the ability of the Australian government to manage its economy</td>
</tr>
<tr>
<td>End of international political stability</td>
<td>Pre-empted by the US defeat in Vietnam; with the end of the cold war there was 'nothing to unite against' (Wheelwright, 1991:98)</td>
</tr>
</tbody>
</table>


The 1970s slump is noted for the breakdown of Keynesian economic management, associated with the four-fold increase in oil prices during 1973-4 followed by double digit rates of inflation and high unemployment (stagflation) in Australia and most OECD nations. As Rich and Linge (1991) denote:

... misled by their experience of a quarter of a century of sustained economic expansion, during which growth had become more an expectation than a hope in the industrialised nations, many business managers, trade unionists and politicians, not to mention academic observers, failed to recognise the profound significance of the events that were unfolding. This was despite the fact that the emerging situation was not unusual in an historical sense: the capitalist system has been subject to recurring crises during which national economies have experienced profound stress and intense restructuring (1)

They hold that the oil crisis was just one factor of contingent events and underlying processes which were involved in the collapse of the long post-World War II boom. The oil crisis was ‘as much a consequence as a cause’ (2). World overproduction of several manufactured goods was of much greater significance (see Table 4.2).
The collapse of the Bretton Woods Agreement and emergence of an uncontrolled international financial system correlating mounting inflation saw the Fraser Government change its economic management policy to 'fight inflation first' programme while the aspirations of the 1945 White Paper were abandoned (Langmore and Quiggin, 1994). Unemployment jumped from 2.4 per cent in 1974 to 4.6 per cent in 1975 (Burgess, 1994). Employment growth stagnated with growing hidden and long-term unemployment (Gregory, 1984).

4.2.2 The Age of Upheaval: Structural-Spatial Restructuring and Uneven Development

The structural-spatial restructuring which has ensued during the age of upheaval (see Figure 2.1 and 2.2) has involved many adverse impacts at the local level. As Figure 3.6 shows, unemployment in the Shoalhaven jumped from 10.9 per cent in 1981 to 16.5 in 1991 to 22.4 in 1996. These jumps in unemployment have been unevenly felt throughout Australia, illustrated in Figure 1.1, Table 4.2 and Map 4.1.

Section 2.1.2 asserted the inadequacies of core-periphery theories as studies of uneven regional development. This begs the need for a perspective that rather than suggest universal spatial imperatives (towards convergence or divergence in regional economic conditions) (Stilwell, 1992), espouses 'varied spatial manifestations of the general economic imperative of capital accumulation and the dynamics of class conflict' (:135). One which focuses on the processes of adjustment rather than on mechanistic sectoral-spatial relationships between regions and the national economy (such as shift-share analysis)(ibid). It is held that the chosen structuralist account satisfies these needs.

As discussed in section 2.2.3 (and illustrated in Figure 2.2), there are four main forces or necessary conditions for capital accumulation that shape and reshape regional development. These can be applied to contemporary Australian society. They are interpreted as reproduction of labour power, production of surplus value, realisation of surplus value and circulation of capital. Structural-spatial restructuring has occurred during the 1980s/90s in Australia in order to maintain these conditions. Depressed heavy
industrial regions such as Wollongong and Newcastle provide explicit examples of spatial consequences. Job loss has been substantial in these regions. However, placing a region such as the Shoalhaven into the framework is not such a straightforward process. Impacts tend to be more implicit than explicit.

Factors which constrain these four necessary conditions (for example, the size and location of the working class and the productivity of labour) are related to the need to maintain these conditions and thus to particular responses by capital and the state (for example, restructuring of the labour force, new technology). These responses have in turn seen structural changes (for example, the recreation of a reserve army of unemployed and partial deindustrialisation) which have spatial consequences (for example, generalised urban unemployment and depressed high unemployment industrial regions). Widening regional and intra-regional disparity in unemployment has ensued during the 1980s and 1990s. The present research argues that these necessary conditions for capital accumulation and associated structural changes are the root source of rising unemployment and spatial disparity in unemployment rates in Australia. They are analysed separately as per the framework in Figure 2.2 with a focus on the Shoalhaven.

REPRODUCTION OF LABOUR POWER

As Stilwell's framework shows, a principal constraint on the reproduction of labour power has been the size and location of the working class. The state and capital's response has been immigration and restructuring of the labour force which has involved increased labour flexibility and new technology.

Immigration

While the state and the family have been integral in both the physical and ideological reproduction of labour power, immigration in Australia has been central to the spatial form of the workforce (Stilwell, 1991). As noted in Chapter Two and under the 'age of growth' above, massive immigration fuelled industrialisation in Australia. Minimal surplus labouring population existed during the boom years. As Collins (1984) states:
... the floating and stagnant ranks of the reserve army of Australian labour were insufficient to meet the labour needs of capital accumulation. It was therefore necessary to tap other sources of the (latent) reserve army. But unlike the nineteenth century, the agricultural sector in advanced capitalist countries could not provide adequate labour reserves. In the period since 1945, new sources of the latent reserve army were found: women in the home and workers and their families overseas (:58).

He notes how the Fraser Government (1970s) increased immigration in the face of rising unemployment, justified by skilled labour shortages, especially in 'resource boom' areas. Retraining unemployed people was given little priority (ibid).

Mass immigration has been closely linked to the high degree of metropolitan primacy in Australia (each state's largest city, except Tasmania, has historically been more than 10 times the population of the second largest settlement), immigrants settling mostly in the ports of entry, the major cities (Stilwell, 1991). A much wider range and concentration of employment opportunities and associated lower average unemployment levels exist in the capital cities than non-metropolitan regions such as the Shoalhaven. The Shoalhaven's economy lacks high order functions found in the finance, administration and information sectors of metropolitan regions. Consequently, a peripheral workforce that encompasses part-time, casual, short-term and semi- and un-skilled work dominates.

Several changes in the national economy over the last two decades, however, have led to a change in impetus for immigration - a labour shortage has become a labour surplus. General urban unemployment has persisted since the mid 1970s. This phenomenon is related to a 'population turnaround' where the major cities have failed to retain their cumulative dominance regard population growth (ibid) and regions such as the Shoalhaven are experiencing high growth. Continuing high net international migration gain has, however, slowed down the rate of population loss in Sydney and Melbourne (Paris, 1994). Mullins (1990, 1991) discusses the growing concentration of population in the leisure/tourist-related areas of Queensland and northern New South Wales. Burnley (1996) has similarly highlighted the fast growth of the amenity regions of coastal New South Wales, one of which is the Shoalhaven region. The high level of unemployment in the Shoalhaven region is integrally related to this 'population turnaround'. 
Restructuring of the labour market

Restructuring of the labour market involving part-time, casual work etc. and new technology has been a response by capital and the state to both the need to maintain the reproduction of labour power and the production of surplus value and is thus detailed under the latter principal condition. This response has involved generalised urban unemployment affecting the growth and structure of the working class. Increased socio-economic inequality has ensued both between and within regions. No region has escaped restructuring of the labour market, the Shoalhaven being adversely affected.

PRODUCTION OF SURPLUS VALUE

The prime aim to maximise production of surplus value has involved restructuring in Australia's labour market. These include increased labour flexibility, new technology, and integration into the new international division of labour (NIDL).

The Labour flexibility imperative

As noted in Chapter Two, restructuring of the labour force and changes in the labour process in order to maximise surplus value have been occurring in Australia over the past two decades with profound negative effects on employment quality and quantity.

Macroeconomic policies dominated during the boom years. However, the shift to microeconomic reform with the rise of the age of upheaval has focused on the labour market. Political stress on supply-side polices overlooks 'the underlying shift in the employment regime' (Burgess, 1994:103), particularly the growing insecurity of employment, for example, the rise in casual, short-term, part-time, contract work and out-work. The effect has been much marginalisation and displacement of workers (ibid). A survey of employers in the Shoalhaven (by the author) found the part-time, casual proportion of the sample workforce to be 37 per cent. The implications of a growing peripheral workforce for unemployment in the Shoalhaven are detailed in Chapter Five.
A growing female workforce characterised by insecure part-time, casual, unskilled, unionised and lowly paid work, essentially in the service sector has developed alongside a relatively contracting male full-time, unionised workforce. This is illustrated in Figure 4.2 (Stewart, 1991). In the two decades to 1993 most of the additional 1.8 million extra jobs were part-time. Full-time jobs grew by a small 14 per cent while part-time jobs grew by more than 150 per cent. In 1973, 12 per cent of employees were part-time; by 1993 this grew to 24 per cent (Laughlin, 1995). The political, economic and institutional regime which supported regulated, full-time work has been systematically eroded over the past twenty years, for example, diminishing trade union representation, declining support for the manufacturing sector and substantial reductions in employment in the public sector (Burgess, 1994). Approximately 30 thousand public servants lost their jobs during 1996 and 1997 (Meet the Press, 18 May, 1997). Many part-time workers want to work more hours. The 1993 Working Arrangements Survey showed that 21 per cent of part-timers were employed on that basis because 'not enough work [was] available' or 'no other jobs' were available (Borland and Norris, 1996:94). These workers are considered underemployed which in effect is a form of unemployment.

Ongoing amendments to the Accord - the new wages policy established in 1983 (for details on its stages, pros and cons see Williams, 1995; Burgess, 1991, 1994) - over the
past decade or so have seen a net redistribution of income from labour to capital, a
decline in real wages, the erosion of wage relativities, a move to enterprise based wage
determination or 'enterprise bargaining', and intensification of wage, income and wealth
(for details see Burgess 1991,1994). However, as Stilwell (1993b) notes: 'Such
institutional arrangements tend to ameliorate the intensity of efficiency-equity trade-offs
that might otherwise prevail' (:68). Further, between 1983 and 1990 total employment
grew by over 1.5 million jobs (even though most were part-time). However, due to
factors such as falling terms of trade, growing competition from the Newly
Industrialising Countries (NICs) of Southeast Asia, a policy of tight money, and high
interest rates in the late 1980s and the associated early 1990s recession, further
employment growth did not occur (Stilwell, 1993a). No region, including the
Shoalhaven, has escaped the adverse impacts of these dynamics.

In relation to the relative impact on regions, Stilwell (1991) notes that the present
uniform award wage levels for occupations, irrelevant of location, has deterred
decentralisation of industry in search of cheaper labour which has reinforced
metropolitan primacy. However, the employer survey (by the author) found that the
same job pays considerably less in the Shoalhaven than in Sydney in many cases. Wages
drift (where actual wages paid exceed award rates) and other factors underlie this
situation. Nevertheless, decentralisation of industry to the Shoalhaven has been
negligible. As well as the imperative of labour flexibility, new technology is also
associated with the production of surplus value.

New Technology
Stilwell (1993a) notes that historically, the integration of capital-intensive mineral
extraction, agricultural mechanisation and manufacturing mechanisation/automation have
all occurred with no long-term increase in technological unemployment. The last two
decades, however, have seen the use of labour-displacing technology increase in the
service sector, which historically has compensated for technological change in other
sectors. In 1980 Wheelwright asserted that: 'The computer revolution is now the main
cause of the elimination of jobs' (:66). Information technology permits an exponential rise in output together with an exponential fall in total inputs - labour, energy, capital, time and space (Jones, 1992). White-collar workers have become the dominant business expense and the prime aim of business is to make a profit (that is, maximise surplus value). At a macro level, the labour saving ability (which can involve reduced employment) attributed to information technology is extremely difficult to gauge. There has been a longstanding worldwide recession. Information technology is seen to restructure employment rather than reduce it (Forester, 1986) and also bring about economic growth leading to increased employment. These and other factors make an analysis complex and involved. However, at a micro level it is a fact that information technology has displaced workers in many workplaces and enabled a decline in the recruitment of new employees. For example, during the 1970s banks recruited around 7500 juniors every year. The computer revolution saw only 2500 being recruited annually during the 1980s and the employment of unqualified school-leavers has virtually ceased in the 1990s (Baker, 1993).

A brief account of technological displacement of workers or reduced recruitment of employees due to the use of technology in the Shoalhaven is outlined in Chapter Five. However, indepth investigation into this trend is beyond the scope of the present research. As well as technological change, the NIDL has been a boon for maximising surplus value.

Integration into the new international division of labour

The high level of foreign ownership in Australia has involved much movement offshore of the production process or parts of (Fagan and Webber, 1994). The section, 'increased dominance of transnational corporations' raises the issue of job loss associated with this.

Bryan (1995) integrates the imperative of flexibility with the rise of the NIDL where he asserts that the onus is placed on labour to maximise productivity and justified by the new global contest between national working classes 'to deliver the highest rate of
productivity increase for the lowest value of labour power' (:21). Labour market flexibility is seen as a strategy to increase surplus value, under the auspices of both the state and progressive or 'strategic unionism'. Productivity increases in Australia must be faster than other countries no matter the costs. It is argued that investment (private and public) is the primary factor relating to productivity rather than labour flexibility. This issue is detailed below under 'circulation of capital'.

Integration of the Shoalhaven's workforce into the NIDL has been minimal. The region's manufacturing sector is reasonably small (10.5 per cent of the workforce) and less than 50 per cent of this sector is involved in the global market place. Further, most firms who are involved export less than 40 per cent of their production. Companies involved internationally have experienced stagnation and decline in employee numbers and associate international competition as a major reason for this. However, technological change, recession and other factors make an explanation more complex than just international competition. The region's industrial officer asserts that those companies whose products remain within national boundaries are more vulnerable to stagnation and decline as they have such a smaller market - 18 million people compared to 5 billion. Related to the NIDL is the emphasis on an export-led recovery which has increased the realisation of surplus value for capital.

REALISATION OF SURPLUS VALUE

The opening up of new markets, both inter-regionally and internationally has been integral in avoiding realisation crises. Suburban sprawl in cities such as Sydney and decentralisation to coastal regions are linked to the generation of high demand for consumer durables such as cars, washing machines etc. Emphasis on both an export-led recovery (involving deindustrialisation and resource development) and financial deregulation to increase realisation of surplus value has resulted in heavy job loss in parts of metropolitan regions and in some non-metropolitan regions in Australia. The impact on the Shoalhaven has been more indirect.
Emphasis on export-led recovery

The Australian government has looked to the expansion of exports for solving the problem of realisation of surplus value (Stilwell, 1991). However, while this negates the need of wages to pay for commodities domestically, the government has been unable 'to expand the value of exports at a faster rate than the value of its imports' (ibid:33). The consequent balance of payment difficulties in the late 1980s has festered the problem. General unemployment has been as associated variable.

However, some regions are being affected more than others by the emphasis on exporting and associated partial deindustrialisation rather than import-replacement. Depressed heavy industrial regions and once highly protected regions (with industries such as clothing, motor vehicles, electrical appliances etc.) are explicit examples. The strategy of export-led growth compounds disparities between manufacturing-based regions and mineral-based regional economies (ibid). The former are now depressed and the latter booming. Significant employment losses have been suffered in manufacturing regions such as Newcastle, Port Kembla, and Whyalla. Employment declined by 75 per cent at Newcastle steelworks, 55 per cent at Port Kembla and 40 per cent at Whyalla between 1982 and 1992 (Fagan and Webber, 1994: 107). Further decline has been experienced since this period. These once full-employment areas are today high unemployment regions. Regions such as Geelong and Portland which were heavily protected are similarly suffering high unemployment rates (see Johnson and Wright, 1994). However, in terms of unemployment, while manufacturing areas have suffered great job loss, mining has historically never provided a significant proportion of the nation's employment and technological change leading to capital-intensive mineral processing has made the sector an even less significant employer. The fact that those hardest hit are often the least able to move within sectors or relocate to seek work intensifies unemployment in depressed industrial areas (Fagan, 1987).

Relevant here is sectoral disarticulation which is integral to the strategy of an export-led recovery. As noted in Chapter Two, disarticulation occurs where there are few or no
linkages between productive sectors. An extreme case is the export enclave economy where minerals are extracted and exported from a region with no multiplier or industry development effects, for example, open-cut coal-mining in Queensland where coal is exported overseas. The regional economy is very vulnerable to national and international market considerations. In this disarticulated economy the contradiction of the desire to reduce wages while at the same time increasing realisation of surplus value vanishes (Stilwell, 1992). Labour costs can be reduced without affecting realisation. It is not uncommon to find repressive and regressive labour policies in this situation (ibid).

Political disarticulation is also relevant. Historically there has been conflict between states in regard to trade policy, for example, import-competing manufacturing regions such as Victoria have tended to favour protectionist policies far more than export-oriented resource-based regional governments (for example, Queensland). The resulting fragmentation of the nation state provides no mechanism for regional equilibrium (as in neoclassical theory) nor any consistent state policy mechanism countering cumulative regional imbalances (as in cumulative causation theory) (Stilwell, 1992).

As noted, the emphasis on export-led recovery is associated with partial deindustrialisation. Langmore and Quiggin (1994) note that significant job losses in manufacturing generally in Australia have been linked to technological change and competition from imports, especially the NICs of Asia. That is, that 'declining labour demand is the product of inexorable external forces' (:82). They refute this belief and argue that similar technological change occurred in the 1950s and 1960s and also, Japan's economic growth in the 1950s and 1960s was similar to the NICs of the 1970s and 1980s. Technological change and Japan's economic growth (whose population is as large as the main NICs, the 'Four Tigers') did not prevent strong growth and full employment in Australia. Rather, where once services expanded due to benefits of technological change in manufacturing, 'those benefits are now being squandered in the form of mass unemployment' (:83). Manufacturing has declined substantially as an employer, from 25 per cent of the workforce in 1966 to 18 in 1983 to 13 per cent by
1991 (Stilwell, 1993a:19) without a compensating growth in services. As well as new technology being introduced into the services sector, public sector cutbacks, as noted, have ensued persistently since the 1970s. The compensation for job loss in mining, agriculture and manufacturing by community services employment growth no longer occurs (Langmore and Quiggin, 1994). Figure 4.3 (Daly et al, 1996) illustrates the changing distribution of Australia’s workforce by industry sector. Between 1971 and 1991 there was a 14.2 per cent decline in manufacturing, agriculture and mining but only an 8.4 per cent increase in community services, a trend which has worsened since 1991.

**FIGURE 4.3**
Changing Distribution of Australia’s Labour Force by Industry Sector 1971-91

High unemployment regions (other than depressed heavy manufacturing or former industry-protected regions) such as the Shoalhaven are more difficult to explain as several factors, and not a predominance of mass redundancies, are involved. However, the present research holds that the Shoalhaven partially fits into this model here, being indirectly related to partial deindustrialisation. This phenomenon is addressed below.

Deindustrialisation has correlated an growing emphasis on tourism and speculative investment and has intensified inter-regional competition for capital. The Shoalhaven once did not have to compete so intensely with Wollongong and other regions to attract
capital in whatever form. However, the present situation is one of 'beggar thy neighbour'. The implications for employment are negative.

**Further extensions of credit (financial deregulation)**

Essentially, financial deregulation has involved the relaxation of controls over the foreign exchange market and the banking system. An important outcome was a substantial increase in the lending to marginal customers, a great number of whom borrowed to speculate. Personal credit rose at approximately 10 per cent per year and credit for housing at about 15 per cent in the last five years of the eighties while business debt increased by about 25 per cent per year (Langmore and Quiggin, 1994).

The extension of personal and housing credit has allowed suburbanisation to flourish in Australia's cities which has involved mass production and sale (and thus, realisation of surplus value) of the many consumer durables associated with a privatised life-style. It is argued that it has also allowed decentralisation to occur more easily. Relevant here is decentralisation to the Shoalhaven region.

Business debt has had a substantial adverse effect on the Australian economy. The 1987 stock-market boom and crash resulted in a worldwide relaxation of monetary policy a year later, fearing a depression. However, with all lending controls removed by financial deregulation, the new liquidity was directed into alternate forms of speculation, essentially property. A vicious cycle ensued where entrepreneurs borrowed money to buy assets, used those assets to borrow more and so on (ibid). This redistribution rather than creation of wealth has been described as 'profits without production' and 'casino capitalism' (Stilwell, 1993a). Table 4.5 illustrates the compounding of foreign debt by corporate companies (many of whom have since crashed) involved in this 'casino capitalism' which has intensified economic inequality and done little to ameliorate the structural cause of Australia's economic problems (Stilwell, 1993b), unemployment a major concern. The increasing trend towards this type of profit making compounds problems for regions such as the Shoalhaven which suffer from associated further
concentration of capital in metropolitan region and declining productive investment in non-metropolitan regions.

<table>
<thead>
<tr>
<th>Private Borrowers: Foreign Debt at the Beginning of 1991</th>
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<tr>
<td>Rupert Murdoch’s News Corp. $A 11.0 billion</td>
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<tr>
<td>BHP $A 9.0 billion</td>
</tr>
<tr>
<td>Alan Bond’s Bond Corp. $A 9.3 billion</td>
</tr>
<tr>
<td>John Elliott’s Elders IXL $A 6.0 billion</td>
</tr>
<tr>
<td>Elliott’s Hartin $A 1.9 billion</td>
</tr>
<tr>
<td>John Spalvins’ Adsteam group $A 9.2 billion</td>
</tr>
<tr>
<td>CRA $A 2.8 billion</td>
</tr>
<tr>
<td>Murdoch’s/Peter Abeles’ Ansett $A 2.4 billion</td>
</tr>
<tr>
<td>Abeles’ TNT $A 2.2 billion</td>
</tr>
<tr>
<td>George Harscu’s Hokker Corp. $A 1.9 billion</td>
</tr>
<tr>
<td>Chris Skase’s Quintex group more than $A 1.0 billion</td>
</tr>
<tr>
<td>Abe Goldberg’s Linter group $A 1.3 billion</td>
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Source: Stilwell (1993b) :43

Although employment growth in the financial sector grew from 7.6 per cent in 1979 to 10.7 per cent in 1989, Langmore and Quiggin (1994) assert that it is now clear that this growth was unsustainable and future contraction is evident.

Further extensions of credit has led to a 'growing role of finance capital' which is associated with the fourth necessary condition for capital accumulation: the circulation of capital. Consequently, the spatial implications of both responses are addressed in the following section. The response, an export-led recovery to constraints on the realisation of surplus production, is the most blatant in terms of increasing disparities in regional unemployment rates, depressed heavy industrial regions and former industry-protected regions providing explicit examples.

As noted, the present thesis holds that the Shoalhaven partially fits into this model of spatial-structural restructuring here. It is proposed that economic restructuring in Sydney has had a displacement effect on labour which has caused some of the displaced labour and those unable to find work to migrate to the Shoalhaven to take advantage of lower living costs and a more attractive environment. Fagan (1994) discusses substantial labour displacement in western Sydney as a result of economic restructuring. Burnley (1996) further suggests that migration from Sydney to the north and south coastal regions may be associated with this displacement effect. However, he qualifies that
further research is necessary to ascertain the push factors, whether they be accelerated housing costs, labour-force displacement or other social factors. Table 3.3 shows the Shoalhaven to have the highest level of in-migration of selected high growth coastal regions. Figure 3.3 shows that 54 per cent of in-migrants to the Shoalhaven between 1986-91 came from Sydney. As noted, the Shoalhaven is experiencing a paradox of high employment growth/high unemployment. Chapter Five pursues this phenomenon to ascertain the push factors of in-migration and the extent of associated unemployment.

CIRCULATION OF CAPITAL
Uneven regional development is relevant here where the need for rapid circulation of capital has involved the spatial concentration of production and consumption activities. The 'tyranny of distance' has been to the detriment of peripheral regions (Stilwell, 1992) such as the Shoalhaven. Once again, the growing role of finance capital and dominance of transnational corporations (TNCs) are involved in this imperative of capital.

Growing role of finance capital
As noted, financial deregulation has adversely affected the Australian economy. Our trade balance has moved into deficit and net foreign debt rose from about $6 billion when the Hawke government took office to $160 billion in the first decade. It is growing at an accelerating rate of about $24 billion/year (Stretton, 1995). Total foreign investment rose from $39.9 billion in June 1980 to $70.9 billion in June 1983, to $221.3 billion in June 1989 (or 32.8 per cent of GDP in 1980 to 65.9 per cent in 1989) (Wheelwright, 1991).

Stretton (1995) asserts that amelioration of the unemployment crisis is not so much to create employment but to remove hindrances to it, most of which arise from imprudent deregulation. He states that:

Many members of the government would dearly like to restore full employment. But even if they could they would no longer dare to, because of the effects full employment would now have, in an open deregulated economy, on inflation, the balance of payments and the foreign debt (14).

He discusses how Australia 'got on to the Mexican road' from a nation where protection nurtured a wide range of industries to where the Hawke government could have
successfully reformed protection and began well with the Accord. However, it switched from reforming protection to ending it which caused the import bill to rise. When it rises so does unemployment.

Nevertheless, as Bramble (1994) argues, neither 'free trade' nor 'interventionist' strategies can secure favourable employment conditions. He states: The underlying cause of this [unemployment] crisis is the long-term tendency for a weakening of the mainspring of capitalist economies: the rate of profit' (:74). While profitability increased in the late 1980s, it was not enough to sustain a boom similar to the 50s and 60s. He further states:

Every survey of business throughout the recession and the present weak recovery has shown that reducing employment has been management's main concern [he supplies references to substantiate this]. Indeed, in 1992, the year in which the recession was supposed to have ended, there were a further 550,000 redundancies (:75-76).

Thus government assistance to industry or prices of imports and exports are not recognised as integral to the unemployment explanation. Bramble provides an example of 100,000 redundancies in import-sensitive industries between 1990 and 1992 but also 99,000 in construction, not suffering from import competition (:73).

The present research holds that both stances are relevant. Profitability has not increased at a favourable rate to induce investment. However, neo-liberal policies to induce investment have also failed. Contrary to expectations of neo-liberal policies to stimulate investment, such as contractionary fiscal policies, public sector cut backs and financial deregulation, a significant decline in private investment over the past two decades has ensued. Table 4.6 illustrates this for both private and public sectors (Bell, 1996).

<table>
<thead>
<tr>
<th>TABLE 4.6</th>
<th>Gross Fixed Capital Expenditure as a % of GDP</th>
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<tbody>
<tr>
<td></td>
<td>Public</td>
</tr>
<tr>
<td>1960's</td>
<td>8.2</td>
</tr>
<tr>
<td>1970's</td>
<td>7.7</td>
</tr>
<tr>
<td>1980's</td>
<td>6.8</td>
</tr>
<tr>
<td>1990's</td>
<td>5.0</td>
</tr>
<tr>
<td>Decline</td>
<td>39.0</td>
</tr>
</tbody>
</table>

Source: Bell, 1996:36
Also contrary to orthodox neo-liberal belief is the fact that 'reductions in public investment leads to reductions in private investment spending' (Kearney et al, 1994:93). Rather than 'crowd out' private investment a $1 increase in public investment 'crowds in' the equivalent in private investment (Bell, 1996). Bell notes how the decline in domestic investment has been compounded by an off-shore exodus of Australian investors (an annual growth rate of 44.4 per cent between 1985-86 and 1992-93), including superannuation fund assets invested offshore, currently at about $30 billion (ibid:36). Further, as mentioned above, rather than channel increased profits (partially enabled by a redistribution of wages to profits) into productive investment, financial placements have dominated (Mitchell, 1994). The importance of productive investment for employment growth and unemployment decline cannot be overstated. Sicklen (1994) holds that investment will need to increase by 25 per cent of GDP to result in a positive impact on unemployment. The declining trend of the past two decades does not imply a favourable future. A growing rather than contracting public sector would provide work and benefits for all rather than concentrated wealth in the pockets of a few.

Relatedly, Parker (1996) stresses the need for an interventionist industry policy for a diversified national economy which can deal with structural adjustment and pursue broader public goals. However, she concludes that among other factors 'the election of the Coalition Government makes industry policy reform and the involvement of unions in economic policy-making a virtual impossibility' (:64).

**Increased dominance of transnational corporations**

Technology, trade, capital and the geography of industrial reorganisation have increasingly become dominated by TNCs in Australia (Fagan, 1987). These large corporations are able to use their multiproduct and/or multiplant structure to reorganise profit-making capacity both geographically and sectorally. Restructuring is imperative during economic crises as competition intensifies for increasingly mobile finance capital.
TNCs have had a profound negative impact on manufacturing employment due to their ability to increasingly produce across national boundaries. This has affected New South Wales and Victoria (where manufacturing is more concentrated) more than the other states (Fagan and Webber, 1994). Fagan and Webber provide four case studies (food and beverage production; iron and steel manufacturing; motor vehicle production and financial services industries) to exemplify, among other forces, the impact of the behaviour of TNCs on Australia's regions, cities and rural areas. In all case studies reductions in employment, in some areas, massive reductions, have been experienced. Space does not allow further details, however, as already noted, the impact of multinationalism on manufacturing employment is proposed to have indirectly affected the Shoalhaven where job loss in western Sydney has led to in-migration to the region. The one large manufacturer which has incurred job loss, associated with multinationalism, has not impacted significantly on unemployment levels in the region.

Wilde and Fagan (1989) note how these TNCs have participated in a 'double capital movement' towards the NICs of Asia and North America/Western Europe. Australian manufacturing is squeezed out from both sides of this double movement. Local firms lack technological development and scale economies available in major OECD markets and are unable to compete with production of many mass-produced commodities and components in the NICs. This further exposes the simplicity of the NIDL theory.

Both the growing role of finance capital and increased dominance of TNCs are seeing greater concentration and centralisation of capital. The breakdown of regionally-based oligopolies and monopolies is one consequence, brewing an excellent example (Stilwell, 1991). Fifteen years ago each major city had a locally-based brewery. Now only a duopoly exists, expanding into overseas markets (ibid). Corporate head offices of TNCs and their linkages with administrative, research, financial and information activities are substantially more concentrated geographically than manufacturing production has been (Fagan, 1987). Further, the growth of speculation has involved spectacular redevelopment of CBD properties, especially in Sydney where capital is not only
concentrated but involved in profit without production (Stilwell, 1991). Watson and Murphy (1993) note that much evidence points to Sydney accumulating a disproportionate share of global 'command and control functions' and associated producer services. These trends can only fester metropolitan-non-metropolitan polarisation, with the Shoalhaven's plight to attract higher order functions and non-basic industry an extremely difficult one.

4.3 Summary and Conclusions

The above analysis has expressed how Australian society has changed from one where full employment and minimal inter-regional inequality in unemployment rates existed to one where widening regional disparity in unemployment has persisted.

Structural economic changes since the 1970s in Australia (outcomes of capital and the state's response to the need to maintain the necessary conditions for capital accumulation) have implicated uneven spatial consequences. Generalised urban unemployment, increased urban socio-economic inequality (blatant in regions such as Sydney), depressed heavy industrial regions, depressed former heavily protected regions, booming but disarticulated mineral-extraction regions, increased concentration and centralisation of capital intensifying metropolitan primacy and mounting problems for peripheral regions such as the Shoalhaven have been highlighted.

However, as stressed at the outset of this chapter, the Shoalhaven's experience within this framework is more implicit than explicit. It is a peripheral region with an employment base that is predominantly related to its growing population rather than manufacturing or mining as is the case with other regions. The growing primacy of Sydney and the overshadowing effect of Wollongong have several implications for the Shoalhaven region, for example, its inability to attract higher order functions and to establish a better infrastructure, particularly in education and training. The continuing pursuit for a flexible labour force, which has resulted in considerable employment growth in part-time and casual work, has compounded employment problems in the Shoalhaven. These implications are pursued in Chapter Five.
Less than 50 per cent of the Shoalhaven's relatively small manufacturing sector is involved in exporting. However, most manufacturers export less than 40 per cent of their product. A survey of employers revealed that vulnerability to direct external forces such as the international marketplace is negligible. There have been no mass redundancies or movement off shore of branch plants etc. to explicitly reveal the region's vulnerability to national or international forces. The past three recessions have impacted upon the economic development of the region, however, not as explicitly as in other regions. Tourism and construction, which are vulnerable to recession, have been affected. However, explicit job loss or stagnation is difficult to relate to these employment sectors, particularly when part-time and casual work is concentrated in these sectors. Tourism's share in the workforce is much more involved in the wholesale/retail sector than recreational and personal services. Growth in construction is related to internal migration trends and other factors as well as recession.

Stilwell's Marxist model proposes a more indirect implication for the Shoalhaven's unemployment growth. As denoted above, deindustrialisation and restructuring of the labour market have involved much displacement of labour in western and south-western Sydney. It is proposed that this displacement along with other push factors such as high accommodation costs and pull factors such as a pleasant environment and relatively cheap accommodation have led to substantial in-migration to the Shoalhaven which in turn has affected the level of unemployment in the region. Economic restructuring has impacted upon the Shoalhaven indirectly. This implication can only be validated at the local level which is the focus of Chapters Five and Six.

Stilwell's model has provided a means of exposing the root causes of widening spatial disparity in unemployment. It has played an essential role within the theoretical framework and its application in this research. It has portrayed the importance of structural determinants of unemployment and the importance of geography, of spatial outcomes of structural change.
However, disparity in regional unemployment rates reflect a more complex picture than purely national and international forces as examined in this Chapter. This was revealed through the comparative regional analysis where the Shoalhaven was placed in a context of regional types.

Both the structuralist model and the regional comparative analysis based on regional types have brought to the fore the need to investigate individual regions at the local level in order to obtain an insight into hidden problems and gain from valuable local knowledge. Qualitative as well as quantitative research is necessary. A 'bottom up' as well as a 'top down' approach is necessary.

While it is proposed that the Shoalhaven's position within the framework is more indirect than direct, national and international forces, mediated via capital and the state, have played an integral role in the rise of and spatial distribution of unemployment (specifically LTU) in the Shoalhaven region.

The following chapter emphasises what was asserted above - that each region has its own labour market, population dynamics, development history, political environment etc. Some regions have prospered from structural change and others have suffered. Intra-regional analysis of spatial disparity in unemployment further exposes hidden problems at the local level, problems which are integrally related to the national/international level. Recognition and understanding of the interplay of human agency and structure is essential for a comprehensive understanding of the dynamics and processes operating. The subsequent chapters attempt to analyse these processes.
CHAPTER 5

LOCAL FORCES AND THE GEOGRAPHY OF UNEMPLOYMENT
THE DEMAND-SIDE OF THE LOCAL LABOUR MARKET

5.0 Introduction

As introduced in Chapter One and detailed in Chapter Two, the aim of this and the following chapter is to identify and explain the determinants at the local level that impact upon the level of unemployment (more specifically LTU) and its spatial distribution in the Shoalhaven region. The preceding chapter analysed national and international forces that impact upon unemployment in the Shoalhaven. However, it asserted that both national and local determinants underlie intra- and inter-regional distribution of unemployed people; that the interdependence of structure and space needs to be acknowledged and analysed. This and the following chapter seek to satisfy this need.

Local forces occur on both the demand- and supply-side of the labour market. However, as the analysis below asserts, interaction and interdependence of these two parts of the labour market necessitate an approach which interrelates both. The empirical studies and analyses provided in this and the following chapter highlight the interplay of the two sides of the local labour market. Certain factors, for example, discriminatory practices of employers, are investigated on both sides. As well as interrelating the demand- and supply-sides of the local labour market, the empirical studies involve related variables outside the labour market which are also integral. These include the housing market, education system, the transport system, the 'gate keepers' and decision makers. This chapter focuses on the demand-side of the local labour market while Chapter Six addresses the supply-side and related variables outside.

Figure 2.1 in Chapter Two illustrates the demand-side of the local labour market as an integral force affecting unemployment level and its spatial distribution at the local level. It shows the demand-side to encompass three major components in relation to unemployment: the nature and structure of industry; occupational/workplace structure
and processes; and barriers to industrial development. These three major components are detailed in section 2.2.4. In order to understand and explain the impact of these demand-side and related structures and processes on unemployment in the Shoalhaven, an empirical investigation was undertaken which involved several research methods.

At the outset of this chapter the aims and objectives of the empirical study, in accordance with the conceptual framework are presented.

**Aims and objectives of the demand-side empirical study**

The main aim is to ascertain what forces on the demand-side of the local labour market impact upon the level of unemployment and its spatial distribution in the Shoalhaven. This aim encompasses several objectives which are grouped within the three major components mentioned above.

**The nature and structure of industry**

As noted in Chapter Two, inter-industry analysis allows both inter- and intra-regional comparisons of industrial structures. While industrial structure is closely related to occupational/workplace structure, a separate analysis is necessary. The objectives for this component are:

- to describe the nature and structure of the Shoalhaven's industries and explain the implications for unemployment
- to identify those industries in growth and decline in the Shoalhaven and explain the implications for employment generation/unemployment

**Occupational and workplace structure**

The 'flexible firm' model was introduced in section 2.2.4 and illustrated in Figure 2.4. It is argued that the growth of a flexible workforce of core and peripheral/external workers has ensued in Australia over the last decade or more. As noted, emphasis here is placed on workforce rather than firm level for analysis. Further, the focus here is on the predominance of a peripheral workforce, that is, the growing tendency of unskilled, part-time, casual, short-term, contract and nonunionised work. While the 'flexible firm' model provides a framework for the third, fourth and fifth objectives grouped within this component (see below), the Marxian analysis detailed in section 2.2.3 involves the
phenomenon of instability and vulnerability on the demand-side of the labour market. The growing domination of TNCs; deregulation of industry, the finance and labour markets; deindustrialisation; recession and other national and international forces have seen growing instability and vulnerability of workplaces. The objectives therefore are:

- to determine the historical stability and well-being of firms in the Shoalhaven in regard to both production and employee levels
- to determine the extent of vulnerability of firms to external forces in the Shoalhaven and explain the implications for employment/unemployment
- to determine the extent of a polarised workforce of 'core' and 'peripheral' workers and ascertain and explain associated dynamics and the increase in numerical flexibility (the increase in part-time, short-term, casual and contract work)
- to explain the implications of a predominant 'peripheral' workforce for employment opportunities and unemployment rates in the Shoalhaven
- to investigate recruitment practices and policies of employers and explain the impacts on unemployed people in the Shoalhaven

Barriers to industrial development

Just as barriers or hindrances to employment on a national or international level were discussed in Chapter Four, this chapter examines barriers operating at the local level which affect the demand-side of the local labour market. Locational disadvantages, inadequate social and physical infrastructure, cut-throat competition among employers and regions, and lack of integration and cooperation of local leaders in the pursuit of long-term employment creation are examples of barriers investigated. These and other barriers are detailed within section 5.3.3. The objective for this component is:

- to identify and explain barriers to business establishment and expansion in the Shoalhaven

The following sections outline the research methods and present the results, which are organised in accordance with the three main components presented above.

5.1 Research Methods

Several research techniques were used. These include analysis of ABS statistics and other secondary data; indepth interviews with many officials, representatives and managers from various organisations and sectors of the local economy; survey of businesses (administered by the face-to-face interview and self-administered questionnaire techniques); participant observation; and participation at workshops and
conferences relevant to the research. The primary research method is the survey of businesses, complemented by indepth interviews.

Appendix D presents questions posed for several of the indepth interviews undertaken. The data obtained from these interviews were used to provide insight in addition to the employer survey. Due to the confidentiality of most of the indepth interviews and survey of employers, no person’s or employer’s name nor specific titles (in most cases) are given. Those given indepth interviews include the industrial officer, the planning, development and tourism managers of the local administration/council, head of the naval base, local members of parliament, councillors, various employers (including farmers, manufacturers, retailers etc.), school principals, school careers advisor, TAFE personnel, real estate agents, Department of Employment, Education and Training (Wollongong), CES and DSS managers (and others involved with unemployed people including employment agencies and Area Consultative Committee members), Housing Department, Chamber of Commerce, Chamber of Manufacturers, Illawarra Regional Information Service (IRIS), Illawarra Region of Councils (IROC), Illawarra Skills Development chairperson.

Different research methods relate to each of the three major components introduced above. Indepth interviews and ABS statistics cover the nature and structure of industry while the survey of businesses (detailed immediately below) forms the primary research tool for occupational and workplace structure and barriers to industrial development.

5.1.1 The Questionnaire Survey of Employers: Sampling Techniques
Table 3.5, Chapter Three shows the classification of businesses as per industry type specified by the ABS. It also disaggregates employers by size. Accordingly, stratified random sampling was used as the sampling framework, that is, businesses were stratified both by size and industry type and then randomly sampled. A total of 141 firms were approached, specified by the two types of stratification.
As illustrated in Table 3.5, three industry types are insignificant employers in the Shoalhaven. They are mining; electricity, water and gas; and communications (representing 0.4, 1.2 and 1.4 per cent of the workforce respectively). Accordingly, they were not surveyed, leaving nine industry types which were surveyed. They are presented in Table 5.1 below.

**TABLE 5.1**

<table>
<thead>
<tr>
<th>Industry Type</th>
<th>No. of firms approached</th>
<th>No. of firms who responded</th>
<th>Response Rate (%) of firms approached</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Agriculture, Frstry, logging, fish</td>
<td>10</td>
<td>7</td>
<td>70</td>
</tr>
<tr>
<td>2. Manufacturing</td>
<td>19</td>
<td>19</td>
<td>100</td>
</tr>
<tr>
<td>3. Construction</td>
<td>16</td>
<td>13</td>
<td>81</td>
</tr>
<tr>
<td>4. Wholesalers/Retailers</td>
<td>19</td>
<td>17</td>
<td>89</td>
</tr>
<tr>
<td>5. Transport and Storage</td>
<td>10</td>
<td>8</td>
<td>80</td>
</tr>
<tr>
<td>6. Finance, Property and Business</td>
<td>15</td>
<td>15</td>
<td>100</td>
</tr>
<tr>
<td>7. Public Admin and Defence</td>
<td>17</td>
<td>12</td>
<td>71</td>
</tr>
<tr>
<td>8. Community Services</td>
<td>20</td>
<td>18</td>
<td>90</td>
</tr>
<tr>
<td>9. Rec and Prsnl services/tourism</td>
<td>15</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td>total sample of businesses</td>
<td>141</td>
<td>121</td>
<td>86</td>
</tr>
</tbody>
</table>

As well as being stratified by industry sector, businesses were stratified into three categories by size, that is, small businesses (1-19 employees), medium-sized businesses (20-99 employees) and large companies (100+ employees). Accordingly, employers were surveyed as follows:

**Small businesses** (one-19 employees)

One employer was approached in each of the nine industry categories (see Table 5.1) using the face-to-face interview technique and a further 81 questionnaire surveys were handed to/collected (either completed or incomplete) from employers (nine from each category). A total of 90 from this category were approached.

**Medium-sized businesses** (20-99 employees)

One employer was approached in each category of industry type of this size employer using the face-to-face interview technique and a further 28 questionnaire surveys handed to employers (four from each category with this size employer which excludes agriculture, forestry, logging and fishing; and transport and storage where none exist). A total of 35 from this category were approached.
Large businesses (100+ employees)

All employers within this size employer classification were surveyed using the face-to-face interview technique. That is, four from manufacturing, one from construction, four from retail, two from public administration and defence and five from community services. While Table 3.5 shows one employer with 100+ employees in finance, business and property in 1992, this size employer no longer exists in this sector.

The 16 employers from small- and medium-sized businesses administered the face-to-face interview formed the pilot survey. This was undertaken to further the quality and relevance of the questionnaire.

Businesses were selected randomly in each industry type from the 'yellow pages'. This method was found to be the most adequate as the only other source of information - the region's latest industrial directory dated 1992 - was incomplete and out-of-date. The ANZSIC divisions, subdivisions, groups and class titles (cat. 1292.0, 1993) were used to maximise the spread of business types within each industry. Further, effort was made to randomly select businesses throughout the region to avoid geographical bias.

Businesses were surveyed, using either of the two methods, after telephone confirmation of their desire to participate in the survey. This maximised the response rate as telephone contact was made until the total required 125 small and medium sized businesses verbally consented to participate. The balance of the 141 employers, the 16 large employers, all participated. An overall response rate of 86 per cent (121 employers) was achieved.

The rationale for using both the face-to-face interview technique and the self-administered questionnaire was that time and other constraints limit the number of face-to-face interviews possible. Further, the number of large businesses which were administered the face-to-face method total a small number (.5 per cent of the Shoalhaven's firms, while small businesses account for 95 per cent). However, their
individual impact on the region is important. The total number of employees represented by this small number of employers is significant and the flow-on effects are also substantial. Further, impacts (internal and external) on these individual employers are relatively very important to the region (for example, foreign competition causing decline in production levels and thus in the number of employees).

5.1.2 The Structure and Content of the Questionnaire
Appendix E provides the employer questionnaire. A mixture of structured and unstructured questions was used for both efficient coding and maximisation of expression of responses. Several crosscheck questions were included to increase validity of responses. As noted, the questionnaire essentially relates to occupational and workplace structure and barriers to industrial development. While it was not specifically divided into these two components due to overlap, essentially questions four to 19 relate to the former and questions 20 to 24 to the latter. The questions relating to each objective within these two components are noted within sections 5.2.2 and 5.2.3 below.

5.1.3 Statistical Methods
The Excel spreadsheet and Stat-View statistical packages were used for data management and analysis. Statistical methods included frequency distributions, cross-tabulation, percentage counts and chi square tests of association and statistical significance.

5.2 Results
As noted above, the results are organised under the designated three major components of the demand-side of the labour market in relation to unemployment and its spatial distribution. Accordingly, section 5.2.1 addresses the nature and structure of industry, section 5.2.2 presents occupational/workplace structure and processes and section 5.2.3 details barriers to industrial development.
5.2.1 The Nature and Structure of Industry

Some sectors have declined in importance while others have grown since the early 1970s in the Shoalhaven (see section 3.4). Figure 4.3 illustrated the national trend of decline in manufacturing and growth in tertiary industries. The Shoalhaven reflects this trend. This section addresses these changes and the implications for employment generation and unemployment levels in the Shoalhaven. It also outlines the nature of the different industry sectors. As noted, ABS statistics and in-depth interviews provide the main data sources.

Industries in Decline: Primary and Secondary Sectors

Dairying (agriculture) essentially makes up the primary sector, mining, forestry and other agricultural activities being negligible. Fishing was an important employer in the past. However, while it is a source of employment in the small town of Ulladulla, in the region's south, for the region as a whole it has gradually become insignificant. There has been a gradual decline in the percentage employed in agriculture (which includes forestry and fishing) (from 10 to 4 per cent in 20 years [1971-1991 Census, ABS]) in the region's workforce. However, the absolute number of farmers may have changed little as the workforce level has risen. Approximately 200 farmers within the Shoalhaven supply milk to the region's dairy manufacturer (Australian Cooperative Foods, Bomaderry, February, 1997). While only seven out of the ten farms approached completed the questionnaire, in-depth interviews with farmers allowed further investigation into this sector.

Farmers have been reluctant to employ help over the past 15 or so years due to several reasons, the main one being their tendency to live on very low profit margins which has forced them to 'work harder and smarter'. A major employer trading with farmers noted that farmers in the Shoalhaven are 'asset rich and cash poor'. Other reasons include labour associated costs, industrial relations laws, apparent 'loss of faith' in workers today and fear of detrimental impacts of deregulation of the dairy industry (for example, the reduction of milk prices) set for 1997.
A trend of decline is also the case for manufacturing, or the secondary sector. Manufacturing declined from 15.2 to 10.5 per cent (see Table 3.4) of the workforce during the period 1971-1991 (1971-1991 Censuses, ABS). However, the absolute number of manufacturing establishments rose from 83 in 1976 to 170 in 1991 (Shoalhaven City Council, May, 1996). A proportion of these are, never-the-less, attached to the construction industry which is related to the region's high but uneven population growth. One implication is unstable employment. Manufacturing is considered a very important sector in the region, one where great effort is made to attract business establishments. The two largest, long-established manufacturers are considered to have the best jobs for unskilled and semi-skilled male workers, who make up a significant proportion of the workforce, both employed and unemployed. They both provide good wages through shift work and awards and also encompass a significant proportion of full-time work (from interviews with manufacturing employers). However, substantial retrenchments (essentially due to international competition, technological change and subcontracting out) in the past for one of these manufacturers and problems with approval for expansions for the other manufacturer have seen stagnation and decline for both (ibid). It was found that one of the other two large manufacturers (there are four with 100+ employees) is considered an undesirable place to work by both unemployed and officials working with unemployed. Staff turnover is extremely high. The need to attract light manufacturing or high technology manufacturing cannot be overstated. However, barriers to this have seen negligible in-roads made. This issue is further addressed in section 5.2.3.

As well as the need to attract manufacturing and other industry to the region, emphasis was placed at a recent conference (Shoalhaven Development Summit, 11 March, 1997) on the need to expand already established industry within the Shoalhaven, for example, by adding value to products. This strategy has occurred successfully in other regions but has not been pursued to any extent in the Shoalhaven (conveyed at the conference). While Figure 5.1 below shows 68 per cent of the manufacturers surveyed to have
increased their employee levels, this is over a 15 year period. Fieldwork revealed that businesses in this sector have tended to stagnate rather than grow since the early 1990s.

Growth industries: the tertiary sector

The tertiary sector encompasses the following main industries: public administration and defence; construction; wholesale/retail; community services; and recreational and personal services. While public administration and defence almost halved from 20.4 per cent in 1971 to 11.3 in 1991 as a proportion of the Shoalhaven's workforce and construction and transport and storage declined marginally, all the other tertiary sector industries have grown (1971-1991 Censuses, ABS). These industries are detailed below.

Public administration and defence

This sector is almost entirely dominated by the defence base at Albatross and the city administration. While the defence base represents more than half of the workforce in this sector, it has never been an employer for the Shoalhaven as more than 90 per cent of its workforce is recruited from outside the region (interview, HMAS Albatross, November 1996). It was found that flow-on effects are important (a figure could not be estimated), however, the base is almost self-sufficient. For example, it has its own hairdresser, general store, fuel pump, recreation amenities etc. Many positions in these services have been filled from outside the region. The main flow-on effects are experienced in the wholesale/retail and recreational and personal services sectors. The base has downsized considerably during the past 15 years, losing about 25 per cent of its workforce (ibid).

Public sector employment has posed implications for unemployment in regard to the contraction of government work. The hardest sector from which to obtain completed questionnaires was the public sector (a response rate of 71 per cent). Most of those contacted by telephone did not wish to participate with the rationale that they were undergoing restructuring and felt the survey was irrelevant! The city administration, which forms more than 90 per cent of the public administration side of this sector, has been undergoing 'natural shedding' for several years. Initially retirements or resignations
were not replaced. However, this system was changed to one of individual assessment when it was found that many needed positions were not being replaced (interview, December, 1996). While shedding of staff has occurred, the overall size of this workforce has grown over the past 15 years, associated with population growth.

Construction
Another industry sector which has not increased as a proportion of the workforce is the construction industry. It decreased from 10.3 to 9.6 in the 20 year period. This industry is widely acknowledged as unstable (see, for example, Mullins, 1990, 1991; Taylor, 1991). It tends to expand with short-term growth periods in the residential, commercial and industrial sectors and contract when growth declines or stagnation occurs. This has been the case in the Shoalhaven. For example, the late 1980s housing boom saw a significant in-migration of trades persons, many of whom have since become either spasmodically or fully unemployed (CES, Nowra, 1997). There is a resultant over-servicing in this industry which has led to trade people competing amongst themselves with low profit margins which has encouraged a buoyant black market in employment. Given the low wages in the Shoalhaven, an unemployment recipient who works on the black market one-two days per week is better off than the average worker (ibid).

Transport and storage
This industry sector is very small, decreasing from 2.9 to 2.7 per cent in the 20 year period. Research revealed that over-servicing is a major problem in some areas of this sector which has encouraged cut-throat competition and poor profit margins. Subcontracting predominates in freight transport where a number of unemployed with an appropriate vehicle have become self-employed. Research revealed that wages are low and unstable and long-term security not ensured.

Wholesale/retail
This, the largest industry sector, increased as a proportion of the workforce from 17.0 per cent in 1971 to 20.2 per cent in 1991. Retail predominates in this sector, wholesaling
of any kind being insignificant. Lack of warehousing, especially evident when compared to neighbouring regions in the highlands, is seen to detriment workforce growth (CES, Nowra, February, 1997).

The survey of businesses (results presented below) revealed that the wholesale/retail sector is predominantly characterised by part-time, casual, unskilled work which tends to be seasonal. The Shoalhaven's population trebles in size from 80,000 to over 240,000 during school holidays and to over 300,000 during January (interview, January, 1997). Accordingly, students (secondary and post-school) and married women form a significant proportion of this sector's workforce. While a question pertaining to this trend was not posed in the questionnaire, all of the large retailers verified this trend. Both married women and students form a latent reserve army of labour for the peaks of retail trade. This industry offers limited employment opportunities for unemployed people looking for secure, full-time work. This issue is detailed in Section 5.2.2.

Community services

Employment in Community Services in the Shoalhaven is dominated by schools, (seven high and 24 primary) pre-schools/long-day care centres (20), hospitals (three), nursing homes (seven) and medical and dental practices. The second largest sector, it increased as a proportion of the workforce from 6.7 to 15.8 percent in the 20 year period.

As mentioned, the Shoalhaven is extremely limited in post-school education. A University annex at Berry houses only two permanent staff (1997) and the region’s two TAFE colleges encompass approximately 200 employees (one operated by nine permanent staff in Ulladulla, in the south of the region), of which about 65 per cent is part-time/casual. As well as growing casualisation, significant recruitment from outside the region further limits prospects for job seekers living in the region. TAFE courses are limited, many young adults having to leave the region for their chosen studies. Criticism has highlighted the mismatch between TAFE training and jobs in the Shoalhaven. Examples include plumbing, carpentry etc. (interviews, November, 1996).
The Department of School Education (infants/primary and secondary education) is the largest employer in the region, encompassing more than 1500 employees. While most employees are transferred/recruited from outside the region, there are more than 1000 unemployed teachers seeking teaching work on the South Coast (Department of Education, June, 1997). Part-time, permanent casual and contract work is also increasing in secondary and primary schools, preschools and long day care centres. These issues are further addressed in section 5.2.2.

Medical services in the Shoalhaven contrast to those in metropolitan regions. Fieldwork revealed that several villages have no doctor and there is almost a complete monopoly against bulk billing in the region. In contrast bulk billing is universal in most metropolitan regions. This situation provides a disincentive against gaining paid work for those on benefits, particularly when wages are so low. Again, recruitment of doctors, specialists and dentists is primarily from outside the region. Indeed, several practices have had great difficulty selling or expanding their businesses. Fieldwork revealed that doctors do not want to lose the quality of life enjoyed in Sydney, including the educational opportunities for their children and employment opportunities for their spouses.

Employment in the hospitals and nursing homes is dominated by females. While recruitment is mostly within the region, the predominance of part-time/casual work and low attrition of employees makes recruitment difficult for young adults (interview, December, 1996).

Finance, business and property

While only forming small workforce base proportions, the finance, property and business industry has grown significantly over the 20 year period, from 4.1 to 7.8 per cent.

This sector encompasses a wide range of finance, property and business services. However, there is no large employer in this sector (that is, of 100+ employees) in the Shoalhaven, the largest encompassing 50 employees which is partly comprised of
branches of less than 10 employees within the Shoalhaven. As already mentioned, high
order functions such as head offices of banks and insurance companies do not exist in the
Shoalhaven. 'Outsourcing' of banking functions and new technology has compounded
this problem, both lowering the quality and size of finance services in this sector. Several
banking functions have been removed from most banks in the Shoalhaven and centralised
in Wollongong and Sydney (interviews, January and May, 1997). Examples include
positions in the operations and loans areas where staff have been heavily reduced. One
implication is that those wanting to be promoted were once able to move into these areas
for promotion. However, now they must transfer to Sydney to pursue their career (ibid).

Real estate agents make up a significant proportion of this sector. They are vulnerable to
recession and the booms and busts of the building industry. As noted, property was
booming in the late 1980s in the Shoalhaven, however, has been slow since.
Ramifications have been felt in all sectors, real estate being a prominent one.

Recreational and personal services/tourism
The recreational and personal services sector increased from 6.5 to 8.6 per cent during
the 20 year period. When comparing the size of this sector in 1991 with Coffs Harbour
(12 per cent) and the Gold Coast (16 per cent) (ABS Census) it is revealed that the
Shoalhaven has to develop substantially more before it could be labelled a 'tourist region'.
It is hoped that tourism will become an important part of the local economy, however,
the Shoalhaven would seem to be at Butler's (1980) 'exploration' (or first) stage of the
development of tourism. The next stage, the 'involvement stage' is where locals 'begin to
provide facilities primarily or even exclusively for visitors' (:7). Entertainment in the area
is very limited, there being no theme parks, very little live theatre or other attractions to
extract the tourist dollar. Fieldwork revealed that tourists in the Shoalhaven are seen as
'looking' rather than 'spending tourists'. Other than retail and the limited services within
recreational and personal services, extraction of the tourist dollar is minimal. Low grade
accommodation - essentially caravan parks and a limited number of small motels -
dominates. There are no four or five star hotels.
Casual and part-time work overwhelmingly dominates in this sector. Fieldwork revealed that there are very low employee numbers in accommodation businesses as they tend to be family based which do not require additional permanent staff. During peak periods casuals are put on who are usually given only three hours work. An example given was one casual would be called in for eight extra rooms to be prepared, three casuals for 24 beds etc. Other business types include pubs, cafes, restaurants, clubs, picture theatres etc. Insecure, seasonal work is characteristic of all these business types.

Section Summary
The above analysis of the Shoalhaven's industrial structure outlined the decline in primary and secondary industries and rise in tertiary industry. It notes the decline in full-time, secure work which is characteristic of manufacturing and rise in part-time, casual, insecure work which is characteristic of wholesale-retail, recreational and personal services and, to a less extent, community services. It further emphasised the lack of high order employment which is concentrated in the public administration, finance and information sectors of metropolitan regions such as Sydney.

The predominant implication for unemployment and its spatial distribution in the Shoalhaven is that work opportunities which provide adequate hours, security and wages for a primary income earner are limited. The way in which work opportunities are further segmented and distributed is one of the foci of the following section.

5.2.2 Occupational/Workplace Structure and Processes
Workplace structure is close in nature to industrial structure as workplaces in the same industry tend to share the same characteristics. However, here, the emphasis is on businesses and how individually and as a group they, through their structures and processes, affect the level and spatial distribution of unemployment in the Shoalhaven.

The survey of businesses formed the primary source of data for occupational/workplace structures and processes. However, indepth interviews with many officials, employers
and public servants both confirmed findings from the questionnaire survey as well as deepening an understanding.

**Historical stability and wellbeing of employers**

Historical stability and wellbeing of employers is reflected in changing employee levels within firms and business failure rates. However, qualifying these phenomena is difficult given that while employee levels may stagnate or decline, production may increase. Further, business failure rates cannot be exacted as businesses may expand which may decrease the number of small businesses, but at the same time, medium sized, or large businesses may increase. Conversely, businesses tend to downsize during recession (Norris & Wooden, 1996), which Australia has been experiencing intermittently since the mid 1970s. This may artificially show small businesses to be increasing when in fact medium or large businesses are decreasing in size. Given these problems in measuring historical stability and wellbeing of employers, these variables are analysed below.

Wellbeing of firms in relation to change in employee levels is illustrated in Figure 5.1. Results are presented in terms of the extent of increases, reductions and stagnation in employee levels by industry over the past 15 years. To the question 'has the number of employees during the last 15 years or since establishment increased, decreased or remained constant' (question 10a), of the total employer sample 57 per cent (or 69 firms) experienced increases in employee levels, 19 per cent decreases and 23 per cent stagnation. Decreases in staff levels were concentrated in the construction industry (where 38 per cent, or five firms had experienced declines), finance, property and business and public administration and defence (both 33 per cent). Indepth interviews confirm instability in these three sectors. As mentioned above, the construction industry enjoyed a boom period in the late 1980s followed by a lull which has adversely affected many building firms. The high proportion of sub-contractors (41 per cent of employees in this sample sector or 140 out of 339) may also have influenced reductions in employee levels. Within finance, business and property, most financial institutions have downsized primarily through outsourcing of certain banking functions and technological change.
such as automatic teller machines. As noted, several managers in public administration declined to participate in the survey, their present involvement in restructuring a reason. The government sector is well known for ongoing labour shedding. While concentration of growth or decline is evident in the different industry sectors, the chi square value of 22.6 was not significant at P=0.1249.

FIGURE 5.1
Stability of Employee Levels by Industry

While decreases in employee levels have occurred, they are over-ridden by employee increases. Other than one large manufacturer (which has experienced significant labour shedding) and the Department of Defence (where recruitment from outside the region predominates and transfers rather than redundancies have taken place - interview, November, 1996), absolute decreases in staff are negligible. Nevertheless, a proportion of 42 per cent (or 52 employers) of businesses which experienced either a decline in or stagnation of staff is a significant one. This tendency towards stagnation is reflected in comments throughout the survey and in those voiced during in-depth interviews: that poor consumer and business confidence which relates to poor profitability levels, over-servicing in many areas, the seasonal nature of many businesses and generalised recession have adversely affected many businesses in the region.

Associated with poor consumer and business confidence is the very high proportion of the population which is dependent upon social security. Overall, 52 per cent (DSS,
Nowra, February, 1997) of the Shoalhaven's population is dependent on some form of social security (in 1997) compared to 38 per cent for New South Wales (in 1991, ABS Census, 1991). Similarly, 48 per cent of the population were not in the labour force in 1991 compared to 37.7 per cent for New South Wales (ibid).

This very high level is compounded by the low wages. Of the total employer sample, 33 per cent stated that wage differentials existed between Sydney and the Shoalhaven in jobs encompassed by their businesses. Of the 25 employers who provided additional information, 80 per cent stated that wages were considerably less or half as much (19 per cent of employers did not know). Low wages and high welfare dependency are confirmed by ABS 1991 census statistics which found that the Shoalhaven's average household income is $26,800 compared to $38,600 for New South Wales.

While an official statistic for business failures could not be obtained, fieldwork revealed that the rate appears to be significant. Several businesses closed down in the Nowra CBD during 1996, once occupied shops remaining vacant. Interviews with employers revealed that the CBD has been experiencing stagnation for several years. Business failure is also significant in the outer-lying villages and small towns where employers emphasised the difficulties faced in establishing and maintaining a business, the high seasonal nature of consumer demand being a prominent one. This tendency is compounded by the high percentage of unoccupied dwellings (mostly holiday houses) which tend to be occupied predominantly during holiday periods. In 1991 30.1 per cent of all dwellings in the Shoalhaven were unoccupied compared to 8.7 per cent for New South Wales (ABS census). The proportion is considerably higher in the coastal villages.

Several businesses (in outer-lying villages and in town) claimed that they were on the verge of closing down. However, as they were small or family-run, could operate on very small profit margins. Sorensen (1991) confirms this tendency in non-metropolitan areas where business people tend to stay afloat by disinvestment, accepting low incomes and living off savings accrued in good years to tide them over lean periods.
Job vacancies are usually an indicator of the buoyancy of a labour market. However, given that a significant proportion of jobs are filled through direct enquiries and word of mouth and that less than 30 per cent are channelled through the CES (CES, Nowra, March, 1997) in the Shoalhaven, the number of vacancies advertised in the region is not an adequate indicator for investigating buoyancy. Relatedly, a vacancy rate could not be obtained. Figure 5.2 shows the Shoalhaven's workforce on a quarterly basis from 1990 to 1996. The average annual job growth in absolute figures is 774 for this period. While the Shoalhaven's workforce growth rate has been significant – 43.6 per cent between 1981 and 1991 (ABS census) - particularly when compared to other regions, most of the growth is population service-related rather than forming a solid base for the economy, which primary industry and manufacturing have achieved in the past. Further, workforce growth was 22.8 per cent between 1986 and 1991 (see Table 3.4) but it only reached 13.1 per cent for the 1991 to 1996 period (see Figure 5.2). Tourism is presently the nation's leading export industry (see Daly et al, 1996). However, this and other tertiary industries are not providing such a solid base for workforce expansion. It is held by several commentators (see Beer et al, 1994; Flood, 1991) that high unemployment rates characteristic of high-growth coastal regions are primarily related to the inability of their workforces to keep up with the very high in-migration/population growth rates. The present research argues that the situation is more complex. Restructuring at the macro level and poor consumer and business confidence, cut-throat competition among businesses and regions, poor profitability, the high seasonality of

![FIGURE 5.2](shoalhaven.png)


Source: Shoalhaven City Council, 1996
jobs, the tendency towards stagnation and apparent high business failure rates, locational problems and other factors at the local level also need to be considered.

Overall, the above illustrates that while significant absolute decreases in staff levels have not been experienced, and more than 50 per cent of the workforce sample had experienced increases, the substantial proportion of both stagnating and declining businesses and correlating difficulties faced by many indicate that the local economy has been experiencing a long-term lull (particularly since the 1991 recession) rather than growth. Designating a period in which to ascertain growth/decline in employment levels was difficult given that a large manufacturer which has decreased in employee levels significantly since the mid 1980s had to be included. In hindsight, two periods (one over 15 years and another over five years) may have achieved a more adequate overview.

Vulnerability to external forces

As noted in Chapter Four, vulnerability to external forces (here, primarily direct global market forces) can be a major factor affecting unemployment levels in a region, for example, Wollongong and Geelong which have suffered from deregulation of industry.

In order to ascertain the extent of vulnerability of firms to external forces, four main questions were posed. These questions (see Appendix E, questions seven to 10) enquired into the cyclical or seasonal nature of production/service levels (or variable demand), the number of firms in the sample who exported outside Australia and the proportion exported, and the vulnerability of production or services to national/international forces. The results are shown in Table 5.2. This vulnerability was cross-tabulated with possible reductions in production/service level or employee numbers.

The cyclical or seasonal nature of production/service levels was found to be significant. As shown in Table 5.2, of the total employer sample, 41 per cent stated that their demand varied significantly. However, this varied significantly by industry (a chi square
value of 24.1, $P=0.0022$). Of the 27 who gave additional information, 25 stated that the cause of their variable production/service level was tourism peaks and lows. This result

<table>
<thead>
<tr>
<th>TABLE 5.2</th>
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</thead>
<tbody>
<tr>
<td>Vulnerability to External Forces</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Experienced Variable Demand %</th>
<th>Vulnerable to National/International Forces %</th>
<th>Export Overseas %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0</td>
<td>14</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>26</td>
<td>47</td>
</tr>
<tr>
<td>Construction</td>
<td>38</td>
<td>77</td>
</tr>
<tr>
<td>Wholesale/retail</td>
<td>82</td>
<td>47</td>
</tr>
<tr>
<td>Transport/storage</td>
<td>28</td>
<td>63</td>
</tr>
<tr>
<td>Finance</td>
<td>27</td>
<td>80</td>
</tr>
<tr>
<td>Public Admin/defence</td>
<td>42</td>
<td>17</td>
</tr>
<tr>
<td>Community Services</td>
<td>28</td>
<td>22</td>
</tr>
<tr>
<td>Rec/persnl services</td>
<td>58</td>
<td>58</td>
</tr>
<tr>
<td><strong>Total employer sample</strong></td>
<td>41</td>
<td>48</td>
</tr>
</tbody>
</table>

reflects the high percentages for wholesale/retail and recreational and personal services (58 and 82 per cent respectively), the two most vulnerable sectors to tourist demand.

Vulnerability to external forces is reflected in the proportion of firms which export their product/service overseas. Of the total sample, 11 per cent (or 13 employers – of which eight were from manufacturing and three from construction) exported their product/service overseas. However, of this proportion only three employers (manufacturers) exported 40 per cent or more of their product/service. Eight firms exported less than 10 per cent of their product/service. Exporting activity was concentrated in manufacturing where 42 per cent of the sample surveyed exported overseas. This concentration was confirmed through the chi square $P$-value of $<0.0001$. Breakdown by firm size also showed concentration where 28 per cent of large firms (90+ employees) exported overseas compared to eight per cent of small firms (<90 employees). This concentration was confirmed through a $P$-value of 0.0391.

Of the workforce sample, 58 (48 per cent) employers stated that they were vulnerable to national and/or international forces. Most of the 50 firms who commented stated why they were vulnerable rather than not vulnerable. Of these, 27 gave recession as the

1 several firms in the sample had between 90 and 100 employees and thus, for the purposes of this specific analysis, a cut-off was made at 90 to distinguish between large and small businesses.
reason for vulnerability. This comment was concentrated in finance, business and property (67 per cent), recreational and personal services and transport and storage (50 per cent for both). The second most frequent response was housing industry peaks and lows (26 per cent over all) which affected 62 per cent of construction industry firms in the sample population and 16 per cent of manufacturing firms. A further 14 per cent (or seven firms) stated that overseas competition was a major factor. However, of these seven firms, only two had experienced decreases in employee numbers and five increases. These comments are reflected in the high percentages of vulnerability in finance, business and property (80 per cent), construction (77 per cent) and to a lesser degree, transport and storage (63 per cent). The very significant Chi Square value of 24.4 (P= 0.0020) verifies the variation between industries. The predominance of recession-related reasons rather than the global market place reflects the lack of export-oriented firms. Variation by size of firm of vulnerability to national forces was not significant (P=0.4830).

Of the 23 firms (or 19 per cent as in Figure 5.1) that experienced decreases in employee levels, 56 per cent stated they were not vulnerable to external forces. Of the remaining 44 per cent (10 firms) who were vulnerable, two firms stated overseas competition (that is, competing companies are producing the same products as these two firms more competitively in other nations); two firms stated housing industry peaks and lows and six firms stated recession.

As also shown in Figure 5.1, 29 firms experienced stagnation in employee levels (10 of which experienced increased production/service levels and 18 experienced constant production/service levels). Of these, 52 per cent were not vulnerable to external forces. Of the 48 per cent which stated that they were vulnerable, 50 per cent was due to recession, 21 per cent to housing industry peaks and lows, seven per cent relied on government funding and 21 per cent was not stated.

While the international market place affects most businesses indirectly, for example, through generalised recession, direct external impacts from the global market do not
appear to be a major factor involved in changes in employee levels in the Shoalhaven. However, Chapters Four and Six address the proposition that the Shoalhaven's high immigration and associated high unemployment is indirectly related to global forces. Rather than perceive vulnerability to global forces as negative, the finding that the Shoalhaven is not significantly involved in exporting also poses problems for the local economy. An 'export-led recovery' has been the 'flavour of the month' since the early 90s recession. If this is the case, the Shoalhaven is not or will not be playing a large part.

Also emphasised above is the large proportion of employers who are vulnerable to tourism peaks and lows. This tendency is associated with the rise in part-time, casual work and short-term work which negatively impacts upon job opportunities for unemployed people. This is addressed in the following section.

**Extent of a polarised workforce**

In order to determine a predominance of a 'peripheral' workforce, questions relating to hours worked, skills, unionisation etc. were posed in the questionnaire survey and discussed in the indepth interviews (see questions five and six, Appendix E).

Figure 5.3 illustrates the extent of part-time/casual work, un-skilled work, highly skilled/managerial work, subcontractors and unionisation, by industry sector and for the workforce sample as a whole. While stated separately in the questionnaire, part-time, temporary/short-term contract and casual work were all combined as part-time work for analysis as all these types of work are characteristic of a peripheral workforce. Similarly, unskilled/labouring and sales (assistants/representatives) were considered as ‘un-skilled’ work and highly skilled/professionals and managers and administrators were combined under ‘highly skilled’ work. For the latter category it is noted that registered nurses are officially (by ABS) considered skilled/para-professionals. However, administrators may have classified them as highly skilled/professional. Further, the predominance of small businesses raises the ratio of managers/administrators to unskilled workers.
The survey revealed part-time work to occupy a considerable proportion of the workforce at 37 per cent (or 2375 out of 7330 employees). The 1991 ABS census showed part-time work to be 29 per cent of the Shoalhaven's workforce. The participation of the 4 large (100+ employees) retail stores in the survey may have biased the sample towards part-time work, given the extremely high incidence of it in these business types. The proportion of part-time work for the four stores was 78 per cent (or 669/861 employees).

**FIGURE 5.3**

Extent of a Polarised Workforce

[Bar chart showing the extent of part-time, unskilled, and unionised work across different industry sectors.]

The statistics relating to the predominance of a peripheral workforce (that is, part-time, unskilled, non-unionised work) for the workforce as a whole mask the great differences between industries. While both part-time and unskilled work represented approximately 1/3 of the workforce overall, these categories predominated in wholesale/retail (68 per cent and 82 per cent of employees respectively) and recreational and personal services (80 per cent and 77 per cent respectively). Recreational and personal services also had very low unionisation at 24 per cent. While wholesale/retail showed high unionisation at 61 per cent, this figure exposes the bias in employee unionisation in large retail stores.

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1 Part-time work is defined by the ABS as that which is less than 32 hours per week. Definitional discrepancies between ABS figures and this survey (see above) may cause larger than should be differences. However, temporary/short-term and casual work were negligible within the survey.
where unionisation was approximately 80 per cent. Overall, these two sectors, one the largest workforce sector (see Table 3.4) and the other, the sector where the most expansion is hoped to take place, are representative of a peripheral workforce.

Analysis also revealed part-time work to dominate in transport/storage and community services. Comments and contextual interviews verified that this trend is increasing in both sectors. While construction had a low part-time representation (12 out of 339 employees) this small proportion is counter-balanced by a high proportion of subcontractors (140 out of 339). Only one large manufacturer used dependent subcontractors (that is, subcontractors who work solely for one business), the balance of employers using independent subcontractors (that is, subcontractors working for more than one business). A trend of increasing part-time work was also verified for finance, property and business. Public administration and defence, agriculture and manufacturing, which represented low part-time work proportions are also contracting sectors.

Of the total sample of employers, 44 per cent stated that they had experienced an increase in part-time, casual, short-term or contract work. The most frequent reason for the increase was 'for short-term peaks in workload' or 'increases in demand for the employer's product/service' (18 employers). The response 'the ability to better utilise labour' (that is, increased labour flexibility) was stated by nine employers.

Highly skilled work was shown to dominate in community services only. The high proportion for agriculture was artificial given the very small number of employees - an average of three persons (this applies for the total population of farmers as well). Schools represent a major proportion of community services and given that the majority of workers in schools are recruited from outside the region, this sector cannot be considered a provider of highly skilled work for members of the Shoalhaven's workforce.

The polarisation of those working long hours or overtime per week versus those not working enough hours or not at all is an important factor to consider. In relation to
those working long hours and overtime, the high incidence of small and family businesses may have biased the sample and thus an investigation into this was not undertaken.

Overall, the predominance of a peripheral workforce was highlighted by the questionnaire survey and verified through contextual indepth interviews. The 1991 ABS census statistics further validate the findings where unskilled, part-time work is shown to be significant. As noted, part-time work was 29 per cent in 1991 for the Shoalhaven, compared with 24.3 per cent (1994) nationally (Norris and Wooden, 1996). Semi and un-skilled work was represented by 65.3 per cent of the Shoalhaven’s workforce compared with 62.0 per cent for New South Wales in 1991 (ABS Census, 1991). Conversely, Skilled/highly skilled work was represented by 28.9 per cent for the Shoalhaven and 31.6 per cent for New South Wales (1991 Census, ABS).

The implications for the level of unemployment and its spatial distribution in the Shoalhaven are negative. While many unemployed people are unskilled, the low wages, limited full-time work and insecurity through low unionisation which accompany the majority of unskilled work provide a less than adequate source of living for those looking for work. The utilisation of married women, students and very young people for the peaks (daily and throughout the year) of retail trade etc. in the Shoalhaven exemplify the existence of a latent reserve army able to be pulled into the workforce and let go when deemed necessary. However, the survey of long-term unemployed people (presented in Chapter Six) highlights the overwhelming desire to work, whether part-time or full-time by unemployed people, even when the pay was the same or minimally more than their present benefit. Of the total sample, 63 per cent of unemployed people stated this response. The over-arching barrier to work was the lack of jobs on offer.

The problems and implications relating to a predominance of a peripheral (or secondary) workforce include the adverse impact of the quality of the workforce and jobs on offer on industrial development, social infrastructure and related socio-economic variables. The impact on industrial development and social infrastructure is addressed above in
section 5.2.1 and below in section 5.2.3. Related socio-economic variables are detailed in Chapter Seven on potential underclass formation.

The Shoalhaven's core sector is small and a significant proportion of core sector jobs are recruited from outside the region leaving very few opportunities for those living in the region and looking for core sector work. This phenomenon is associated with the lack of developed finance, administration and information sectors.

Recruitment practices

Several pertinent factors which were investigated through the questionnaire (see Appendix E, questions 13-17) included preferred qualities of job applicants, methods of recruitment, difficulties in finding suitable employees; suitability of the long-term unemployed; the extent of active job search of unemployed people and related success.

Preferred qualities of job applicants

Employers were provided with a selection of qualities of potential employees and asked to rank them in order of importance. Two such scenarios were posed, one where skills are required, the other where little skill is involved in the position (questions 13a and b). Table 5.3 shows the results.

'Work experience' as a preferred quality gained the highest response rate for the total of employers’ first three choices for both skilled and unskilled positions (77 and 64 per cent.

<table>
<thead>
<tr>
<th>Quality</th>
<th>Skilled Choice %</th>
<th>Unskilled choice %</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td></td>
<td>One</td>
<td>Two</td>
</tr>
<tr>
<td>Formal qualifications</td>
<td>21</td>
<td>15</td>
</tr>
<tr>
<td>Work experience</td>
<td>21</td>
<td>30</td>
</tr>
<tr>
<td>Specialist knowledge</td>
<td>36</td>
<td>25</td>
</tr>
<tr>
<td>Residential address</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Appearance of applicant</td>
<td>8</td>
<td>12</td>
</tr>
<tr>
<td>Extent of time out of work</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Person's attitude</td>
<td>3</td>
<td>0</td>
</tr>
<tr>
<td>Marital status</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
respectively). 'Specialist knowledge in the required area of expertise', followed by 'formal qualifications' were the second and third most important (for the first three choices) for skilled positions (76 and 53 per cent respectively) while 'appearance/presentation', followed by 'formal qualifications' (61 and 42 per cent respectively) were for unskilled positions. In relation to skilled positions, the need for, yet lack of specialist knowledge was confirmed in other questions such as those relating to recruitment outside the region and why, difficulties in recruiting employees and advertising methods. As mentioned above, recruitment from outside the region has compounding effects on various factors relating to the socio-economic make-up of the region.

In relation to unskilled positions, all three qualities brought out by the survey have implications for the unemployed. Given the high youth unemployment in the region (estimated at 37 per cent, December, 1996, CES Nowra), lack of work experience is a major barrier. The importance of appearance/presentation may be seen to disadvantage the unemployed for several reasons including their lack of funds to maintain presentation and the highly competitive nature of job search. Many long-term unemployed people do not have high formal qualifications which makes them uncompetitive for jobs which often do not use formal qualifications. Yet this attribute is used for recruitment.

Included in both questions was 'residential address (residing close to work seen as desirable)'. While this quality did not gain a high response rate (less than 20 per cent of positive responses for choices 1, 2 and 3 for both skilled and unskilled positions), it is held to be indirectly very important. Another question was included in the questionnaire to crosscheck the importance of this quality. It asked whether or not employers had a preference for employees who lived in town rather than in coastal villages which are a distance from town (see Appendix E, Question 15b). Overall, 21 per cent responded that they had a preference for those who lived in town. The high percentage (78 per cent) who stated that they had no preference may be so due to the tendency to give 'socially desirable' answers. Other studies have highlighted the importance of residential address (see, for example, Haughton et al, 1993, Gordon, 1989).
Methods of recruitment

Methods of recruitment involved three main questions, one relating to avenues of recruitment (for example, word of mouth, employment agencies), one to the geographic scope of advertisements of vacancies (that is, locally, nationally etc.) and one to the extent of recruitment outside the region.

Respondents were asked to rank in importance avenues of recruitment from a range of possible avenues (see Appendix E, question 14a). Table 5.4 shows the response rate for the first, second and third choice of avenues and the total for the three choices.

TABLE 5.4

<table>
<thead>
<tr>
<th>Avenue</th>
<th>Choice One %</th>
<th>Choice Two %</th>
<th>Choice Three %</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contacts (friends etc.)</td>
<td>26</td>
<td>16</td>
<td>21</td>
<td>63</td>
</tr>
<tr>
<td>Word of mouth</td>
<td>9</td>
<td>32</td>
<td>16</td>
<td>57</td>
</tr>
<tr>
<td>Individual enquiries</td>
<td>28</td>
<td>11</td>
<td>27</td>
<td>66</td>
</tr>
<tr>
<td>Newspapers</td>
<td>18</td>
<td>6</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td>The CES</td>
<td>10</td>
<td>17</td>
<td>9</td>
<td>36</td>
</tr>
<tr>
<td>Employment creation schemes</td>
<td>3</td>
<td>2</td>
<td>4</td>
<td>9</td>
</tr>
<tr>
<td>Employment agencies</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Professional, trade journals</td>
<td>0</td>
<td>4</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>Not stated</td>
<td>4</td>
<td>9</td>
<td>10</td>
<td>23</td>
</tr>
</tbody>
</table>

'Individual enquiries from prospective employees' gained the highest response rate for both the most important avenue (28 per cent) and the first three choices (66 per cent). 'Contacts (friends, relatives etc)' attained a marginally lower response rate, both as the most important avenue (at 26 per cent) and for the first three choices (63 per cent). The use of 'contacts' was concentrated in the wholesale/retail and finance, business and property sectors (both 47 per cent). 'Individual enquiries' was concentrated in manufacturing and recreational and personal services (both 42 per cent). These concentrations reflect the high proportion of semi- and un-skilled work in these sectors. 'Newspapers' was concentrated in community services (67 per cent) and to a lesser degree in public administration and defence (34 per cent). These concentrations, conversely, reflect the high proportion of skilled work in these sectors. The significant chi square value of 51.5 (P=0.0009) confirms these concentrations.
The implications for the unemployed and thus, unemployment and its spatial distribution are significant. Those people without contacts or the ability (for example, private transport and financial backing) to make regular direct enquiries are discriminated against. Morris (1995) discusses how informal patterns of association 'constitute a significant component of structured differentiation' (3) and stresses the importance of finding out 'the means of access to employment among those who have recently found work' (15). This phenomenon is detailed in Chapter Six.

The disadvantage imposed on unemployed people by informal networks or contacts within the world of work is compounded by the low number of jobs which are channelled through the CES. While 67 per cent of employers responded that they were happy to use the CES for recruitment, 31 per cent stated that they were not happy to use it. The local CES estimates that less than 30 per cent of jobs are channelled through its system. Comments revealed that employers tended to favour using the CES for semi-skilled, clerical type jobs where screening seemed to take place. However, many employers complained that screening did not take place for unskilled jobs. Given that many of the unemployed are unskilled (as is a significant proportion of the employed workforce) this tendency further compounds the unemployed person's difficulties in obtaining work.

To the question 'do you advertise vacancies locally, state wide, nationally or other', 29 per cent of employers stated either they did not advertise or 'not applicable'. This trend confirms the significant proportion of jobs going to contacts, word of mouth and direct enquiries. 44 per cent advertised locally only, 19 per cent advertised locally and statewide and only four per cent used possibly all these forms. Again, vacancies not advertised or advertised locally only were concentrated within the unskilled sectors.

Figure 5.4 shows the extent of recruitment from outside the region by industry sector. Recruitment from outside the region was found to be significant in finance, business and property and public administration and defence where for both more than 50 per cent of
employers recruited from outside the region. To a lesser degree, construction and community services also showed significant recruitment from outside at 38 per cent and 28 per cent of employers respectively. Recruitment from outside the region was negligible for wholesale/retail, transport and storage, and not significant for manufacturing and recreation and personal services. The P value of 0.0002 verifies Figure 5.4 Recruitment From Outside the Region

these concentrations. Of the total sample, 32 per cent of employers recruited from outside the region. While 27 employers recruited less than 29 per cent of their employees from outside the region, 6 firms recruited 50 per cent or more, two of which are the largest employers in the region - the Department of Education and the Department of Defence. The implications of this are discussed above.

Difficulties in finding suitable employees

Results of recruitment from outside the region were cross-checked with results of difficulties in recruiting. Of the employer sample 21 per cent stated they had trouble recruiting workers. This response was concentrated in community services, construction and finance, business and property. Recruitment from outside the region also dominated in these sectors. While outside recruitment dominated in public administration and defence (nine out of 12 employers), it did not show significant difficulties in recruiting
within the region. This may be due to the traditional manner in filling positions within the government sector, that is, transfers and national/internal advertising being the norm.

The most frequent reason given for difficulty in recruiting workers was that specialist knowledge for many positions is not available (13 out of the 26 employers), otherwise called job mismatch. The second most frequent response was the predominance of low skill levels (nine employers) in the Shoalhaven. Difficulties were found in relation to skilled rather than unskilled positions. Two predominant implications for unemployment arise from this situation. Firstly, the tendency of job mismatch results in unemployed skilled residents of the region having to compete with people from outside the region, and their chances of gaining work lessened. Secondly, the recognised low level of skilled workers in the region may be a disincentive for certain businesses to establish there. This situation in turn encourages out-migration of skilled workers who cannot find suitable work in the region and in turn recruitment from outside. When skilled positions do become available competition with workers outside the region may tend to be higher than it should be. This tendency is not unlike Mydal's 'cumulative causation'.

Suitability of long-term unemployed

The long-term unemployed were considered as less suitable employees by 26 per cent of the employer sample. Another 15 per cent either did not know or did not respond. This high percentage who did not know or did not respond and the small proportion who considered the long-term unemployed less suitable may again reflect the tendency to give 'socially desirable' answers. Fieldwork revealed a stronger scepticism of long-term unemployed people. Of the 18 employers who commented, eight stated that the long-term unemployed were out of work too long or that their skills needed to be up-to-date and three that they tend to not have the right background. Other statements included - look scruffy, not suitable and 'those who really want to work are not unemployed for long'. These types of comments were voiced many times by employers and employees about the long-term unemployed during research in the field. Again, this form of discrimination further compounds the unemployed person's difficulties in obtaining work.
The extent of active job search of unemployed people

The research was unable to validate the extent of active job search of the long-term unemployed in relation to job applications. Overall, 84 per cent stated that they received a sufficient number of applications when a vacancy occurred. However, to the question 'approximately what proportion are from the long-term unemployed?' only 52 per cent responded with a percentage figure: 37 per cent stated that less than 30 per cent of job applications were from the long-term unemployed while 15 per cent experienced 30 per cent plus. These responses tended to be firms where unskilled work was concentrated. Of the remaining 48 per cent, 28 per cent did not respond and 20 per cent stated 'not applicable'. The latter responses were concentrated in community services and public administration/defence where skilled work also tends to be concentrated. Both the low response rate and reliance on employer perceptions could not validate any finding.

Nevertheless, 77 per cent of employers stated that they did receive many job enquiries directly from long-term unemployed people. The high percentage of direct enquiries reflects the lack of job vacancies and strong competition among unemployed people to gain work. Of the total sample, 60 per cent considered direct enquiries a successful method of job search. However, for those living in outerlying villages (such as Sanctuary Point) with no private transport, direct enquiries would be far more difficult than for those living in town or those with transport.

Section Summary

The research revealed that contacts (or informal networks relating to the world of work) formed a major method of recruitment. This poses a major barrier to unemployed people, particularly those living in outer lying villages who tend to be new to the region with few links. It further revealed that skilled workers were in limited supply, necessitating recruitment from outside the region which was significant for skilled positions. This situation lends towards Myrdal's 'cumulative causation' theory where the region loses its skilled, most competitive members of the workforce, leaving predominantly unskilled, younger and older people to compete for jobs. The age profile
of the Shoalhaven (see Figure 3.1) confirms the less than average 20 to 40 age group. Lack of tertiary education and training is closely related to this tendency.

Preferred qualities of less skilled job applicants were shown to discriminate against young people (the importance of work experience) and unemployed generally (the importance of appearance/presentation and qualifications for less skilled jobs). The long-term unemployed were generally perceived to be out of work for too long and unsuitable. However, their active job search was confirmed through the high percentage of employers who received direct enquiries from these job seekers.

5.2.3 Barriers to Industrial Development

Again, both the questionnaire survey and indepth interviews provided most of the data on barriers to industrial development in the Shoalhaven region. Several questions (see Appendix E, questions 20-23) specifically relate to barriers to industrial development while others provided insight, for example, those pertaining to the occupational structure of the region's workforce. Figure 5.5 is derived from question 23. A selection of possible barriers to industrial development was provided for employers to choose from. While such structured questions can bias responses towards the researcher's views, employers were free to give no positive response. Further questions relating to the unfair dismissal law (question 20), hindrances to individual firms (question 21), and perception of local government pursuit of employment initiatives (question 22) are also analysed.

Responses to barriers were evenly spread throughout the industry sectors and thus industry breakdown is not relevant here. Two exceptions were in relation to inadequate social infrastructure and cut-throat competition among firms, both results from question 23. Results from responses to social infrastructure revealed a P-value of 0.0087 which reflects the concentration of positive responses in finance, property and business (60 per cent) and public administration and defence (50 per cent), both sectors having significant proportion of skilled workers. Results from responses to cut-throat competition among firms revealed a P-value of 0.0039 which reflects the concentration of positive responses
in transport and storage (63 per cent), construction (54 per cent) and manufacturing (53 per cent) and again highlights the strong competition in the former two sectors.

The following barriers are addressed in turn: locational disadvantages; those relating to local government (lack of local cooperation in pursuit of employment generation, local government as a barrier and lack of comprehensive planning); hindrances to the stability of individual businesses; inadequate physical and social infrastructure; cut-throat competition among firms and regions; and poor industrial relations image.

Locational disadvantages
It is held that the most important barrier, which gained the second highest response rate (42 per cent - see Figure 5.5), is locational disadvantages. A related barrier, the overshadowing effect of Wollongong, gained an 18 per cent response. Chapter Four highlighted the polarisation between metropolitan and non-metropolitan regions. This polarisation has intensified with the rise and domination of TNCs, the decline of manufacturing industry and rise in financial activity and speculation. The mobility of TNCs across national boundaries and their tendency to locate in metropolitan rather than non-metropolitan areas make regions such as the Shoalhaven 'non-entities'. O'Neill (1994) notes the stereotypical perception by large companies of country localities such as the Shoalhaven 'as either industrial back waters or as part of [the] south-eastern rust belt'
He notes that a New Zealand based firm opened a plant in Brisbane after being directed to a number of traditional industrial sites in rural areas, for example, Albury-Wodonga. It chose Brisbane 'to avoid the south-eastern 'rust belt"(ibid). Agglomeration economies and associated economies of scale, characteristic of metropolitan regions, form another barrier to industrial development in the Shoalhaven.

These metropolitan-non-metropolitan polarisation effects aside, being situated on the periphery of the Newcastle-Sydney-Wollongong conurbation causes an overshadowing effect, particularly by Wollongong. The substantial loss of steel industry jobs in Wollongong has made this region a major competitor with the Shoalhaven in attracting industry, including tourism and manufacturing. Rail electrification extends from Sydney to Wollongong further disadvantaging the Shoalhaven.

The inadequacy and cost of freight transport poses another barrier for the Shoalhaven. Further, Nowra-Bomaderry is at the end of the rail line between Sydney and Melbourne on the coast and is not on a major transport route. Consequently the Shoalhaven does not enjoy the transport connections which other regions have (Development Summit, March, 1997). The proposed development of a trunk road from the Shoalhaven to Canberra is hoped to ameliorate this problem.

Lack of local cooperation in pursuit of employment generation

To the question 'In your opinion, has cooperation and integration been achieved between the CES, local employers and industry bodies in the pursuit of solutions for the high levels of unemployment in the Shoalhaven', 17 per cent of employers stated 'yes', that in their opinion, integration and cooperation had been achieved. Overall, 21 per cent stated 'no', leaving 62 per cent, most of whom did not know, and a few who did not respond. The high percentage of 'don't knows' and the low percentage of 'yes' responses indicate that cooperation and integration may be perceived as less than adequate. This was confirmed by indepth interviews with those both directly and indirectly involved where it
was revealed that integration and cooperation between pertinent bodies and departments involved with the Shoalhaven’s labour market are only beginning to be achieved.

A key question to pose is 'had adequate cooperation, integration, planning etc. at the local level been achieved several years ago, would unemployment levels be lower?' It is argued here that while the over-riding impact of structural determinants (as denoted in Chapter Four) must be acknowledged, recognition of the need for local understanding of and involvement in employment generation and amelioration of unemployment is also necessary. The barriers addressed above and below beg the need for a broad, integrated pursuit of local employment initiatives (LEIs) and amelioration of unemployment at the local level. The importance of LEIs has been promoted since the rise in national unemployment levels in the 1970s (National Advisory Group, 1987). However, fully integrated activity at grassroots level had not been developed until the 1990s.

As already noted, unemployment levels were minimal in all regions during the long boom period when regional redistribution was a federal priority. O'Neill (1994) argues that regional redistribution was attained through a national accumulation strategy of a triad of federal policies - tariff protection, controlled immigration and national arbitration of wages - during the post war boom period to the late 1960s. Since this period, regional redistribution has been replaced by the new strategy of international competitiveness where the national level takes priority over the regional level. O'Neill asserts that the White Paper, 'Working Nation' (1994), is a failed attempt of the new strategy to contain a redistribution mechanism (being essentially welfare assistance at the household scale), after rising unemployment was experienced in the early 1990s (ibid). While the national level was addressed in Chapter Four, it is integrally related to the local level. It is at the local rather than national level where responsibility is now being placed.

Much literature has criticised, as does this thesis, the 'bottom up' rather than 'top down' approach to regional development, expounded in 'Working Nation' (1994) (see, for example, the collection of papers on the White Paper, Australian Geographer 25 (2)
November, 1994). This is not to understate the importance of local and state government involvement, however, only at the federal level is a fully integrated regional policy possible. Thus, the critical need for local integration and involvement is asserted, while leaving regions to be responsible for their own economic destinies is rebuked.

This stance made clear, the structural versus spatial argument on uneven development, as addressed in Chapter Two, is raised again. Sorensen (1994), in a critique on the White Paper, rejects the 'bottom up', 'top down' or combination of both approaches. He states:

...the controlling forces in regional development are: geography, location, accessibility (which can be modified to a small extent by infrastructure investment), physical resources, lifestyle preferences, demographics, and technology (Sorensen and Epps, 1993). These are largely autonomous of central government fiat or collective endeavour at the local level. It is therefore most unlikely that regional policy can "make a silk purse out of a sow's ear" (41-42).

He goes on to state that

... lasting development can be achieved without regional commitment and harmony. Some of the fastest growing regions in Australia, including the NSW North Coast and the Gold and Sunshine Coasts, acquired that status without regional commitment and with considerable conflict. Their 'success' depends largely on the vision of private individuals acting in isolation (42).

Sorensen neglects to point out that these areas also house some of the highest unemployment rates in the nation which are argued here to not be primarily due to 'welfare in-migration' but to the nature of the predominant industries - tourism and construction - which are unstable and encompass much part-time and causal work (See Mullins, 1991, 1992). The geography of the areas may have both attracted people to settle and allowed the type of industrial development which has occurred. However, it is argued that the structural, macro-economic environment is a major force behind this development. As denoted in Chapter Two, structure and space must be seen as interdependent at the economic level, space being secondary to structure.

Similarly, local leadership and cooperation at the local level are held to be important and essential ingredients for maximisation of employment opportunities and understanding and amelioration of unemployment at a local level. Sanzone (1997) discusses the 'pitfalls' experienced through inadequate planning and management of LEIs, for example, not fully knowing the economic base or expecting immediate results from
The Demand-Side unrealistic plans. The use of charrettes\(^1\) for achieving a comprehensive understanding of a region's planning, economic and social problems and for providing a similarly comprehensive development blue print for the future (see Wear, 1996) could have been undertaken by the Shoalhaven. A neighbouring region undertook a charrette with positive results. Local resources can be mobilized to stimulate both increased employment and improved economic performance (see Blakely, 1989). It is held that the lack of cooperation etc. at the local level in pursuit of employment creation or solutions to unemployment forms an employment barrier but one which is trivialised by an over-riding national-international political-economic setting.

Local government as a barrier to industrial development

Of the total employer sample, 15 per cent stated in 'other' (question 23) that the Shoalhaven council was a major barrier to industrial development (see Figure 5.5) in regard to the processing and approval of development approvals (DAs) and attracting businesses to the region. This opinion was voiced frequently during the field work.

Seven of the 18 employers which made this comment had also responded positively to the possible barrier 'government red tape' which gained a 36 per cent response rate. This may imply that a significant proportion of the remainder of the 36 per cent were relating it to the local government. While several examples were given where an employment-generating, socially and environmentally friendly development did not go through due to the slowness or bungling activities of the local government, it remains unknown as to whether or not the local government as a major barrier is a myth. Local government must be very competitive in attracting businesses to their regions. Ascertaining the relative competitiveness of Shoalhaven city administration is beyond this thesis. However, the extent of concern and criticism conveyed both in the survey and in the field implies that local level government activity in industrial development may need critical evaluation. The approval of development applications was the focus of a development summit held in early 1997 where it was announced that a more streamlined procedure would soon replace the current, inadequate one.

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\(^{1}\) A charrette is an intensive forum over a week or so where experts, planners, government bureaucrats, locals etc. gather for formulating a comprehensive development blue print for a local region.
Lack of comprehensive planning

Planning includes residential, commercial and industrial development/planning. A critique of past town planning of the Shoalhaven and implications for unemployment is beyond the scope and ability of this thesis. However, present efforts to improve planning have highlighted problems which have resulted from past inadequate planning. Land in the region was largely zoned and subdivided during the 1920s. This has affected much of the subsequent residential development spread over the 50 villages (interview, May, 1997). Areas such as Sanctuary Point and environs with approximately 18,000 people have grown rapidly with a bare minimum of services, for example, no sewerage until recently, no major shopping centre and negligible industry. Poor public transport and roads exacerbate problems faced by residents. The use of charrettes, a response to these problems of unchecked residential subdivision and resulting 'ghetto' like residential enclaves, is relevant again here. This phenomenon is pursued further in Chapter Six.

Since the outset of the present research (several years since high unemployment has been experienced in the region) the level of effort expressed (through local newspapers, local officials etc.) to improve these three areas of local government involvement in pursuit of lower unemployment levels has risen markedly. Whether this effort makes a difference or would have if pursued several years ago is difficult to ascertain, given the complexity and multidimensional nature of unemployment generation.

Hindrances affecting the stability of individual businesses

To the question 'can you comment on any problems and/or hindrances which have adversely affected the success and/or stability of your business?' (question 21), 33 employers responded with 88 not stated. No one hindrance predominated, however, three hindrances occurred several times. They were lack of business and consumer confidence in the economy (four employers), cut-throat competition (four employers) and government intervention or restrictions (three employers) and are addressed above. Labour associated costs (for example, superannuation, worker's compensation, holiday loading, payroll tax etc.) and the unfair dismissal law (1993) were also raised as
important barriers. Overall, 31 per cent stated that the unfair dismissal law had affected their business in terms of stagnation/contraction (question 20). 58 per cent stated that it did not affect their business and 11 per cent did not know or did not respond. Those affected were concentrated in wholesale/retail, construction and recreational and personal services. Unskilled work and the desire for flexible labour are also concentrated in these industries. The overwhelming impact on those firms affected was the inability to dismiss employees without fear of legal action. These and other firms stated they had put on temporaries and casuals in response to the unfair dismissal law. Although this law was established recently (and now has been watered down), the situation where employers have wanted to maximise labour flexibility without 'red tape' has existed for a long time. The unfair dismissal law has not been a major determinant behind rationalisation and increasing part-time, casual and temporary work, however, employer desire to minimise labour input and maximise profit has been.

Other barriers which gained high response rates were inadequate physical and social infrastructure, cut-throat competition with other regions and environmental legislation.

Inadequate physical and social infrastructure

Contextual research confirms the problems posed by inadequate physical infrastructure (gaining the highest response rate of 43 per cent). The inadequacy of the transport structure is a major item on the local political agenda. Proposed improvements to both the internal transport structure and external connections are seen to encourage industrial activity and development. These issues are addressed in this and preceding chapters.

Inadequate social infrastructure gained a 29 per cent response rate. Lack of tertiary education and the related predominance of low skills in the region poses a major barrier to industrial development. Businesses requiring skilled workers are deterred from establishing in the region and business people or professionals considering moving to the region perceive adequate social infrastructure and employment opportunities for spouses and children as very important. These are discussed under industrial structure above.
Cut-throat competition between regions and environmental legislation

As noted, cut-throat competition with other regions (a response rate of 19 per cent) is a major barrier for the Shoalhaven which has to compete for the tourist dollar and attract any industry it can within environmental and other limitations. Several employers stated that the natural environment is a barrier as many potential manufacturing businesses are deterred by the potential problems posed by the extensive natural resources of the region and related strong environmental lobby groups. Of the Shoalhaven region 68 per cent is reservation or conservation land. Much of the land available for potential development is tree covered. However, no flora and fauna studies have been undertaken in these areas and the local government's lack of ecological expertise further hinders this predicament. Indepth interviews and emphasis placed at the development summit (March, 1997) confirm this situation as a major hindrance to development.

Poor industrial relations image

A barrier to industrial development being investigated by the Centre for Labour Market and Regional Development at the University of Wollongong is the stigma attached to the Illawarra Region as having poor industrial relations, for example, workers are seen to resist change and be problematic. This stigma is held by developers outside the region, particularly in Sydney, which deters them from developing in the region. The centre is testing whether or not this stigma is a myth. They hypothesise that it is a myth. While this may be so, the stigma can still act as a hindrance to development in the region.

Section Summary

The survey and indepth interviews revealed that several barriers to industrial development exist, which, if removed or lessened, may result in an improvement in job generation and a decline in unemployment levels in the Shoalhaven. Locational disadvantages, local government inadequacies (relating to the integration of various groups to develop LEIs, DA approvals and strategic planning) and lack of adequate social and physical infrastructure were important barriers raised.
5.3 Summary and Conclusions

Several points were highlighted in the above analysis of the demand-side of the Shoalhaven's labour market. The decline in primary and secondary industries and rise in tertiary industry is corresponding a rise in part-time/casual, less secure work. While manufacturing work, which tends to provide secure, full-time work with good working conditions, is increasing in absolute figures, it is declining as a proportion of the region's workforce and cannot be perceived as a major component of the economic base. The rise in population/service-related industry, for example, wholesale/retail, recreational and personal services and community services have been found to provide a less than adequate source of employment for those seeking full-time work. The survey found a high proportion of part-time and unskilled work in the employer sample. The concentration of this type of work in two sectors which provide major avenues for employment for unemployed people - wholesale/retail and recreational and personal services - indicates negative implications for those looking for full-time, secure work. Low unionisation further indicates the tendency towards a peripheral workforce. The predominance of small, family-run businesses which are not employment-generating further impedes attainment of work for the unemployed.

The present research found that direct global market impacts do not significantly affect unemployment levels in the Shoalhaven. However, it is held that there are indirect impacts which are addressed in Chapter Six. Vulnerability to tourism peaks and lows was revealed to be experienced by a large proportion of employers. This tendency gives rise to increasing levels of part-time and short-term work which, as noted, are inadequate for an unemployed person looking for a primary source of income.

Significant employee shedding or retrenchments were not found among the employers surveyed. However, the large proportion of both stagnating and declining businesses along with evidence of several businesses closing down indicate that the Shoalhaven's economy has been experiencing a long-term lull (five years plus) rather than buoyancy.
The survey of employers revealed that recruitment practices were discriminatory against unemployed people in several ways. The predominance of contacts (or informal networks relating to the world of work), the importance of work experience, appearance/presentation, and employer perceptions of long-term unemployed people all have negative implications for the unemployed, in particular, the long-term unemployed. The limited supply of skilled work in the region and significant recruitment of skilled workers from outside the region lends towards a 'vicious circle' tendency where several aspects of the socio-economic makeup of the region are affected. This is further detailed in Chapter Six. The lack of high order employment, enjoyed in metropolitan regions such as Sydney, compound this problem.

Exposure to several barriers to industrial development highlighted the need to gain an understanding of these barriers and to work towards improving or removing them. However, the importance of the macro political-economic setting was also asserted.

All these factors work against providing adequate employment opportunities for those seeking a secure, primary source of income. The lack of job opportunities in the Shoalhaven is a serious problem. The need to actively address the factors presented above is essential if unemployment decline in the region is to be adequately pursued. A broad understanding and comprehension of unemployment and associated problems is lacking by community leaders and organisations in the region.

Given this lack of work opportunities, it is the way in which they are distributed which is critical to the spatial distribution of unemployment. Informal social networks, which involve integration on both the demand- and supply-sides of the local labour, create a major form of discrimination against unemployed people. Other forms include age, length of time out of work, gender, level of education (when the job is less skilled), work experience, place of residence etc. These are addressed further in the following chapter.
CHAPTER 6
LOCAL FORCES AND THE GEOGRAPHY OF UNEMPLOYMENT
THE SUPPLY-SIDE OF THE LOCAL LABOUR MARKET

6.0 Introduction

The focus of this chapter is on forces which occur on the supply-side of the local labour market which interweave with those on the demand-side and outside to impact upon the level and spatial distribution of unemployment in the Shoalhaven. While Chapter Five focused on the demand-side, its integral relationship with this chapter is asserted.

Figure 2.1 illustrates the supply-side of the local labour market as an integral force affecting unemployment level and its spatial distribution at the local level. It shows the supply-side of the local labour market to encompass three major components affecting spatial variation in unemployment. They are individual characteristics, barriers to employment and training, and in-migration. These three components are detailed in section 2.2.4. In order to understand and explain the impact of these supply-side and related structures and processes, an empirical study was undertaken which involved several research methods.

As already noted in Chapters One and Three, this empirical study encompasses two areas within the Shoalhaven region - Sanctuary Point, a coastal village and East Nowra, an area within the township of Nowra - which are well known locally as low socio-economic status (SES) areas. Maps 3.1 and 3.2 locate the two areas in relation to adjoining urban areas. ABS statistics verify the very high unemployment and social security dependence levels in these areas relative to the remainder of the region.

Aims of the empirical study

The aims of the study, in accordance with the conceptual framework presented in Chapter Two, are as follows:
The general aim is to ascertain and explain the nature and extent of supply-side and related forces at the local scale which impact upon the level and spatial variation of LTU within the Shoalhaven region. This general aim is specified into the three main components mentioned above.

Individual characteristics

Rather than blame attributes of individuals for rising unemployment, it is held that these attributes are used to distribute work discriminately, a distribution which varies through time. The specific objective for this component is:

- To ascertain and explain the nature and extent of individual characteristics which disadvantage people in their search for work, for example, age, ethnicity, class (occupation and education), gender, employment history etc.

Barriers to Employment and Training

As detailed in section 2.2.4, it is held that discriminatory structures and practices which operate within and outside the local labour market interact to create a series of interrelated labour market barriers which face individuals when they seek training and employment (Haughton et al, 1993). The specific objective for this component is:

- To ascertain and explain the nature and extent of barriers in and outside the labour market which discriminate against unemployed people in their search for work.

In-migration

As detailed in section 2.2.4 and addressed in Chapter Four, the relationship between in-migration and unemployment in the Shoalhaven is more complex than simply a matter of 'welfare migration'. The objective for this component is:

- To ascertain and explain the relationship between in-migration and unemployment in the Shoalhaven, with reference to Sanctuary Point and East Nowra.

The following sections outline the steps undertaken to achieve these aims. Section 6.1 outlines the research methods. Section 6.2 analyses the results, which are organised in accordance with the three aims presented above. Section 6.3 presents the summary and conclusions.
6.1 Research Methods

As pointed out for the survey of employers, multiple methods have been used for the empirical study. The primary research method is the questionnaire survey of long-term unemployed people. Other methods supplement this one. They include acquisition and analysis of ABS statistics and other secondary data; indepth interviews with social workers and other persons involved with unemployed people, education, employment and training; participant observation and participation in group discussions with unemployed people on the problem of unemployment. Two group discussions were organised, one in each study area: through the Salvation Army which operates weekly 'morning teas' in Sanctuary Point for those wishing to attend (mostly unemployed); and through the assistance of an 'outreach' social worker in East Nowra who organised a morning tea for local unemployed residents.

Questions posed for several of the indepth interviews undertaken are detailed in Appendix F. Interviews were given to the following: social workers in both Sanctuary Point and East Nowra, domestic violence worker, police, Department of Housing, real estate agents, CES and DSS managers, Aboriginal Outreach officer, Worrigee Tenants Association (East Nowra), Shoalhaven Youth Accommodation, Shoalhaven Women's Resource Group. Again due to the confidentiality of these interviews, no person's name or specific title has been used in the results presented below. Data obtained from these interviews provide further insight for both the survey of unemployed people and the overall empirical investigation. Section 6.1.1 details the sampling techniques undertaken for the questionnaire survey; section 6.1.2 outlines its structure and content; and section 6.1.3 outlines the statistical methods undertaken.

6.1.1 The Questionnaire Survey of Long-Term Unemployed People: Sampling Techniques

Several possible sampling techniques of long-term unemployed people from the two study areas were considered. It was not possible to obtain assistance from the CES, neither by setting up a desk at the office, nor by the aid of case managers as an avenue of approach because of present restructuring within the CES and DSS and issues of
confidentiality. An anticipated door-to-door survey in the two areas was considered problematic and was not pursued due to issues of safety and the tendency for long-term unemployed people to be reluctant to participate in research exercises (Morris, 1995:16).

Given the restrictions posed by the initial considerations and enquiry, face-to-face interviews at the local shopping centres in both study areas comprised the main sampling method. This was supplemented by two other methods for administering the questionnaire. They were contact by phone (names and numbers supplied by social workers with the participants' permission) and the self-administered questionnaire technique. Both the face-to-face interview and self-administered questionnaire techniques were undertaken during group discussions (as explained above) which provided a further technique for data collection. The main method allowed for random sampling of long-term unemployed people.

Given that officially there were 1229 unemployed people in Sanctuary Point and 846 in East Nowra in 1991 (ABS census, 1991), a five per cent sample size was targeted for each study area (that is, approximately 60 long-term unemployed people in Sanctuary Point and 40 in East Nowra). While this is a small sample, it was considered large enough to address aims. In all, 40 responses were attained for Sanctuary Point and 27 for East Nowra. Optimum sample sizes would be larger. However, given the restrictions faced, the number of responses obtained must suffice for the present research which may pave the way for future, more substantial research into LTU in the Shoalhaven region.

A group session with 12 young unemployed people in Sanctuary Point formed the pilot survey which allowed for amendment of the questionnaire for the main survey.

6.1.2 Structure and Content of the Questionnaire

The questionnaire for long-term unemployed people is provided in Appendix G. As asserted for the survey of employers, great importance was placed on both the structure and content of the questionnaire. Effort was made to minimise derogatory questions or
labels, for example, the term 'not working' was used in preference to 'unemployed'. Two questions were posed on the employment status of other members of the respondent's family in the pilot survey. These questions received a negative response. Participants asserted that they expressed a 'them and us' attitude and felt the survey should be aimed at the respondent only. These questions were not testing a 'culture of unemployment' theory but were hoped to inquire into the relative adequacy of investigating the individual or the household as an appropriate unit of analysis, central to geographical inquiry. The questions were deleted from the main survey.

Weaknesses of the questionnaire survey technique are acknowledged. Examples include that questionnaires tends to be guided by the researcher's presuppositions, closed questions cannot accommodate all possible answers and data obtained is only a snapshot at one point in time (May, 1993). However, effort was made to maximise both the range of questions overall and the range of possible answers for closed questions relevant to the three broad aims of the research.

6.1.3 Statistical Methods
As for the employer survey, the Excel spreadsheet and Stat-View statistical packages were used for statistical analysis of data collected.

6.2 Results
As already noted, the results are organised in accordance with the three aims presented above. Section 6.2.1 analyses the relationship between individual characteristics and unemployment and 6.2.2 addresses labour market barriers, 6.2.3 details in-migration and unemployment.

Characteristics of the sample population are detailed in section 6.2.1. Other than the pilot survey, the sample population was not found to be significantly biased in terms of age and gender structure given the hidden female unemployment in the Shoalhaven proposed by the present research.
6.2.1 Individual Characteristics

Section 2.2.4 highlighted age, gender, ethnicity, class (education/qualifications) and disability as the main individual characteristics related to unemployment. Also associated were the lack of desire to gain work or the voluntary nature of unemployment and the inter-generational nature of unemployment and associated 'culture of unemployment'. These latter two phenomena are questioned initially.

To the question 'Why do you think unemployment is high in the Shoalhaven region?' 39 participants (58 per cent) commented. Of these 25 stated that the shortage of job opportunities or lack of big business was a major reason. Other reasons included that there are many young people in the Shoalhaven and few job opportunities for the inexperienced young, population growth, small town attitudes, lack of education and training opportunities. The same 39 participants commented on the reason(s) for higher unemployment in Sanctuary Point/East Nowra. Of these 20 gave lack of businesses and five gave (for Sanctuary Point) geographical isolation and lack of contacts for reasons. Other reasons for Sanctuary Point included the high number of school leavers in the area and inadequate transport. Public housing and poor transport were also raised for East Nowra. Only five respondents gave attributes of the unemployed as reasons.

The large response which gave the demand-side of the labour market as the main factor behind high levels of unemployment both in the Shoalhaven generally and specifically for the two study areas was not anticipated. Given the literature, attributes of the unemployed were expected to dominate. The response experienced clearly shows that unemployed people do not lay blame on their attributes but on the demand side of the labour market or related structures and processes. It further aids confirmation of the desire of unemployed people to work, that is, the involuntary nature of unemployment. Rather than state that unemployment was high due to 'dole bludgers' or 'no hopers' not wanting to work, various barriers were given as responses. As noted above, 63 per cent of the total sample was willing to work for pay similar to their benefit.
A survey of this issue was undertaken by the Shoalhaven Area Consultative Committee (SACC) in March, 1997 where 700 unemployed people in Nowra and Ulladulla were asked (through the assistance of the CES) if they would be happy to participate (with no additional benefit) in the newly established 'work for the dole' scheme, named 'Shoalhaven Earning a Living Program' (the Shoalhaven is an official pilot for the scheme due to its high unemployment level). Overall, 70 per cent said yes. This response further confirms that the majority of unemployed people want to work for work in itself.

Mangan (1991), who undertook a study of unemployment on the South Coast by analysing 300 record cards of the various regional offices of DEET, states:

... the fact that 40 per cent of the survey lived in families where at least one other member was currently unemployed indicates that a culture of unemployment and perhaps an acceptance of unemployment may be growing up amongst the long-term unemployed through the continued presence of unemployment within the family unit (:176).

The present research argues that analysis must be more comprehensive before making such assumptions. Anecdotal evidence (from sources such as the CES in Nowra, real estate agents and unemployed people) suggests that many young people unemployed in Sanctuary Point are the sons and daughters of those made redundant or without work since the 1970s in the western and south-western suburbs of Sydney. The demand-side of the labour market could not provide sufficient work opportunities in those areas of Sydney in the past and the Shoalhaven's demand-side cannot provide sufficient working opportunities for the young and other age groups at present. This does not underplay the need to understand characteristics such as loss of motivation and self-confidence, the deskilling and discouragement effects of long-term unemployment. But it does stress the need to understand these characteristics in relation to demand in the labour market and related structures rather than simply in terms of the supply-side.

Other individual characteristics mentioned at the beginning of this section (age, class, ethnicity etc.) are addressed within the ‘barriers approach’ below. They interact with the demand-side of the labour market to discriminate against individuals seeking work.
Of the total sample, 31 per cent were young (16-24 year olds), 42 per cent were in the 25-39 year age group and 27 per cent in the post 40 age group. This is representative of young unemployed in the Shoalhaven where 28 per cent of all unemployed are young. However, approximately 50 per cent are older workers (CES, Nowra, March, 1997). This proportion would be higher for long-term unemployed people.

The 'barriers approach' below demonstrates that both young and older people are discriminated against in their search for work. While being capable to work, age provides a culling mechanism for the ‘too young’ and ‘too old’. The unemployment rate in 1991 for 55-64 years was 23.4 per cent for the Shoalhaven and 39.6 per cent in Sanctuary Point PD; for 15-19 years, 26.4 per cent and 35.6 per cent respectively (ABS Census).

The gender structure of the sample population was found to be female biased. While 78 per cent of the region’s unemployed is male (CES Nowra), the sample only encompassed 40 per cent. However, given the low workforce participation rate of women and associated hidden unemployment, this proportion may not be a biased as first appears.

Gender discrimination was most blatantly addressed where married women form a latent reserve army and provide flexibility for the peaks of the tourist season in the Shoalhaven (addressed in Chapter Five). Unlike primary income earners, they can be pulled into work or let go but often with much hardship when the family income drops considerably.

Overall, four per cent of the sample was indigenous, 85 per cent non-indigenous and 10 per cent born overseas. Corresponding figures for the region’s unemployed could not be obtained. However, as noted in Chapter One, 2.2 per cent of the Shoalhaven’s total population was indigenous in 1991 (ABS Census, 1991). As also noted in Chapter One, this significant proportion coupled with very high unemployment within the indigenous population warrants a detailed investigation. Preliminary investigation was made, however, difficulties were experienced in trying to access data. This coupled with the space needed for an adequate analysis prevents an indepth study being presented here.
The low education/qualifications of unemployed both in the sample and in the Shoalhaven has already been addressed. The predominance of semi- and unskilled jobs was also asserted. Many workers have low levels of education and qualifications. Historically, a shortage of unskilled workers existed. In the future the same situation may arise again. However, at present people with little education and few qualifications tend to be the most vulnerable to unemployment. Processes perpetuating inequality in educational opportunities are addressed in the following section. The individuals themselves cannot be looked at in isolation: their context, immediate and broad must be researched. Labour market barriers at the local level and structural determinants at the national and international levels must be recognised and analysed.

The extent of time out of work of a region’s unemployed population is an indication of the entrenchment of LTU in the area. For the sample population, 49 per cent were unemployed for 12-23 months, 21 per cent for 2-4 years and 30 per cent for five years plus. While official statistics could not be obtained for this variable, Mangan (1991) notes the considerably long unemployment spells for the South Coast compared to the national average. Factors such as skills atrophy, declining self-esteem and self-confidence, and decreasing job search activity are relevant here. However, interviews with case managers at the local CES confirmed that while it is difficult for the very long-term unemployed (they were referring periods of five years plus out of work) to ‘get back into’ the regular routine of work, once into it, the overwhelming majority would do anything to stay in work. This was revealed through the various programmes (for example, ‘new work opportunities’) which came out of ‘Working Nation’ (1994) and unfortunately for many unemployed, involved only a temporary period of work.

Of the Shoalhaven’s population, it is estimated that six per cent of people over 15 years is disabled (a definition cannot be confirmed due to associated discrimination etc., for example, to whom the label extends) compared to 2.8 per cent for New South Wales. While it is estimated that in absolute terms the number of disabled people in the Shoalhaven is similar to that of Wollongong LGA, the former region has 82 places for
employment support and the latter region 350. The Shoalhaven is a high priority region but is not treated as such. A five per cent cut back (and a proposed 10 to 20 per cent cut back) in disability services under the Disability Services Act 1986 (a commonwealth act) perpetuates barriers faced by disabled people (Workplace Shoalhaven, April, 1997). An employment agency for the disabled in the region is trying, presently without success, to place a disabled person on the Shoalhaven Area Consultative Committee in order to avoid past neglect of this group of people.

As already stressed, unlike human capital theory and other individualistic perspectives on unemployment, individual characteristics of long-term unemployed people are seen as part of an explanation for unemployment but not the cause.

6.2.2 Barriers to Employment and Training

As noted in Chapter Two, Haughton et al's (1993) model was modified to encompass six main categories of employment and training barriers. They are addressed in turn below.

Education and Training Barriers

![FIGURE 6.1](image)

**FIGURE 6.1**

Highest Level of Education Reached
Figure 6.1 shows the highest level of education reached for the sample of unemployed people. Of the total sample, 54 per cent had incomplete secondary education (years 7 to 11), 24 per cent had completed secondary education (year 12), 12 per cent had completed technical or other formal training and three per cent had completed a university bachelor degree. There was no variation between the two study areas.

While the level of education and training is not high, it is similar to that of the working members of the workforce in the Shoalhaven, given that in 1991 approximately 50 per cent of the productive workforce worked in semi- and un-skilled jobs. This excludes tradespersons (ABS Census, 1991).

Figure 6.2 shows education and training barriers experienced by respondents. Overall, 49 per cent stated that they felt their current skills and qualifications were insufficient to enable them to obtain work; 47 per cent felt they had sufficient skills and three per cent did not know. Of the 49 per cent (33), 15 stated they needed work experience, further education and either a TAFE course or university education. There were no differences between the two study areas. This high proportion which felt inadequately educated/

**FIGURE 6.2**
Education and Training Barriers
qualified (most of whom had incomplete secondary education) is not a reflection of the people themselves, but of the education/training system and its integral relationship with the demand side of the labour market. The system coincided with full-employment during the 1950s/60s when unskilled workers had to be 'imported' from abroad as there was a shortage in Australia. Today the situation no longer exists, exposing the need to scrutinise both the demand- and supply-sides of the labour market as well as forces outside.

Overall, 76 per cent stated that they would consider retraining in areas where there are skills shortages in the Shoalhaven or other regions. 18 per cent would not consider retraining and four per cent did not know. Research advised that there is a shortage of hairdressers and car mechanics in the Shoalhaven (also a national phenomenon) (CES, Nowra, March, 1997). While this may be the case, there was only one part-time job vacancy advertised for a hairdresser and none for a car mechanic in the region when this information was provided.

From his study in 1991 (noted above) Mangan highlights the low proportion (six per cent) which had undertaken a government training scheme. However, he notes that at the time training in these schemes was voluntary. While a question was not posed on this, several unemployed in the two study areas noted that the range of these courses has been very limited, and popular (or useful) ones were very hard to undertake as only a small number of candidates are chosen. Field work revealed that the better (that is, in areas where jobs are more likely to be obtained) courses were not free and difficult to get into. Further, barriers such as financial and transport pose major hindrances.

It is widely acknowledged that educated and skilled persons are now becoming less rare within the ranks of the long-term unemployed (Baker, 1993). While a significant proportion of the Shoalhaven's long-term unemployed has a low level of education and a number have literacy problems, there is also a significant minority with a high level of education, qualifications and experience suitable for core or primary labour market
employment. These include unemployed professionals and unemployed with management-type qualifications (CES, Nowra, March, 1997).

The lack of and inadequacy of tertiary education and training in the Shoalhaven has already been detailed in Chapters Three and Five. In relation to secondary education, issues such as the curriculum, the state's involvement and private versus public schooling are pertinent to inequality in education and rising unemployment in the Shoalhaven.

The academic curriculum has been geared for tertiary education, which only a minority undertake. Teaching practices still, for the most part, encompass the 'neoclassical' orientation where knowledge is seen as the objective and divided between mental and manual. The division of labour begins at school with gender providing further fragmentation (King and Young, 1986). As noted, this division may have sufficed for the expanding workforce of the 1960s. However, it is no longer relevant, dramatically high youth unemployment being one variable exposing this.

The issues of educational expenditure cuts and rationalisations by government, corporatisation and privatisation of education (see Junor, 1991 and Blackmore, 1994 for details) and the inadequacies of both the hierarchical educational structure and educational curriculums need to be prioritised on the social agenda and acted upon. Kell (1996) asserts that rather than criticise the political-economic structure of society, students' abilities and workers' skills are being scrutinised in relation to rising unemployment. He points out the need to train, retrain and retrain many times during a working life - a situation imposed by capital and the state, not students and workers. The above has not exhausted what needs to be scrutinised and incorporated into an analysis. However, they have highlighted needed changes to lessen or eliminate exclusions explicit and implicit in the secondary educational system in Australia.

Polarisation between metropolitan - non-metropolitan arises again when referring to education. In relation to secondary schooling, both retention rates and TER scores tend
to be lower in non-metropolitan regions (interview, December, 1996). The lack of private versus public schooling in the Shoalhaven region is related to this phenomenon. The attainment of higher TER scores by private schools compared to public has been occurring for many years. However, this phenomenon has only been publicised recently (interview, Board of Studies, NSW, June, 1997; Sydney Morning Herald, January-March, 1997- see bibliography). It seems that we must accept class division in the school system as no government has considered abolishing private or selective schools. Donald Edgar's (1986) ideal that the exclusions of ethnicity, gender and poverty be removed will be a long time coming. Gregory and Hunter (1995b) praise Australia's expansion in education (essentially tertiary) between 1979 and 1991. However, they also note that while the proportion of population with degrees in median SES neighbourhoods increased by 11 per cent, it increased by only 2.5 per cent in low SES areas (:22-23). This inequality in growth does not seem praise-worthy.

The unequal access to education (at all levels) and training is exposed by geographical segmentation along class, ethnic (essentially aboriginality) and gender lines (in particular, the concentration of sole mothers in East Nowra) in the Shoalhaven. The primary and high schools servicing the Sanctuary Point and East Nowra areas are stigmatised, being labelled as 'rough' etc. They are seen as the least desirable schools (with one or two exceptions) in the region. These schools operate at one end of the continuum of quality of education while the private schools within the region and others outside which cater for Shoalhaven families, operate at the other end. Interviews revealed that locals perceive private schools to provide a better education than the public schools in the region. Children of families who can afford private education or who have the 'right background' attend these latter type schools. As already mentioned, the dip in the region's age profile (see Figure 3.1) of older teenagers and young adults reflects the out-migration of those able to attend other educational or training institutions.

Changing societal situations relating to disadvantage in schools need to be analysed, for example, the rapid increase of single parent families which bring complicated implications
(geographical mobility of families, downward social mobility of families with a female head) to an analysis. A high proportion of single parent families exist in both study areas and interviews with teaching personnel and social workers emphasised the negative impact of this situation on student progress in school. Further, the changing structure of the workforce has increased the significance of the education system as a 'sorting' process for diverse occupations. The proportion of 'white-collar' jobs to manual has risen consistently and related to this is that more and more qualifications are required.

These structures and processes create barriers for those disadvantaged by class, ethnicity, gender and address. Inequality in education and training discriminates against certain individuals in their preparation for 'membership' of the workforce. The changing needs of industry has involved a decline in the need for unskilled workers. This in turn has resulted in lower SES groups becoming the most vulnerable to unemployment. However, given the lack of work opportunities in the Shoalhaven, a significant rise in education level, qualifications and skills levels of its unemployed population may have only a negligible effect on the unemployment level in the short-term. In the long-term, given the many other factors to be considered, the effect may be minimally more.

**Recruitment practices**

Aspects of recruitment practices investigated through the employer survey exposed various forms of discrimination against unemployed people. They included the importance of work experience, appearance/presentation and formal qualifications (for less skilled work) as preferred qualities of job applicants. The predominance of informal contacts as a method of recruitment, the significant recruitment from outside the region and the negative perception of long-term unemployed people were also highlighted in the employer survey. These phenomena are detailed in Chapter Five.

To the question (15c) 'Can you comment on the success of personal contacts, generally and from your experience?', 54 per cent of the total sample stated that personal contacts posed a significant barrier to gaining employment. Examples of responses include: 'it is
who, not what you know'; 'when you're not in the know you are disadvantaged'; 'employers don't trust young people and would rather employ people through contacts'. Of the remaining respondents, 36 per cent did not know about the success of personal contacts (that is, they were unaware as to whether or not they were disadvantaged by personal contacts). Only seven per cent said that contacts were not a problem.

**FIGURE 6.3**

**Interview/Recruitment-Related Barriers**

![Interview/Recruitment-Related Barriers](image)

Figure 6.3 shows interview/recruitment related barriers. Of the total sample, 57 per cent stated that a major interview/recruitment barrier was that prospective employers' attitudes are discriminatory, for example, they are seen as too old, too young, a 'dole bludger' etc. Of the older workers (40 years plus) in the sample 56 per cent (10 out of 18) gave a positive response and 57 per cent (12/21) of young workers (16-24 years) saw employer attitudes as discriminatory. A chi square P-value of 0.1491, however, illustrates little difference by age. Both lack of work experience and no job prospects as major interview/recruitment barriers gained a 40 per cent response rate, which were concentrated amongst young people where a 57 per cent response rate occurred. However, again, a chi square P-value of 0.6903 illustrates that other age groups (25-39 and 40+) responded similarly.
For the sample as a whole, it is revealed that these recruitment barriers distribute jobs discriminately. Again, certain individuals are made more vulnerable to unemployment (or tend to remain unemployed) than others.

**Poor job information dissemination**

Research in the field revealed that a proportion of in-migrants to the area may have moved with the knowledge that proposed employment developments were to take place when in fact nothing eventuated. Examples include a steel works, nuclear power station, petro chemical station and armoursments depot. The housing boom of the late 1980s provided another major incentive for labourers and tradespersons in the construction industry to migrate. However, as noted, since the early 1990s downturn there has been a glut of these occupations in the region.

Only recently (1996) has the local CES developed an adequate job information system on jobs in the region and elsewhere within Australia. The lack of this facility in the past may have hindered the unemployed both from gaining work in the region and from looking elsewhere for work.

The lack of contacts with ‘insiders’ among the unemployed is highlighted above. This lack of ‘inside’ information on jobs forms a major barrier as in-migrants with few contacts within the region are greatly disadvantaged compared to locals. The very high level of in-migrants in the sample population is discussed below. As noted, Morris (1995) stresses the need to investigate ‘the means of access to employment among those who have recently found work’ (:16). While beyond the scope of this thesis, it is pertinent to the research.

**Employment Practices**

Again, both the employer and unemployed surveys (the demand- and supply-sides of the local labour market) are interrelated for analysis of employment practices. As noted in section 2.2.4, low pay on offer, or alternatively, unrealistic wage expectations, poor job
security, unsuitable hours of work and poor employment conditions pose barriers for those looking for work.

The employer survey revealed the significant wage differentials between the Shoalhaven and Sydney. The labour market barriers approach denotes the rising or unrealistic wage expectations of unemployed people. However, to the question 'Are you willing to take a job if the pay is similar to or minimally more than your unemployment benefit?' 63 per cent (43) stated yes, many elaborating their eagerness. Of those who said no (22) eight were receiving living at home youth unemployment benefits which provide approximately $140 per fortnight; six stated that it was not worth it or that time could be spent more fruitfully and four (all sole mothers with dependents) stated that there were too many benefits to lose (for example, medical, travel, etc). The point of this question was to ascertain how much unemployed people wanted to work. It was not to ascertain if benefits are too high or wages too low. Benefits are low. Several sources acknowledge the fast slide to poverty once unemployed (for example, Alcock, 1993, Haughton et al, 1993). Wages are also very low in the region. The high response willing to work for a low wage was not anticipated. This response illustrates the strong desire of many unemployed people to work, illustrated by young unemployed people in particular. The discouragement effect over time was evident amongst older unemployed.

The predominance of poor job security (the high seasonal nature of work in the Shoalhaven) and part-time work were also highlighted through the employer survey.

**TABLE 6.1**

<table>
<thead>
<tr>
<th>Factors</th>
<th>First Choice %</th>
<th>Second Choice %</th>
<th>Third Choice %</th>
<th>Overall %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay</td>
<td>10</td>
<td>25</td>
<td>45</td>
<td>80</td>
</tr>
<tr>
<td>Hours - full-time</td>
<td>43</td>
<td>16</td>
<td>12</td>
<td>71</td>
</tr>
<tr>
<td>Hours - part-time</td>
<td>10</td>
<td>3</td>
<td>0</td>
<td>13</td>
</tr>
<tr>
<td>Working conditions</td>
<td>4</td>
<td>13</td>
<td>9</td>
<td>26</td>
</tr>
<tr>
<td>Job security</td>
<td>24</td>
<td>29</td>
<td>18</td>
<td>71</td>
</tr>
<tr>
<td>Distance from home</td>
<td>3</td>
<td>7</td>
<td>13</td>
<td>23</td>
</tr>
<tr>
<td>Size of workplace</td>
<td>0</td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Holidays</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>2</td>
</tr>
<tr>
<td>N/A</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>
When asked what the most important factors of work sought were, the highest response was the desire to gain full-time work (in preference to part-time work) which gained a 43 per cent response. Of the total sample, 24 per cent stated that job security (assurety of keeping a job) was the most important factor and 10 per cent stated that pay was the most important factor. Job security gained the highest response for the second most important factor (29 per cent) and pay gained the highest response for the third most important factor (45 per cent). Pay gained the highest response overall, for the first three choices.

While the majority of respondents were prepared to work for a low salary, the preference for full-time, secure work over part-time work was an important finding. Once employed, a worker does not want to be told two months down the track that he/she is no longer needed. Both surveys revealed that temporary and short-term contract work are increasing in the Shoalhaven.

Non-labour market service provision

A strong negative response was received in both study areas in regard to public (or subsidised private) transport provision, many respondents wanting to talk in detail on the transport situation in both areas. 53 per cent of Sanctuary Point respondents and 48 per cent for East Nowra stated that poor public transport was a major commuting barrier in relation to gaining work. For those in Sanctuary Point a full-fare return bus trip to town costs $16.00 ($8.00 one-way and half-fare for those on benefits). Three services a day operate, the earliest one leaving at 7.30 am which arrives in town at approximately 8.30 am. This is too late for many jobs and courses. Public transport is expensive for those in East Nowra also. There are no evening or weekend bus services for either areas nor any services to the main industrial areas of Nowra and Bomaderry. Of the total sample, 54 per cent stated that having no private transport was a major commuting barrier in relation to gaining work. In a car-dependent region where distances must be travelled for most activities and public transport is greatly inadequate, lack of private transport poses a predominant barrier.
The labour market barriers approach (Haughton et al, 1993) emphasises service provision for the disabled. No disabled people were surveyed, however, the discussion within section 6.2.1 revealed that while the Shoalhaven accommodates a relatively high proportion of disabled people, service provision for this group is very limited.

**Housing**

The importance of the interplay between the housing and labour markets cannot be overstated. Housing comprises a very important labour market barrier as it is a basic need. It poses a dominant hindrance to training and employment for long-term unemployed in both study areas.

Both low rental and low cost housing have attracted people to Sanctuary Point. They are also keeping them there. The average weekly rental for a two-bedroom house in Sanctuary Point is $95 compared to $140 in Nowra and over $180 in Sydney (interview, March, 1997). Of the Sanctuary Point respondents, 38 per cent stated that the cost of housing elsewhere posed a major barrier to employment. In all, 33 per cent owned/ were buying their own home compared to 11 per cent for East Nowra. However, 40 per cent of Sanctuary Point participants were private tenants compared to two for East Nowra.

The 'gate keepers' in the Shoalhaven work hard at attracting people from other areas. It is widely acknowledged in the business community that when the coast 'moves' (residential and tourist expansion) the nodal town of Nowra 'moves' (businesses thrive rather than stagnate). Much emphasis has been placed on residential growth. Unrelenting sub-division and estate development has proceeded since the late 1970s. Several proposed large estates in coastal areas have been heralded by the Council as boons for the region. When questioned as to the morality of allowing further residential expansion when there are no jobs and few services the response by a representative of the planning department was that 'it is easier to work with a growing rather than stagnating or declining population'. A neighbouring region, Kiama, 'shut the gates' to residential expansion outside its urban area which has been praised by several local officials. While
the Shoalhaven is different in several aspects, a similar policy could have been pursued but has not. Real Estate agents have confirmed their active pursuit to attract people to the region. Letter box drops or flyers etc. and local newspaper advertisements of house-land packages and real estate generally in Sanctuary Point and other Shoalhaven areas have regularly occurred in the western, southern and south-western suburbs of Sydney where those mostly likely to migrate live (interview, July, 1996). Housing and personal loans have proliferated over the last few decades, loan institutions eager for more clients. These phenomena have precipitated the high in-migration of home buyers to coastal villages in the region (see section 6.2.3 for details).

The 'gate keepers' for much of East Nowra are not the same as for Sanctuary Point. They are essentially the Department of Housing and related bodies. As noted, 45 per cent of dwellings in East Nowra are housing commission compared to 4.4 per cent for the region (ABS Census, 1991). Of the 27 participants in East Nowra, 19 lived in Housing Commission. Research revealed that a reason for migration to housing commission in East Nowra was the shorter waiting list for housing in the Shoalhaven than other areas. Having moved to these lower cost areas without work, the likelihood of leaving to gain work is reduced. Of the 19 respondents in housing commission, 17 had migrated from outside the region. Of the total sample 63 per cent stated that housing costs elsewhere or inability to leave home were major barriers to gaining employment.

Section Summary

The current trend of privatisation, spending cuts etc. in education has involved an increase in unequal access to education and training along class, gender, ethnicity, address etc. lines rather than a decline. Barriers such as discriminatory recruitment practices, poor job information dissemination, poor employment practices and inadequate transport provision illustrate some of the problems faced by long-term unemployed people in the Shoalhaven. The link between housing and the labour market has been demonstrated to be an important one which requires serious attention by policy makers.
6.2.3 In-Migration

FIGURE 6.4
Length of Residence in the Shoalhaven

Of the total sample, 87 per cent had moved to the region since 1970 (no difference occurred between the two study areas). Figure 6.4 shows the length of residence in the Shoalhaven for the sample population. Overall, 67 per cent had lived in the Shoalhaven for 10 years or less. Nice environment, affordable housing, links with the area and perceived job opportunities were the main reasons for in-migration. This correlates with a survey undertaken in 1992 for migrants moving to the Shoalhaven region as a whole (see Figure 3.2). Table 6.2 shows the source regions of the unemployed sample.

TABLE 6.2
In-Migration to the Shoalhaven

<table>
<thead>
<tr>
<th>Source Region</th>
<th>Number of Respondents</th>
<th>East Nowra</th>
<th>Sanctuary Point</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Western Sydney</td>
<td></td>
<td>13</td>
<td>19</td>
<td>32</td>
</tr>
<tr>
<td>South-West and Southern Sydney</td>
<td></td>
<td>1</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>Inner Sydney</td>
<td></td>
<td>0</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Eastern/Northern Sydney</td>
<td></td>
<td>2</td>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>Coastal NSW</td>
<td></td>
<td>4</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Country NSW</td>
<td></td>
<td>0</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Another State</td>
<td></td>
<td>3</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Not Applicable</td>
<td></td>
<td>4</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>27</td>
<td>40</td>
<td>67</td>
</tr>
</tbody>
</table>

More than half of the sample was from western/south-western and southern Sydney. In order to ascertain whether job displacement in Sydney was a major factor behind in-
A question was posed on reasons for leaving the last job. Of the 36 who had migrated from the three areas in Sydney, 18 had been displaced in their last job: eight were on short-term contracts, seven experienced compulsory retrenchment, two were voluntarily retrenched and one fired. In hindsight a question specifically relating to work and reasons for leaving their job in their source area before moving should have been posed. Also, the question on reasons for moving to the Shoalhaven (Question 6c) should have been separated into push (which would include unemployment) and pull factors. These survey findings cannot fully validate the proposal that national restructuring and resultant displacement of labour and lack of job opportunities in areas of western, south-western and southern Sydney have been major push factors involved in in-migration to the Shoalhaven. However, the fact that the majority of the 36 in-migrants were unemployed before moving; verification of the displacement effect in western Sydney (see Stilwell, 1993; Fagan, 1994; Winchester, 1991; Watson, 1993) and its relationship to the 'population turnaround' (Burnley, 1988, 1996); and anecdotal evidence from the field (including the local CES, real estate agents and unemployed people) support the proposal and give it credibility.

During the 'age of growth' migration was predominantly to major urban centres. Hugo (1989a) asks whether the 'population turnaround' since this period is 'due to increased job, educational and other opportunities outside the metropolitan areas or a decline in perceived opportunities in the large cities' (:75). In relation to the Shoalhaven, it may be both. As noted above, research revealed that perceived work opportunities in the region attracted many in-migrants, particularly trades people and labourers in construction, many of whom have since become unemployed. The high rate of in-migration from high
unemployment areas in Sydney, indicated through the survey, illustrates the relationship to structural-spatial restructuring in Australian since the 1970s.

As well as unemployment being major push factor for Sydney, others include high housing costs and environmental disamenity. Pull factors to the Shoalhaven include cheaper housing, perceived employment growth, family ties and environmental amenity (see Figure 2.5). Youth unemployment in Sanctuary Point is estimated at approximately 50 per cent (youth social worker, Sanctuary Point). This high rate must be associated with inadequacies in and outside the labour market at the local and national levels rather than with attributes of the unemployed and their families. Research in the field revealed that there is a tendency for migrants from Sydney to be more active in job search than locals who may have become discouraged. Sanctuary Point has a high concentration of trades persons who, as noted, may have initially found work but have since become partly or fully unemployed. The stance that high unemployment is related to 'welfare migration' cannot be substantiated. Many in-migrants to Sanctuary Point and East Nowra may have been unemployed at the time of moving and remain unemployed. However, the push and pull factors behind their migration, underlain by structural determinants addressed in Chapter Four, assert the symptomatic rather than causal nature of 'welfare migration' in relation to unemployment and its spatial unevenness in the Shoalhaven. Mullin's (1990, 1992) assertion of the malady of amenity regions where the tourism and construction industries provide inadequate job opportunities is held to apply to the Shoalhaven. This situation was revealed in Chapter Five.

For East Nowra the pull factor of cheaper housing, mainly in the form of public housing, is a dominant one. Perceived job opportunities may not have been as strong due to the over-riding nature of constraints in housing choice, the shorter waiting time for non-metropolitan areas providing a major pull factor (interview, Department of Housing, Nowra, November, 1996).
The relationship between in-migration and unemployment is important as it exposes the indirect impact of globalisation and structural-spatial restructuring on the Shoalhaven region. It is also important as it refutes the stance that 'welfare migration' is a major cause of high unemployment levels in amenity-tourist regions. This stance was held by several public servants in the Shoalhaven, which begs the need for a broad, comprehensive understanding of unemployment and its spatial distribution. A structural analysis of migration is needed, migration being contingent on underlying factors such as wider institutional and market processes.

6.3 Summary and Conclusions

The empirical study has demonstrated that barriers in and outside the local labour market disadvantage individuals in their search for work. The inequality, inadequacy and deteriorating conditions of the education and training systems are exposed well at the regional and sub-regional levels. When disadvantaged in relation to education and training, prospects for secure, full-time work are diminished. Of the other barriers raised, lack of contacts and ‘inside information’, inadequate transport provision and the constraints imposed by housing were found to be the most important.

Discrimination against certain groups of individuals was also confirmed. The survey and field research found both young and older people to be heavily discriminated against, confirmed by very high unemployment rates for these groups of individuals. The lack of job opportunities, especially for the young, is compounded by discriminatory practices of employers. Women, disabled people and unqualified workers were also found to be disadvantaged. As argued above, the majority of workers in the Shoalhaven are unskilled or unqualified. Individual characteristics are useful as a ‘culling’ mechanism in job recruitment. When work opportunities are scarce, such as in the Shoalhaven, this kind of ‘culling’ mechanism is used readily. It is held that human capital theory and individualistic perspectives are narrow and inadequate. The complexity of structures and processes in and outside the local labour market warrant an equally comprehensive analysis.
While in-migration was found to be particularly strong within the unemployed sample, in-migrants have a right to a job as any other citizen. A significant proportion of the unemployed in-migrants from the survey sample were found to be discriminated against or disadvantaged in relation to lack of contacts, personal attributes, inadequate transport provision etc. However, the over-arching factor of lack of secure, full-time work opportunities in the Shoalhaven necessitates scrutiny on the demand side of the labour market at both the local and national levels. The stance that 'welfare migration' is a major cause of unemployment in amenity regions is refuted. This stance focuses on symptoms rather than causes and is narrow and inadequate.

An important function of this chapter was to expose the inadequacy of neoclassical and individualistic approaches which focus on the supply- rather than demand-side of the labour market when explaining unemployment and its spatial variation.

Gregory and Hunter (1995b) point out three main underlying causes of the rise in unemployment and consequent growth in urban inequality: the decline in manufacturing; the shift in demand from unskilled towards skilled workers; and macro economic problems such as balance of payments difficulties and inflation. While they provide structural causes (focusing on the demand-side) they suggest supply-side solutions: controlling wages of high SES areas to avoid wage inflation and substantial wage falls in low SES areas (possible through deregulation) to 'create more low paid jobs and/or divert some wage offers away from higher priced labour' (p.32). While they state that the latter tends to be badly received by communities and in turn support wage subsidies and increased education and training for the unemployed, they ignore the root causes of unemployment and let employers (the demand-side) off 'scot free', with wage subsidy assistance. Mitchell (1994) asserts that while a focus is placed on the supply-side of the labour market, millions of tax payers' money goes to private business in the form of outlays or foregone taxes, yet no evaluation of their effectiveness is undertaken. Prime Minister John Howard's recent proclamation (National Nine News, 8 July, 1997) that a
reduction of the minimum wage is an important step towards lowering unemployment is proof that economic rationalism at its most simplistic level is alive and thriving.

Brosnan (1996) more suitably scrutinises the political and economic structure, focusing on the segmentation of the labour market, where forces segment both the workforce (the supply-side) and job opportunities (the demand-side). He states that

The effect of segmentation is that there is no necessary link between ability and pay or conditions of work. Most jobs can be done by most people ... 85 per cent of people can do 95 per cent of jobs (:10).

Segmentation on the demand-side enables a hierarchy of pay and conditions where equally productive workers work for different wages. Segmentation on the supply-side allows employers to use criteria independent of productivity, eg, gender, age, disability (ibid).

It is the segmentation of the workforce which needs to be prioritised, along with the imperatives of capital, not attributes of the unemployed or wages of the working poor. The need to maintain the four necessary conditions of capital (see Chapter Four) has involved greatly increased segmentation and exploitation in the labour market. The power of capital has risen unabated with the process of global segmentation. The role of capital and the state need to be scrutinised rather than the qualities of workers, the value upon which changes through time.

The empirical studies within and outside the local labour highlighted the segmentation and exploitation in the local labour market. However, the sheer lack of secure, full-time job opportunities – skilled and unskilled – was seen as an over-arching factor underlying unemployment. The fundamental impact of the national/international political-economic structure and processes which reverberate at the local and workplace levels must be acknowledged and analysed.
CHAPTER SEVEN
CONCLUSION

7.0 Introduction

The present research has addressed the causes of widening spatial disparity of unemployment, specifically LTU. In doing so it has argued that a multi-disciplinary approach which encompasses the total environment is needed; that a top-down as well as a bottom-up approach covering quantitative and qualitative research are necessary. It began the research at a general, national/international level with an analysis of the impact of structural-spatial restructuring on the Shoalhaven region. The research then moved to the specific, to the local level. Here, the importance of space or locality, yet the over-arching domination of structure was exemplified. The problem of spatial concentration of LTU and otherwise welfare dependent people was clearly revealed through the cumulative effects of local disadvantage which are argued to emerge. The significance of spatial-inequality has been a theme throughout this thesis, clearly revealed through the manifestation of locational and social disadvantage, in the form of potential underclass formation.

The following sections make some concluding remarks. Section 7.1 addresses the adequacy of the theoretical framework and its application to the real world. Section 7.2 reiterates the main findings. It highlights the multi-faceted and complex nature of an explanation for widening spatial disparity in unemployment. Section 7.3 asks whether spatial variation in unemployment matters. It reflects on the geographical importance and implications of the present research. Here, two major outcomes of widening spatial disparity in unemployment – spatial inequality and potential underclass formation - are examined. Section 7.4 provides some closing remarks.

7.1 The Theoretical Framework and its Application

The multi-stranded conceptual framework used in the present research is held to provide a more adequate analysis of widening spatial disparity in unemployment than uni-
disciplinary, partial approaches (addressed in Chapter Two). Further, analysis of the unit of production, or more specifically, the imperatives of Capital, at the commencement of the study has allowed for causes rather than symptoms of unemployment to be revealed.

At the national/international level, the temporal account allowed for a perspective on capital’s changing levels of wellbeing and correlating changing levels of unemployment. Australia’s capitalist state experienced a long boom during the post World War II decades until the late 1960s which correlated full-employment, regional unemployment rates averaging between one and two per cent. The low level of unemployment tended to be frictional (short-lived) rather than structural or LTU. Since the 1970s global and national restructuring, economic stagnation and the ideology of economic rationalism, national competitiveness and labour market flexibility have seen widening spatial disparity in unemployment and a growing proportion of LTU in relation to unemployment generally.

Stilwell’s Marxian model of spatial-structural restructuring provided a crucial framework for the analysis of dominant structural determinants which are held to both directly and indirectly (more importantly) impact upon unemployment levels in the Shoalhaven region as a whole and upon concentrations of LTU within the region. While this model explicitly exposes the direct impacts of structural restructuring on particular regions, for example, depressed heavy industrial regions such as Wollongong, it also exposes the more implicit impacts on peripheral regions such as the Shoalhaven. Its ability to provide an adequate explanation for uneven development, to expose the source of the problem, was asserted in Chapter Two and demonstrated in Chapter Four.

It is held that while Stilwell’s model provided an adequate framework for the processes of uneven development and spatial restructuring within Australia, a more comprehensive theoretical framework is necessary for adequate examination of unemployment and its spatial disparity. Accordingly, the present research
encompassed a framework which synthesised inter-relating analyses at various geographical scales.

The inter-regional comparative analysis allowed for a middle ground or meso-level investigation which both further clarified widening inter-regional disparity in unemployment and revealed the intricacies and hidden problems at the local level which need to be examined for a more adequate analysis.

At the local level several perspectives were used for investigation and analysis of the supply- and demand- sides of the local labour market, their integration with each other and forces outside of the local labour market. The two segmentation approaches, the 'flexible firm' and 'barriers in the labour market' models, provided a framework which exposed the inadequacies of supply-side approaches which focus on the attributes of the unemployed and the level of wages and social security while neglecting the more important link between segmentation of the labour market (on both sides) with unemployment. Here, the interdependence of local forces with the national/international structure is exposed. Also highlighted was the interplay of forces on the demand- and supply- sides of the local labour market and of forces outside to discriminate against individuals in their search for work. The adverse impact of these processes on unemployment level and distribution was demonstrated in Chapters Five and Six.

Other perspectives on both sides of the local labour market allowed for a 'taylor-made' analysis for the Shoalhaven region. On the demand-side they revealed the link between industrial structure and barriers to industrial development with rising unemployment. On the supply-side they further exposed the need to analyse individual attributes from a perspective of segmentation and inequality and again exposed the link between structural restructuring with rising unemployment at the local level (in-migration). The cumulative causation model of underclass formation (applied below in section 7.3) enables the cumulative effects of social and locational disadvantage to be exposed at the neighbourhood level.
As noted at the outset of the present research, academic understanding of unemployment is still relatively rudimentary and research has a long way to go before a comprehensive and adequate understanding and explanation of unemployment and its spatial distribution is achieved. However, it is held that the present research, its theoretical framework and application have made a step in the right direction. While the theoretical framework may not have encompassed all the forces underlying widening inter- and intra-regional disparity in unemployment, it expounded the need to integrate structure and space in an analysis where spatial factors compound structural inequalities. Further, while the empirical investigation needed to be on a much larger scale and more in-depth for adequate validity of the findings, the theoretical framework and its application provided a holistic and broad insight into the problem of spatial inequality in unemployment. The following reiterates the main findings.

7.2 The Main Findings

The major finding of the present research is the underlying root source of widening spatial disparity in unemployment: the imperatives of capital and the state’s response. Three decades ago unemployment was not a major issue in Australia. Today it is the most important socio-economic problem. Three decades ago lowly educated, unqualified and unskilled people did not have difficulty in finding work. Indeed, there was a shortage of unskilled workers, immigration providing a solution to the problem. Today, a contracting manufacturing sector, workplace and workforce restructuring and reform, technological change and other factors, which proceed under the auspices of national productivity and labour market flexibility, have implicated a shortage in jobs rather than a shortage of labour. No region has escaped the impact of structural restructuring, the Shoalhaven experiencing direct and indirect impacts. Being a peripheral region, it has suffered from the growing primacy of Sydney and the overshadowing effect of the Newcastle-Wollongong conurbation. Problems associated with a peripheral region are detailed in previous chapters. The indirect impact of deindustrialisation in western and south-western Sydney on the Shoalhaven was asserted in Chapters Four and Six. Displacement of labour and contracting job
opportunities in these areas are held to provide major push factors for in-migration to the region. Empirical investigation of long-term unemployed people in both Sanctuary Point and East Nowra confirmed these areas of Sydney to be major source regions for in-migration. It further confirmed their unemployment status when moving residence.

While the present research recognises the over-arching importance of structural determinants, the compounding effects of space or location have been expounded throughout this thesis. Empirical investigation revealed several forces at the local level which adversely affect widening spatial disparity in unemployment.

On the demand-side of the local labour market, the lack of high order employment which is concentrated in the public administration, finance and information sectors of metropolitan regions is related to the predominance of a peripheral workforce in the region. The high incidence of part-time, short-term, casual, unskilled and non-unionised work further confirms the predominance of a peripheral workforce. This type of work is particularly evident in the wholesale-retail and recreational and personal services sectors – one the largest sector and the other where future job growth is seen to be significant. The high seasonality of demand for labour (related to tourism peaks and lows) was found to be strongly related to these demand-side characteristics. By contrast, skilled work is found in only a few areas of the workforce and was revealed to be predominantly recruited from outside the region.

Significant employee shedding or retrenchments were not found among employers surveyed. The relatively small manufacturing sector which encompasses a relatively insignificant export trade may be related to this phenomenon. However, the large proportion of both stagnating and declining businesses, evidence of business closures experienced during the research period and other factors indicate that a long-term (five years plus) lull rather than growth has been experienced by the Shoalhaven economy. The high growth rate of the workforce during the 1980s may have occurred during the
1980s housing boom period. However, a significantly lower workforce growth rate has been experienced during the 1990s.

Discriminatory recruitment practices were found to be a pertinent factor relating to growing LTU of particular groups of people. The significance of contacts as a major method of recruitment forms a barrier for unemployed people seeking work, particularly for in-migrants with few or no links in the area. The importance of work experience, appearance/presentation, employment history and employer perceptions of long-term unemployed people all discriminate against individuals in their search for work.

Several barriers to industrial development were found to exist at the local level which, if removed or improved, may see amelioration of unemployment levels in the region. They included locational disadvantages; the need for integration, cooperation and better understanding of those in power in the pursuit of LEIs and unemployment amelioration.; lack of comprehensive, strategic planning; the predominance of reservation or conservation land in the region and availability of mainly tree-covered land for development (for which no flora and fauna studies have been undertaken); poor physical and social infrastructure; cut-throat competition with other regions and a poor industrial relations image for the region.

All these factors are argued to work against the provision of adequate employment opportunities for those seeking a secure, primary source of income. The lack of job opportunities in the Shoalhaven appears to be a serious problem. The way in which limited jobs are distributed is integral to intra-regional distribution of unemployment.

The investigation of the supply-side of the labour market further confirmed discrimination and segmentation on the demand-side and the significant impact upon the spatial concentration of LTU by structures and processes outside the local labour market. The inequality within and inadequacy of the education and training systems, the inadequacy of transport provision and housing constraints were detailed in Chapter
Six. The investigation also emphasised the involuntary nature of unemployment and rebuked ‘culture of unemployment’ perspectives which further stigmatise and strengthen barriers to work faced by unemployed people.

Research into the relationship between in-migration and unemployment both exposed the indirect impact of globalisation and structural-spatial restructuring on the Shoalhaven region and rebuked the stance held by local and other commentators that ‘welfare migration’ is a major cause of unemployment in amenity regions. This stance pursues symptoms rather than causes.

The link between social outcomes and economic structure was exposed through the investigation of potential underclass formation in areas within the Shoalhaven - a focus in the following section. Here, the cumulative nature of multiple disadvantage is exposed where socio-economic problems culminate to create neighbourhood decline and disadvantage for those affected. While underclass formation may be seen in rudimentary forms in the Shoalhaven, multiple disadvantage experienced by individuals in Sanctuary Point and East Nowra reveals the need to understand and respond to the processes at work. The inequitable sharing across space of unemployment raises the notion of spatial inequality, also a focus of the following section.

7.3 Does Spatial Variation in Unemployment Matter?
The question of whether spatial variation in unemployment matters was raised at the outset of this thesis. Widening disparity in unemployment rates has been occurring both between neighbourhoods and regions over the last two decades (as noted in preceding chapters, see Gregory and Hunter, 1995b; Karmel et al, 1993). Correlating widening spatial disparity is also occurring in related indicators such as income, social problems (for example, crime, drugs, welfare dependency, domestic violence etc.) housing status etc. Locality can perpetuate and exacerbate disadvantage. Investigation into spatial inequality in relation to the Shoalhaven region and potential underclass formation in the two study areas demonstrated this.
7.3.1 Spatial Inequality and the Shoalhaven

Spatial inequality here relates to the inequitable sharing across space of unemployment. However, as illustrated in section 7.3.2 below, the problem of unemployment, or more specifically, LTU, is closely associated with multiple disadvantage. Chapters One and Two raised the importance of spatial inequality, a phenomenon that has been questioned within geography in regard to 'people problems versus place problems' and 'spatial fetishism'. Studies of locational disadvantage in Australia have focused on outer suburbs of major cities (Beer et al, 1996), many of which have raised doubt as to the importance of locational disadvantage as many residents of these areas are happy with their lot and do not see poor accessibility as a problem (see Maher, 1995). However, as Badcock (1994) and Forster (1994) argue, rather than specific areas being targeted for study etc., the focus should be on low-income areas, many of which are public housing commission estates where, unlike outer suburban areas, residents are often very restricted on their residential location. As Beer et al (1996:35) stress 'lack of social mix, poor 'image' and poor accessibility may not be the fundamental causes of poverty, unemployment and welfare dependence. But ... they can significantly exacerbate problems'.

It is recognised that many disadvantaged people do not live in disadvantaged areas. However, as Wulff (1995:2) denotes: 'In Australia as a whole in 1966 over 80 per cent of the households in the public rental sector contained at least one adult in employment. But by 1995 this figure had fallen to 26 per cent'. While national policies addressing employment, income support, etc. are fundamentally important to all low-income people no matter where they live, depressed regions or sub-regions also need to be targeted (Beer et al, 1996) in order to attack the various links in the chain of causation. A rise in general economic growth may not necessarily enable regions such as the Shoalhaven and sub-regions such as Sanctuary Point and East Nowra to recover or improve in socio-economic wellbeing. Fierce inter-regional competition for investment and other barriers raise the need for special assistance.
Spatial inequality for the Shoalhaven occurs at both the inter-regional and intra-regional levels. Preceding chapters raised the issue of widening disparity in unemployment rates between regions. The Shoalhaven is a high-growth coastal amenity region that suffers several disadvantages due to its location and specific features (addressed in Chapters Four and Five). Chapter Five, Six and this one raise the issue of clustering of unemployment within the region. Both Sanctuary Point, an extremely low-income, high welfare dependent village and East Nowra, a public housing commission area, suffer the burden of locational disadvantage. Inadequate transport provision, limited access to jobs, education and training and the constraining nature of housing were some of the problems raised in preceding chapters and are raised again in the following section.

Spatial inequality needs to be prioritised on the political-economic agenda. Moreover, the interdependence of structure and space needs to be acknowledged. For the Shoalhaven and areas within the region, structurally determined inequalities are compounded by space functions. The over-arching dominance of the macro-political-economic setting has been expounded throughout this thesis. However, the importance of space has also been asserted. As Faist (:172) stresses, access to work, good education and training ‘is of utmost importance if we want to understand the condition of citizenship in advanced Western welfare states’. The socio-economic exclusion suffered by long-term unemployed people is exacerbated by spatial constraints.

Spatial inequality does matter at two important levels. At a moral level, when individuals’ disadvantages are compounded by their location and lack of access to resources and services, the issue of ‘equity’ or ‘fairness’ must be acknowledged and responded to. The ‘winners – the high-income neighbourhoods – are increasing in number while the ‘losers’ – the disadvantaged neighbourhoods – are also growing (Gregory and Hunter, 1995b; Stilwell, 1989). At the level of national wellbeing, Hunter and Gregory (1996) inform that ‘regional income inequality is increasing substantially for both individuals and households and this increase has increasingly made a more important contribution to overall income inequality (:177)’. Regional inequality has
become a more important dimension of overall inequality' (180). While the imperatives of capital are at the root source of spatial inequality, an analysis needs to encompass the interdependence of structure and space.

Investigation into the geographical implications – potential underclass formation and spatial inequality – clearly demonstrates how structural processes shape labour and housing markets where unequal allocations of opportunities and material resources occur. Structurally imposed disadvantage is compounded by locality. The empirical investigation for the Shoalhaven as a whole and the two case studies provided in the following section illustrate how access to a range of education and training is limited for all residents but particularly limited for certain individuals who tend to be spatially concentrated. Services, most importantly transport provision, were also found to be inadequate, in particular, for those in outer-lying villages or at a distance from major workplaces etc and without private transport.

The spatial concentration of long-term unemployed and otherwise welfare dependent people is asserted to be associated with potential underclass formation where several socio-economic and other problems cumulate to create neighbourhood decline and disadvantage for those affected. Locational disadvantage at both the regional and sub-regional level raises the issue of spatial inequality: a phenomenon which is increasing in Australia and is regarded to be of great significance on both moral (equity) and efficiency grounds.

This assertion raises the importance of policy implications. Just as this study has stressed the need for a ‘bottom up’ as well as a ‘top down’ approach, governments also need to approach from both the top down and bottom up. Spatial or ‘place’ as well as ‘people’ policies are needed. That is, while national policies which address employment, income support etc. generally are essential, depressed regions or sub-regions also need to be targeted. Examples include the need to dismantle barriers in local labour markets and to place restrictions on land development where little
economic activity ensues and transport provision and other services are poor. The long-term ramifications of unrelenting residential property development without a correlating plan to create employment opportunities need to be understood and responded to. The same applies to the concentration of public housing commission development. Local factors that influence the level and concentration of unemployment need to be addressed.

The social structure of the Shoalhaven poses a problem for economic development. It is a low income region with a minority of wealthy people and a predominance of welfare dependency. These characteristics illustrate a clear example of the uneven spatial distribution of production, work and profit, addressed in Chapter Four. The exclusion from production for the region's long-term unemployed people greatly restricts their consumption which, combined with the remainder of welfare-dependent people (totalling 52 per cent of the population), poses significant implications for economic development. The proportion of welfare-dependent people is growing which begs the need for spatially targeted policies, both at the regional and sub-regional level. The following section highlights this need.

### 7.3.2 Potential Underclass Formation and the Shoalhaven

It is at this point of the present research that the causal link between social outcomes and economic structure can be made clear. Much research has emphasised labour-market experiences such as unemployment. However, when the spatial dimension is added to research the manifestation of other social outcomes, linked to structural change, occurs. As noted in Chapter One, the aim of this section is to determine the extent to which pockets of LTU (overt and hidden) are emerging into spatial manifestations of a social underclass.

The terms 'underclass' or 'ghetto' need to be clarified. Whiteford (1995) holds that while these terms are relevant for the United States (he provides Wilson's [1987] example of a Chicago ghetto of 20,000 plus residents), they are not for Australia. He rebukes Gregory and Hunter's (1995b) study which argues that 'the poor are
increasingly living together in one set of neighbourhoods and the rich in another set. The economic gap is widening’ (:4). From an analysis of CDs ranked by SES they found that income for the top five per cent of SES areas had increased by 23 per cent between 1976 and 1991 but fallen by 24 per cent for the lowest five per cent (:5). Whiteford highlights six main shortfalls of the study: it does not take into account incomplete income information in the Census; it does not acknowledge that the real incomes of the poorest - the pensioners - have actually increased since the early 1970s; it neglects social and geographical mobility of people; it ignores changes in family composition and household size; it neglects the important role of public housing; and it doesn’t link the term ‘underclass’ with deviant behaviour. The study may have shortfalls, however, it is one of the few to place growing urban or spatial inequality on the political agenda. While it focuses on income and unemployment and neglects other pertinent variables in a study of underclass formation, it does validate the trend of spatial concentrations of poverty and unemployment in Australia. It highlights the need to undertake investigations into potential underclass formation in areas such as Sanctuary Point and East Nowra within the Shoalhaven.

The two study areas in the Shoalhaven are unlike ghettos found in other countries such as the United States, being physically pleasant and far from in a state of physical decline. However, other characteristics, addressed above and below, raise the issue of widening socio-spatial inequality in the Shoalhaven which, if continues, may eventuate in severe neighbourhood decline.

Section 2.2.5 outlined the three main approaches to underclass formation and presented the one applied in the present research, illustrated in Figure 2.6. As noted, the model applied to the Shoalhaven is derived from the three perspectives illustrated in Appendix B and outlined in section 2.2.5. As with these three perspectives, the one formulated for the present research is underlain with structural determinants and is based on cumulative causation. The application of this model (Figure 2.6) to the two study areas – Sanctuary Point and East Nowra – is detailed below.
POTENTIAL UNDERCLASS FORMATION IN SANCTUARY POINT

Sanctuary Point is a coastal village with beach access and much open space. However, as noted, while this image may be different to other disadvantaged neighbourhoods, the concentration of LTU, significant lack of job opportunities, high rate of welfare dependency and associated low income and the many barriers to employment and training combine to provide a suitable environment for potential underclass formation. These and other pertinent factors were highlighted in the findings of both the demand- and supply-side studies in the Shoalhaven (Chapters Five and Six). Sanctuary Point has been stigmatised as the 'western suburbs of the Shoalhaven' and evidence reveals growing social problems in the area. The village is recognised as a low status area, both Sanctuary Point and East Nowra being seen as the least desirable areas in relation to SES and related variables (for example, crime, domestic violence). As Figure 2.6 illustrates, manufacturing decline and global/ workplace restructuring have adversely affected the working class in Australia. As noted, areas such as western Sydney where manufacturing was once concentrated, and peripheral areas such as the Shoalhaven have suffered great rises in unemployment. Of Sanctuary Point respondents, 55 per cent (22) had migrated from either western or south-western Sydney, the majority of whom were unemployed before migrating. As noted above, while these survey findings cannot fully validate that national restructuring and resultant high unemployment in areas of western and south-western Sydney have been a major push factor involved in in-migration to the Shoalhaven, other sources noted above further support this phenomenon. Official unemployment in Sanctuary Point was 32 per cent in 1991. This does not include discouraged workers such as early retirees (of which there is a significant minority in the village) and hidden unemployed such as sole parents. Barriers in and outside the Shoalhaven's labour market have compounded unemployment problems in the village.

Declining real income is closely associated with unemployment. The average household annual income for the area was $20,700 in 1991 compared with $38,600 for New South Wales. Of all households in the village, 40 per cent were on less than
$16,000 annually (ABS Census, 1991). Low income and housing type are also closely related. As Figure 2.6 illustrates, the tendency to be constrained to low cost housing (either owner/buying or rental) appears to be significant in Sanctuary Point. As noted above both low rents and cheap house/land packages have attracted many people to the area but have also constrained them. In all, 38 per cent of Sanctuary Point respondents saw the cost of housing elsewhere as a major barrier to gaining employment. Housing in Sanctuary Point is varied. Higher status housing which is concentrated on the waterfront where owners tend to reside contrasts with lower status housing where tenants tend to live. Certain streets are seen as ‘bad areas’, however, not to the degree as particular streets in East Nowra. Unlike East Nowra, Sanctuary Point encompasses no public housing, which targets society’s poorest groups.

Research in the field revealed that many people who moved into the area did not consider the geographical isolation which is compounded by very poor public subsidised transport provision. As the supply-side analysis highlighted, lack of private transport, the inadequacy of public transport and other related factors have ‘cut-off’ many unemployed people from mainstream socio-economic life. Prejudice of potential neighbours and potential workers is less a phenomenon in Sanctuary Point than East Nowra. However, the village has been stigmatised and attracts less higher status groups than other villages in the region.

The proportion of households with more than one person unemployed was not investigated (see above). This may be a significant problem in Sanctuary Point. However, it is a problem which is related to workforce restructuring rather than attitudes and behaviour of individuals. It was pointed out in Chapter Six that the demand side of the labour market was unable to provide work opportunities for many in-migrants (both in the source region and for many, after an initial period during the 80s housing boom in the Shoalhaven) to Sanctuary Point and now the children of these people are also unable to find work in the region. The loss of contacts with networks on job information was also detailed above. Morris (1995) focuses on the impact of informal networks and
asserts the importance of this as a significant component of structured differentiation. The significance of contacts for gaining work in the Shoalhaven was emphasised. Many in-migrants from Sydney and other source areas have no contacts in the region and thus are disadvantaged considerably.

Poor services were also discussed above. The high school servicing residents of Sanctuary Point has gained the label of being ‘rough’ and not coping well with ongoing student problems. Parents who are able to, send their children to private schools both in and outside the region. Those without sufficient income must be satisfied with schools provided locally. The impact of public sector cutbacks has affected all areas of life, including public education, welfare and other services such as transport. The local government is very slow in providing badly needed facilities, for example, a Bay and Basin sports/swimming complex has been needed for some years but residents are still waiting (Youth Community Centre, Sanctuary Point). Publicised local government debt is seen to further impede infrastructure improvements.

While the proportion of sole parent families was 11 per cent for Sanctuary Point in 1991, research suggests that the proportion has grown since this period. The impact of an ageing population is more significant. The 55 plus age group comprised 42.4 per cent of the population in 1991 compared to 20.5 per cent for New South Wales (ABS Census, 1991). This raises the proportion of aged pensioners and in turn promotes a predominance of welfare dependency (Radoslovich, 1991). With little economic activity in the area, the high level of welfare dependency compounds isolation from the world of work. Alienation, loss of self-respect and feelings of hopelessness and powerlessness can lead to domestic violence, crime, vandalism and delinquency. Crime for the region as a whole is average, when compared with metropolitan regions. It is in the top 20 LGAs (out of 300 in the state) for crime incidents such as assault, malicious damage and break and enter (Nowra Police). However, variation within the region is significant. Table 7.1 shows crime incidents for four areas within the Shoalhaven. Sanctuary Point and Vincentia (both of similar populations [Nowra Police,
Intelligence Section]) are coastal villages within the same Planning area (see Map 3.1). As the table shows, crime is considerably higher in Sanctuary Point than Vincentia. Domestic violence for Sanctuary Point is estimated to be the highest in New South Wales. A domestic violence social worker was placed in the village until recently when funding stopped.

**TABLE 7.1**

Crime Incidents for Selected Areas within the Shoalhaven: YTD (financial), March, 1997

<table>
<thead>
<tr>
<th>Incidents</th>
<th>Sanctuary Point</th>
<th>Vincentia</th>
<th>East Nowra</th>
<th>North Nowra</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assault</td>
<td>28</td>
<td>9</td>
<td>36</td>
<td>11</td>
</tr>
<tr>
<td>Break and enter</td>
<td>75</td>
<td>27</td>
<td>97</td>
<td>24</td>
</tr>
<tr>
<td>Drug detection</td>
<td>16</td>
<td>3</td>
<td>9</td>
<td>2</td>
</tr>
<tr>
<td>Malicious damage</td>
<td>29</td>
<td>14</td>
<td>48</td>
<td>33</td>
</tr>
<tr>
<td>Stealing</td>
<td>59</td>
<td>26</td>
<td>80</td>
<td>54</td>
</tr>
</tbody>
</table>

Source: Nowra Intelligence Section, Nowra Police, March 1997

These factors operate cumulatively to create prominent locational disadvantage. The concentration of low-income, LTU and otherwise welfare-dependent people raises many quality of life and equity issues which are beyond the scope this research. While Sanctuary Point is a clear example of locational disadvantage, spatial inequality and potential underclass formation, the situation appears more acute in East Nowra where public housing predominates.

**POTENTIAL UNDERCLASS FORMATION IN EAST NOWRA**

Again the cumulative causation model for underclass formation (Figure 2.6) is applied to East Nowra. The survey of long-term unemployed found that 52 per cent of respondents from East Nowra had migrated from either western or south-western Sydney, the majority of which were unemployed before moving. As already noted, when taking into account that 26 years ago unemployment was minimal in the western suburbs of Sydney and internal migration was towards metropolitan centres, the proposal that the ‘population turnaround’ is strongly associated with rising unemployment in metropolitan areas is plausible. The official unemployment rate for East Nowra in 1991 was 24 per cent which is significantly lower than that of Sanctuary
Point. However, field work revealed a conservative estimate of 75 per cent of sole parents being unemployed, that is, that they want to work and are either seeking it or unable to due to constraints such as inadequacy of child care facilities.

Puniard and Harrington (1993) undertook a survey of 214 employed sole parents and found that for at least 39 per cent ‘the issue of child care was of primary importance in their participation in employment’ (:12). They refute the belief that sole parents prefer not to work as they feel they would be no better off. Rather, they assert that ‘the more influential factors in respondents’ labour force participation appeared to be a preference for work and their ability to find work in the labour market’ (:13). This phenomenon raises the official rate considerably. Of the long-term unemployed respondents from East Nowra 54 per cent were unemployed for five years plus. Research in the field confirmed that long-term unemployment is entrenched in the area. The many barriers in and outside the local labour market form a major deterrent to gaining work for many of the unemployed in the area.

The average annual household income for East Nowra was considerably higher than for Sanctuary Point at $25,600 which compared to $26,800 for the region in 1991 (ABS Census). Unlike Sanctuary Point, only 30 per cent of households received less than $16,000 annually in 1991. Further, 16 per cent received $40,000 plus compared to only eight per cent for Sanctuary Point. These variations may be due to the high percentage of sole parent families (and thus higher household benefits) combined with the establishment of high SES enclaves within the East Nowra area, outside of the public housing estates. In any case, for those living within the public housing area, their income barely provides basic needs. This was confirmed both in a group discussion with unemployed sole parents and other family types and by social workers in the area.

The central difference between the two study areas is the issue of public housing for East Nowra. Several commentators (for example, Whiteford, 1995; Badcock, 1994; Burbidge and Winter, 1996) have associated the targeting of low income groups for
public housing with growing spatial inequality. The high concentration of public housing in East Nowra (45 per cent of housing) is associated with the very strong stigma attached to the area. Some see it as a ‘no go’ area advising that certain streets are not safe to be in (interviews with social workers and employers, 1996 and 1997). While this may be more a myth than reality, this stigma has forced land and housing prices down and higher status groups out.

At present the Department of Housing, through its Neighbourhood Improvements Programs, is trying to sell sections of the housing commission estates which may be seen as part of the general decline in government intervention in this regard. The official strategy of selling off housing is to raise the SES of the area by increasing the proportion of private home owners (Department of Housing, Nowra, November, 1996). However, investigation in the field revealed that the opposite is occurring. Private investors are buying these houses at a very low cost and letting them at a very low cost. Several sources informed that often, those expelled from housing commission accommodation due to reasons such as disturbing the peace, are renting these low rental houses. Rather than the area’s image improving, it is deteriorating. The future may see this situation parallel inner-city ‘slum landlords’ in the United States. Public housing in East Nowra was mixed with Department of Defence housing until the early 1990s when the Defence Department sold its housing in the area to the Department of Housing. Many locals believe that the status of the area has declined significantly since.

While residents of East Nowra are not as geographically isolated as those in Sanctuary Point, individuals without private transport are similarly disadvantaged. As noted, transport provision for East Nowra is far from adequate. Services run infrequently or not at all and are limited to Essentially the CBD and railway station. No services exist to the local industrial estates and major workplaces in the Nowra-Bomaderry urban area. Both job searching and working are made difficult. Prejudice of potential neighbours and potential workers compounds the separation from the world of work. Higher SES groups, which encompass a higher proportion of employed people (Junakar
and Kapuscinski, 1991), tend to prefer other areas as a residence. This situation results in a concentration of welfare-dependent people, separated from the world of work. Loss of contact with networks on job information is an integral problem for unemployed residents of East Nowra. This situation is similar to that of Sanctuary Point.

As well as inadequate transport provision, schooling is also a problem for East Nowra residents. Schools which service the area have bad reputations, however, the local high school recently gained the status of ‘a centre of excellence in creative arts’. Perhaps this will see improvements in its image. But public sector cutbacks point towards declining rather than increasing quality in public schooling. As noted, public sector cutbacks are felt in many areas of human wellbeing.

The predominance of welfare dependence in East Nowra is clearly evident. In 1991, 26 per cent of households in the area were sole parents, 24 per cent officially unemployed (which would include a minority of sole parents) and 52 per cent on some form of social security in the region. In relation to sole parent families, the dynamics of family breakdown and associated variables need detailed investigation. However, while these phenomena are pertinent to an understanding of neighbourhood decline, their analysis is beyond the scope of this thesis. Again, the high level of welfare dependency compounds isolation from general participation in mainstream socio-economic life.

Powerlessness and associated social and psychological problems which arise with long-term unemployment and alienation can be readily related to increased vandalism, delinquency, domestic violence and crime (see Lacayo, 1996). As Table 7.1 shows, crime is, apart from drug detection, considerably higher in East Nowra than the other three areas. It has the highest crime levels in the region. The population of North Nowra in 1991 (5080, ABS Census) was substantially more than East Nowra (3483, ABS Census), further highlighting the higher incidence of crime in the latter area. Sanctuary Point and East Nowra are considered the top (worst) two areas. Homicides
over the last five years have occurred in both areas almost to the exclusion of all other neighbourhoods. (Nowra Police).

The above account of spatially concentrated social problems associated with LTU in Sanctuary point and East Nowra indicates that multiple disadvantage is cumulative. Further, that characteristics of long-term unemployed or potential ‘underclass members’ must not be seen as due to intergenerational transmission or a ‘culture of unemployment’. As Alcock denotes:

…it is the low wages, labour market exclusion, inadequate benefits and absence of occupational protection which such groups disproportionately experience that are the causes of much of the deprivation they suffer. Discussion of the social divisions of poverty should thus focus upon these exclusions and the structural forces which lay behind them, as well as upon the characteristics of those who are excluded by them'. (:196)

He further asserts that groups such as the long-term unemployed, sole parents etc. are the same people as the remainder of the population, having the same aspirations and culture, however, with simply not enough money to enable them to share in the possessions and activities of everyday life of the rest of the population (:197). This message was conveyed strongly by sole mothers and unemployed people during group sessions in both study areas. They would like to have a new car, to send their children to good schools, to have access to credit, to enjoy quality leisure etc. and did want to work in order to be able to achieve some of these aspirations. While underclass formation may be seen in only very rudimentary forms, existing exclusion from economic life for the long-term unemployed in Sanctuary Point and East Nowra questions, as Faist (:159) asserts, ‘their long-term integration into social citizenship’.

7.4 Closing Remarks

Just as the present research has asserted the relationship between structure and space, it has also highlighted the relationship between the state and capital. With the end of the ‘golden age’ came the collapse of the ‘social democratic project’ which encompassed intervention by government to ensure full-employment (see Bramble, 1996 for details). The widening gap between working class interests and what reformist parties deliver in
government does not appear to be a temporary one. Sustained economic recovery which may appease this trend does not appear in sight (ibid). Bramble (1996) details an historical account of the growing power of capital and correlating weakening of labour and asserts that the only response to the ideology of national competitiveness and the associated degrading of labour is a revival of union militancy at an international level commencing at a national level.

It is argued that the labour movement alone cannot achieve a more equitable world. The international division of labour, the world marketplace, the fierce exploitation by TNCs of our environment and people has extended alienation and subordination of humanity greatly. Professionals, experts, government and social movements including the labour movement – all areas of society - should together assess the long-term effects and wider social and spatial implications of the dynamics of advanced Capitalism.
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APPENDIX A
FOUR TYPOLOGIES OF REGIONS FOR AUSTRALIA

FIGURE 1
Carter’s Typology of Non-Metropolitan Regions

THE RESTRUCTURING AGRICULTURAL REGION
This region has a manufacturing sector engaged primarily in processing agricultural products; declining rural populations and small towns; major centres experiencing growth based on a higher-than-average fertility rate, young age structure and immigration from the surrounding region (including retirement). Youth unemployment (particularly female) is very high. Examples: the Macquarie region, the Riverina and the Goulburn Valley.

THE REMOTE RESOURCE DEVELOPMENT REGION
This region develops entirely due to locational constant of its natural resources; development takes place in an area with few existing settlements of any size; major problems include transport infrastructure, social isolation, skilled labour shortages, industrial relations difficulties. Examples: the Pilbara and the Bowen Basin.

THE URBAN-BASED RESOURCE DEVELOPMENT REGION
This region experiences resource-related manufacturing developments in the context of existing urban settlements; only minor indirect production linkages to local firms, but major induced consumption effects; skilled labour shortages and mismatches between the local labour force and jobs created evident unless development is carefully phased (eg, appropriate education/training); planning similarly required to avoid housing shortages and price rises, strains on community services, social problems. Examples: Gladstone, Portland.

THE RESTRUCTURING BASIC MANUFACTURING REGION
This region specialises in basic manufacturing such as metal products (especially iron and steel), chemicals, transport equipment and textiles, clothing and footwear; highly vulnerable to recession and the growing threat of import competition from ‘cheap labour’ countries; the challenge is to arrange the transfer of a skilled and specialised labour force to growth areas in manufacturing and the service sector; high unemployment, (particularly male), is likely to be a major social problem and issues of redundancy, relocation and retraining are vital policy questions. Examples: Wollongong, Newcastle, Geelong and Whyalla.

THE ENVIRONMENTALLY SENSITIVE REGION
This region has areas of great environmental or natural significance; may include large areas of national park and state forest and tracts of tribal land of significance to Aboriginals; recreation and tourism are the only areas with employment growth potential, although employment may be an issue in conflicts over schemes to exploit the region’s natural resources; policy must focus on the management of and the formulation of guidelines for resource exploitation. Examples: south-west of Tasmania, the Great Barrier Reef, the Kakadu National Park.

THE WARM-CLIMATE, COASTAL REGION
This region is experiencing growth based on the attractiveness of the general environment - including warm climate and coastal proximity; growth leaders are tourism and industries servicing retirement to the area; the age structure is bi-modally biased towards those of young working age and the elderly and rates of population growth are rapid. Problems include planning to accommodate development while limiting incursion into areas of environmental significance, controlling housing market speculation and instability and avoiding the infrastructure and servicing problems often associated with rapid coastal strip development. Examples: the Gosford-Wyong area, the Gold Coast, the Sun-shine Coast and the Coffs Harbour area.

THE UNDEVELOPED REGION
This region is remote from a major capital city and is only sparsely developed, perhaps through limited mining activity or highly land-extensive agriculture; population densities are very low and the major problems are those of social isolation and the difficulties of contending with a harsh environment. Examples: the Nullarbor Plain, the Gulf of Carpentaria, the salt flats of South Australia, the cattle country of the Northern Territory.

Source: Carter, 1983:237-238
FIGURE 2
Maxwell and Hite’s Regional Classification of Australian Statistical Divisions

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Source</th>
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<tbody>
<tr>
<td>AGRICULTURAL REGIONS</td>
<td>Those with 20 per cent or more of their employment in agriculture, forestry or fishing.</td>
<td>Maxwell and Hite, 1991:14-15</td>
</tr>
<tr>
<td>MANUFACTURING REGIONS</td>
<td>Those with 15 per cent or more of their employment in that sector.</td>
<td></td>
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<tr>
<td>AGRICULTURAL/MANUFACTURING REGIONS</td>
<td>Those with over 10 per cent of their employment in both agriculture and manufacturing are “mixed” regions and the significance of these activities should be somehow noted.</td>
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<tr>
<td>REMOTE RESOURCE REGIONS</td>
<td>Those with at least 10 per cent of their employment in mining or in provision of electricity, gas, and water.</td>
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<tr>
<td>WARM CLIMATE COASTAL REGIONS</td>
<td>Those statistical divisions on the coast in non-remote areas at least part or all of which are less than 32 degrees South of the equator.</td>
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<tr>
<td>CAPITAL CITY</td>
<td>Includes Australia’s eight capital cities.</td>
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<tr>
<td>The above are combined to include three more categories:</td>
<td>Agricultural/warm coastal; Agricultural/manufacturing/warm coastal; Agricultural/remote resource.</td>
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FIGURE 3
Paris’ Urban-Regional System in Australia

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<tr>
<th>Category</th>
<th>Description</th>
<th>Source</th>
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<tbody>
<tr>
<td>CONURBATIONS</td>
<td>These are Sydney (from Newcastle to Wollongong), Southeast Queensland (the ‘strip’ between the Sunshine Coast, Brisbane and the Gold Coast) and Melbourne (the ‘Melbourne Ring’ consisting of Melbourne, Geelong and an arc around Port Phillip Bay).</td>
<td>Paris, 1994:561-565</td>
</tr>
<tr>
<td>METROPOLITAN AREAS</td>
<td>Consisting of Perth, Adelaide, Canberra, Hobart and Townsville. The small number and size of these metropolitan centres is testimony to continuing overall metropolitan dominance in Australia.</td>
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<tr>
<td>HIGH GROWTH COASTAL TOWNS</td>
<td>Those experiencing rapid growth, especially in relation to retirement in-migration and leisure/pleasure industries; also growth associated with mineral development in Western Australian.</td>
<td></td>
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<tr>
<td>LOW GROWTH COASTAL TOWNS</td>
<td>Those experiencing stagnation, especially those dependent upon the declining sugar industry.</td>
<td></td>
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<tr>
<td>HIGH GROWTH COUNTRY TOWNS</td>
<td>Those located strategically, for example Wagga.</td>
<td></td>
</tr>
<tr>
<td>LOW GROWTH COUNTRY TOWNS</td>
<td>Most country towns growing slowly in absolute population, however, lagging behind in relative terms.</td>
<td></td>
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<tr>
<td>RUSTBOWL TOWNS</td>
<td>Includes Broken Hill and Mount Isa which may disappear.</td>
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<tr>
<td>COASTAL GROWTH ZONES</td>
<td>Northern New South Wales town in particular experiencing high population growth rates but includes areas on coast from Wide Bay in Queensland through to Gippsland in Victoria.</td>
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<tr>
<td>THE BUSH</td>
<td>Experiencing high out-migration and stagnation</td>
<td></td>
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FIGURE 4
Beer and Maude's Functional Classification of Regional Cities, 1961-91

Source: Beer & Maude, 1995:142-144
APPENDIX B
THREE CONCEPTUAL FRAMEWORKS FOR UNDERCLASS FORMATION

FIGURE 1
Underclass Formation by Beer et al for Australia

1. Job losses resulting from global restructuring raise the unemployment rates of existing residents and cut labour force participation and real incomes.
2. The more tightly-targeted welfare role of public housing results in rising percentages of single parents, recent non-English speaking immigrants and other welfare-dependent households.
3. Population ageing raises the proportion of aged pensioners.
4. As a result of the combination of (1), (2) and (3), an increasing proportion of households have no one in paid employment and lose contact with the networks through which jobs may be found.
5. Poor geographical accessibility to areas of expanding job opportunities - together with low rates of car ownership - may compound (4) by making it even harder for both schools leavers and the older unemployed to get work.
6. Local government suffers form a declining rate base coupled with increasing demands on its services. Infrastructure become run-down.
7. Residents, because of their dependence on public services, are particularly affected by any general cuts in the provision of public education, health, transport and welfare services by State governments.
8. The areas and their residents become stigmatised. The media seize upon stories of youth crime rates and drug abuse, and begin to employ labels such as 'ghetto' and 'underclass' (Mingione 1993). And ironically for this report, as Powell (1993) notes in her discussion of Sydney's west, the identification of the areas by planners and academics as disadvantaged or 'distressed' can further stigmatise them and alienate their residents.

Source: Beer et al, 1996:35

FIGURE 2
Underclass Formation by Glaster for the United States

Source: Glasier, 1992:191
FIGURE 3
Underclass Formation by Pacione for Britain

Source: Pacione, 1993:88
**APPENDIX C**  

**Workforce Growth and Unemployment- Non-Metropolitan Cities, Australia**

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<td></td>
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<td>Men</td>
<td>Women</td>
<td>Total</td>
<td>Men</td>
<td>Women</td>
<td>Total</td>
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*Source: ABS Census 76-91; Beer et al, 1994*
APPENDIX D

SELECTED INDEPTH INTERVIEWS RELATING TO THE DEMAND-SIDE OF THE LOCAL LABOUR MARKET

Industrial Officer, Shoalhaven City Council

THE SHOALHAVEN'S LOCATION, NATURAL ENVIRONMENT AND INFRASTRUCTURE

- Is 'locational advantage' or alternatively 'locational disadvantage' an important aspect of the Shoalhaven's economy? Can you discuss?

- Similarly, how important, negatively or positively, are the physical attributes of the Shoalhaven for employment in the area, for example, climate, geography, natural resources?

- Is the Shoalhaven part of a network of cities along the Princes Highway?

- Does the Shoalhaven have an adequate infrastructure for economic growth and job creation for its growing workforce? Examples include transport system, sewerage services, vocational training, landuse planning, health services. If yes/no, can we briefly describe the adequacy/inadequacy of the infrastructure?

- Would more tertiary education institutions make a substantial difference to the Shoalhaven's economic structure and unemployment levels?

- Are there implications for the Shoalhaven's workforce with regard to its location on the periphery of Australian's major conurbation (that is Sydney, from Hunter Valley/Newcastle in the north to Wollongong/Illawarra in the South)? If so can you discuss?

- Is there anything (an icon for instance) which has given the Shoalhaven a significantly important national profile (eg, Jervis Bay Marine park/national park)? If so, has this been a help/hinderence to economic development?

INDUSTRIAL STRUCTURE/ECONOMIC BASE

- Has employment growth over the last 10-15 years predominated in certain industrial sectors of the economy? What were the main catylists to these increases?

- Relatedly, has the main impetus for job creation been strong growth in retirement and other migration to the region as well as natural increase? In other words, has the growth in employment been a result primarily of population growth in the region or has it been due to the establishment of secondary industry other than that which relies on residential development and population-related service industry.
• Public administration and defence is an important sector with 11.3% of total industry in 1991. HMAS Albatross employs more than 1000 people, most being service employees. Essentially all of the service persons are recruited/transfered from other regions and many of the civilians work for British Aerospace. Indirect employment would be significant (e.g., community services and retail), however, could it be seen as a major employer for the region or an enclave of employment?

• Percentage increase in manufacturing 81-91 was 10.21% in Nowra urban area; nationally fell by 16% and fell by 9% for non-capital cities overall. Was this increase related significantly to residential development? If not, were any firms predominantly behind this growth?

• Has the Shoalhaven benefitted from a decline in manufacturing in Sydney?

• Is the Shoalhaven an important retirement centre (substantial in-migration occurring)? If so, is this creating significant jobs for younger people in construction, real estate, retailing and community services?

• Is the Shoalhaven an important tourism and recreation centre? Similarly, if so are these activities creating significant job growth in recreational and personal services, construction, real estate, retailing and community services or other sectors?

• How important is dairying to the region in relation to more complex linkages or higher level processing? Can you recommend a contact to whom I could discuss this with?

• Are other primary industries important for employment in the area?

• Can you indicate the degree to which the Shoalhaven has participated in national restructuring over the last 2-3 decades and thus either negatively or positively affected? For example, industry vulnerability to the international economy such as the paper mill whose workforce has declined from around 600 to 300 involving casual and contract working arrangements; the contraction of the public sector (a major employer in the Shoalhaven); technological change affecting both quality and quantity of work; the drive for a new flexible workforce again affecting both quality and quantity of work; the emphasis on an export-led recovery; increasing dominance of transnational corporations; growth in speculative investment rather than in productive investment (i.e., in the secondary sector).

• Relatedly, to what extent has the restructuring of the national economy and associated national/international dynamics impacted (directly or indirectly) upon unemployment in the Shoalhaven region?

• To what extent does the structure of the local labour market (i.e., the demand side compared to the supply side) impact on the unemployment level?
• Have there been any relative 'misfortunes' and fortunes of individual industries over the last 10-15 years? Can you briefly discuss?

• Most of the non-metropolitan regions along the East coast are considered amenity or tourist regions. Should the Shoalhaven be considered the same or similar to those regions north of Newcastle where recreation and personal services are 10%+? It does experience the same high population growth/high unemployment paradox. Do you have any explanation for this paradox?

• One of the aims of this research is to structure the Shoalhaven's workforce into a primary or core sector and secondary or peripheral sector. The former encompasses highly skilled, unionised workers in secure, well paid jobs with good work conditions, pension schemes. Employers are usually large and profitable. By contrast those employees in the secondary sector are typified by low skills, low wages, little training and poor job security, often in small firms. Non-unionised, part-time, casual or contract work dominates, jobs tending to be characterised by high rates of job turnover and limited opportunity for advancement within the firm. Which employers would you classify within the primary sector?

• Can you identify several transnational or national corporations (or production plants) in the Shoalhaven? Part of this research is to apply two models involving the structure and processes involved within TNCs. The first (Holland's) sees three types of firms - leader, lead and lagged. The leader (TNCs) dominate developed regions, the lead are intermediate but still quite dynamic while the laggard are typically positioned in depressed or less-developed regions. Would you see the Shoalhaven as essentially encompassing the laggard firms? Similarly, the other model (Hymer's) sees three levels to large corporations: long-term planning, lower level administration and production. The major metropolises encompasses all three, dynamic regions the first two and peripheral regions only the production level. Does the Shoalhaven typify the latter? Do you see the Shoalhaven to be left with peripheral functions which has a significant detrimental effect on its industrial growth, economic development and employment/unemployment situation?

OTHER IMPACTS ON UNEMPLOYMENT/EMPLOYMENT

• To what extent do barriers to employment (lack of privately owned or public transport, lack of training facilities, distance from work, discrimination by employers, housing affordability etc) impact upon the unemployment level in the Shoalhaven? If you acknowledge that they do significantly, which barriers do you see as the main ones?

• To what extent does in-migration impact upon unemployment levels in the Shoalhaven? Do you have data etc. to substantiate this view?

• To what extent do individual characteristics of the unemployed relate to unemployment levels in the Shoalhaven region? Can you substantiate this view?
Is the extent of underemployment a serious problem in the Shoalhaven, eg, a large and growing part-time workforce? One implication is that this may be suitable for many mothers and sole parents, however, it may not be for the rest of the workforce.

Generally speaking, non-metropolitan regions have lower levels of female participation in the formal labour market. The Shoalhaven is typical of this phenomenon. Is there an association with sole mothers in the case of the Shoalhaven?

Are differences in income in certain jobs/occupations between Sydney and the Shoalhaven significant? Can you supply any examples? Is this related to the lack of unionisation in the region? What percentage of jobs would be unionised in the region? Do you have statistics?

Was the Shoalhaven involved in decentralisation policies during the 60s and 70s?

Is there any rivalry/strong competition with other regions? Is there a beggar-thy-neighbour attitude prevailing in the current economic climate? Has Wollongong's relatively recent drive for the tourist dollar and any other form of capital seen more difficulties for the Shoalhaven region?

Has the Shoalhaven had success in attracting state government employment - departments, major regional offices for example? Can you detail?

Is the Shoalhaven a city of wealth comparatively speaking (eg, Bathurst is considered a city of wealth)? 48.6% of households with an income of less than $25,000 compared to 34.3% for New South Wales.

Major employers include Australian Paper (300 employees), Keystone Pacific (400), Nationwide Rubber, Manildra (160). Interviews with managers of some of these have raised uncertainties about their futures. In particular, the paper mill which is already spasmodically shutting for short intervals and Manildra which is competing with subsidised companies overseas have conveyed concern. What would be the consequence for unemployment or employment in the region considering, for example, the linkages and flow-one effects of the paper mill (detailed in South Coast Register, March 1996)?

Relatedly, have there been any significant large-scale retrenchments in the Shoalhaven other than the paper mill? Gradual retrenchment?

Is there a significant proportion of seasonal/causal labour (associated with tourist industry)?

Is finance, real estate and business services a strong and fast growing component of the Shoalhaven's economy?
• Does the Shoalhaven relatedly house any higher order services? Does the council place importance on attracting these? For example, is development of information-based industries envisaged, eg, back-office functions of major financial institutions?

• Is there a plentiful supply of productive labour? What is the perceived quality of labour supply/reserve in the Shoalhaven (eg, reliable, loyal, flexible etc)?

• Approximately what percentage of jobs are given to people from outside the region? Is this due to the fact that the region has lost much of its skilled/potentially skilled workforce?

• Would the overall workforce of the Shoalhaven be considered as lowly skilled? Do you see this as a detriment to attracting industry/related to the high unemployment level?

• Have the manufacturing industries generated demand for highly skilled workers (such as Lithgow)?

• Has population growth resulted in a strong housing boom? Is this very cyclical?

• Do most of the builders work solely in the region - closedness? Do they have to leave the region to find enough work?

• Is there an established planning scheme (as Bathurst, now Kiama)?

• Do the Progress Associations yield much power in regard to decision making?

• Is the civic leadership active in seeking and assisting development? Relatedly, has cooperation and integration been achieved between CES, local employers, regional and industry bodies in the pursuit of working towards solutions of unemployment/out? Can you discuss?

• What are the regional roles of the Shoalhaven?

• Is the Shoalhaven at the lower end of the income scale as a retirement centre and holiday place?

• Are there signs of oversupply of housing? eg sales down, prices down?

• Is there over-representation in wholesale/retail and community services - they together make up 36% (1991)? Is part-time work concentrated in these?

• What is the approximate percentage of small business failure?

• Do you think that the Shoalhaven's comparatively low housing costs makes moving to places of lower unemployment (and higher costs) difficult?
Appendix

• Does the Shoalhaven give an image of rapid growth attracting people seeking employment when in fact unemployment is high? Relatedly, it has been said that proposed projects in the past which were subsequently shelved, eg, the nuclear power station, the steel works, the armaments depot gave individuals from outside the region an image of the Shoalhaven as booming regard employment which attracted them to the region. Now they are unemployed. Do you agree with this view?

• Are skilled vacancies hard to fill?

• Do the skill levels of the labour force limit the types of economic activities likely to be attracted to the region?

• Does the Shoalhaven represent any 'economies of agglomeration'?

• Variety in employment opportunities is considered desirable due to tendency of stability of economy, long term economic viability, greater possibility of increased interaction between industries, greater range of opportunities for school leavers (Australian Urban Environmental Indicators in Beer 1994). The Nowra-Bomaderry urban area has a specialisation index of 11.84 in a range of 5.61 to 42.28 among regional cities. This index seem to place the Shoalhaven in a favourable position. However, the fact is that basic industry predominates in the Shoalhaven, non-basic industry very much lacking. Do you agree? Can you discuss?

• The Shoalhaven has very high youth unemployment (local MP says highest in the state). If the argument is that high unemployment is essentially due to welfare immigration, then why is youth unemployment also so very high if the demand side of the labour market cannot be given as an important part of the explanation?

• From your perspective, what are the causes for concentration of unemployment in the coastal villages and possible East Nowra (hidden unemployment)?

THE FUTURE OF THE SHOALHAVEN

• Is widening disparity in unemployment across space within the Shoalhaven manifesting in the emergence of a social underclass concentrated in pockets within the region - specifically Sanctuary Point and hidden unemployment in East Nowra? If so, can you give indications of this emergence?

• Can you indicate the possibility of proposed major projects for the area, eg, Jervis Bay Boat Harbour, University at West Nowra, Development of an aquaculture industry, Enterprise Development Centre, $5 million demonstration plant to produce fuel from timber wastes, shopping developments, Comberton Grange?


• Is it possible to access a list of firms with over 20 employees?
Tourist Officer

- To what extent does the Shoalhaven’s population increase during tourist season?
- What periods would encompass tourist season?
- Do you consider only the retail and recreational and personal services sectors as tourism industry or also construction/transport and storage in the Shoalhaven?
- Can you describe the kinds and extent of jobs generated by tourist development?
- Has the Shoalhaven developed less quickly than it should have in relation to tourism and has this had a negative impact on unemployment levels? If so, what should have occurred?
- Relatedly, has past planning been inadequate which has seen less than adequate tourist development? Can you comment on the type of planning that should have occurred/the type of infrastructural/tourist-related development which should have occurred.
- Can you discuss the multiplier effects of tourism employment?
- Do you consider the Shoalhaven as a ‘tourist region’ at present?
- Can you describe employment in recreation and personal services? Do family businesses which are not employment generating predominate?
Conservation Groups

- What is your response to the accusation of being obstructionist to employment generating developments (article, South Coast Register, 27/11/96)?

- What is your view on the causes of unemployment in the Shoalhaven and possible links to the 'gate keepers' - council, real estate agents, developers etc.? Is there unrelenting subdivision and unwanted estate development?

- What are your views on eco tourism?

- Do you know what kind of planning has underlain the development of the Shoalhaven? IE do you believe that past planning has been adequate, if not why? Do you know what has developed out of the development blueprint established by a charette in Gerringong in June 95 for the Kiama LGA where urban sprawl and a car dependent lifestyle were avoided in the planning? Is/was something like this possible for the Shoalhaven?

- can you comment specifically on the urban growth of East Nowra and Sanctuary Point where overt and hidden unemployment is very high?

- Do you feel that more adequate planning, administration and cooperation between the decision makers could have resulted in a better economic base/workforce with less unemployment?
CES Manager

- Can you estimate what percentage of all new unemployment registrations result from persons moving into the Shoalhaven region from elsewhere?

- To what extent does in-migration impact upon unemployment levels in the Shoalhaven? Do you have data etc. to substantiate this view?

- Generally, non-metropolitan regions have lower levels of female participation in the formal labour market. The Shoalhaven is typical of this phenomenon. Is there an association with sole mothers in the case of the Shoalhaven? Can you substantiate this?

- To what extent do barriers to employment (lack of privately owned or public transport, lack of training facilities, distance from work, discrimination by employers, housing affordability etc) impact upon the unemployment level in the Shoalhaven? If you acknowledge that they do significantly, which barriers do you see as the main ones? (show list of barriers)

- To what extent do individual characteristics of the unemployed relate to unemployment levels in the Shoalhaven region? Can you substantiate this view?

- Is the extent of underemployment a serious problem in the Shoalhaven, eg, a large and growing part-time workforce? One implication is that this may be suitable for many mothers and sole parents, however, it may not be for the rest of the workforce. Do you see any implications?

- Are differences in income in certain jobs/occupations between Sydney and the Shoalhaven significant? Can you supply any examples? Is this related to the lack of unionisation in the region? What percentage of jobs would be unionised in the region? Do you have statistics?

- Has the Shoalhaven had success in attracting state government employment - departments, major regional offices for example? Can you detail?

- Major employers include Australian Paper (300 employees), Keystone Pacific (400), Nationwide Rubber, Manildra (160). Interviews with managers of some of these have raised uncertainties about their futures. In particular, the paper mill which is already spasmodically shutting for short intervals and Manildra which is competing with subsidised companies overseas have conveyed concern. What would be the consequence for unemployment or employment in the region considering, for example, the linkages and flow-on effects of the paper mill (detailed in South Coast Register, March 1996)?

- Relatedly, have there been any significant large-scale retrenchments in the Shoalhaven other than the paper mill? Gradual retrenchments?
• Is there a significant proportion of seasonal/causal labour (associated with tourist industry) in the Shoalhaven's workforce?

• Is finance, real estate and business services a strong and fast growing industry?

• Is there a plentiful supply of productive labour? What is the perceived quality of labour supply/reserve in the Shoalhaven (eg, reliable, loyal, flexible etc)?

• Approximately what percentage of jobs are given to people from outside the region? Is this due to the fact that the region has lost much of its skilled/potentially skilled workforce?

• Would the overall workforce of the Shoalhaven be considered as lowly skilled? Do you see this as a detriment to attracting industry/ related to the high unemployment level?

• Have the manufacturing firms generated demand for highly skilled workers (such as Lithgow)?

• Has population growth resulted in a strong housing boom? Is this very cyclical?

• Do most of the builders work solely in the region - closedness? Do they have to leave the region to find enough work?

• Is the civic leadership active in seeking and assisting development? Relatedly, has cooperation and integration been achieved between CES, local employers, regional and industry bodies in the pursuit of working towards solutions of unemployment/out? Can you discuss?

• Is there over-representation in wholesale/retail and community services - they together make up 36% (1991)? Is part-time work concentrated in these?

• What is the approximate percentage of small business failure? Small business (less than 20 employees) make up 95% of the Shoalhaven's workforce in terms of employer numbers. Can you comment on the importance of small business, barriers to the development of and their importance for the amelioration of unemployment in the Shoalhaven?

• Do you think that the Shoalhaven's comparatively low housing costs makes moving to places of lower unemployment difficult?

• Does the Shoalhaven give an image of rapid growth attracting people seeking employment when in fact unemployment is high? Relatedly, it has been said that proposed projects in the past which were subsequently shelved, eg, the nuclear power station, the steel works, the armourments depot, gave individuals from outside the region an image of the Shoalhaven as booming regard employment which attracted them to the region. They arrived to find no employment. Do you agree with this view?
• Are skilled vacancies hard to fill?

• What was the number of vacancies last year in the Shoalhaven?

• Do the skill levels of the labour force limit the types of economic activities likely to be attracted to the region?

• Variety in employment opportunities is considered desirable due to tendency of stability of economy, long term economic viability, greater possibility of increased interaction between industries, greater range of opportunities for school leavers. The Nowra-Bomaderry urban area has a specialisation index of 11.84 in a range of 5.61 to 42.28 among regional cities. This index seems to place the Shoalhaven in a favourable position. However, basic industry predominates in the Shoalhaven, with a lack of non-basic industry. Do you agree? Can we discuss?

• The Shoalhaven has very high youth unemployment (local MP says highest in the state). If the argument is that high unemployment is essentially due to welfare immigration, then why is youth unemployment also so very high if the demand side of the labour market cannot be given as an important part of the explanation?

• Can you provide any details on youth unemployment - historical picture of rates; factors relating to etc.

• Relatedly, has much rationalisation and other forms of labour shedding occurred in the Shoalhaven to the detriment of youth? For example, impacting on recruitment numbers such as in banks.

• Do you have any statistics or information on unemployment of indigenous Australians in the Shoalhaven?

• What do you see as the causes for concentration of unemployment in the coastal villages and East Nowra?

• Is there a relatively transient section of the unemployed population?

• Has public sector decline been significant in the Shoalhaven? Estimates?

• Does TAFE in Bomaderry supply most of the basic apprenticeship training required by local industry or do many young people need to go to Sydney or Wollongong? Implications... ?

THE FUTURE OF THE SHOALHAVEN

• Is widening disparity in unemployment across space within the Shoalhaven manifesting in the emergence of a social underclass concentrated in pockets within the region - specifically Sanctuary Point and hidden unemployment in East Nowra? If so, can you give indications of this emergence?
HUMAN RESEARCH ETHICS COMMITTEE

CONSENT FORM

THE GEOGRAPHY OF UNEMPLOYMENT: THE SHOALHAVEN REGION

CARMEL SMALLWOOD

This research is being conducted as part of a Master of Science (Honours) degree supervised by Dr. L. Brown in the Department of Geography at the University of Wollongong.

The purpose of this study is to gain an understanding of and explanation for the widening spatial disparity in unemployment rates both between and within regions, focusing on the Shoalhaven.

Involved is a questionnaire which takes approximately 15 minutes. Many questions have a range of possible answers to maximise accuracy and speed of the survey.

You are free to withdraw from the survey at any time.

If you have any enquiries regarding the conduct of the research, please contact the Secretary of the University of Wollongong Human Research Ethics Committee on (042) 214457.

I understand that the data collected will be used to verify the impact of various socio-economic forces on unemployment levels in the Shoalhaven region.

Individual responses will be confidential and your name or your company's name will at no time be mentioned in the research thesis. Your cooperation is appreciated.

If you wish to take part in this research please sign below.

_____________________________  / / /
QUESTIONNAIRE: EMPLOYERS IN THE SHOALHAVEN REGION

1. In which industry type is your business involved? (please specify):

- [ ] Agriculture, forestry, fishing
- [ ] Manufacturing
- [ ] Construction
- [ ] Wholesale/retail
- [ ] Transport/storage
- [ ] Finance, property & business
- [ ] Public Admin. & defence
- [ ] Community services
- [ ] Recreation & prsnl. services including tourism

2. (a) Is your company

- [ ] a local firm/independent franchise (no branches outside the Shoalhaven region)
- [ ] a regional firm
- [ ] a national company (branches elsewhere in Australia but not overseas)
- [ ] a transnational corporation (branches or subsidiaries in other countries)

(b) If you are a local firm are you a

- [ ] sole trader
- [ ] family business
- [ ] other (specify) ........................................................................................
- [ ] partnership
- [ ] company

3. Did you

[ ] establish your company in the Shoalhaven region

OR

[ ] relocate your company from another region to the Shoalhaven

4. How long has your firm been established in the Shoalhaven region?

- [ ] < 1 year
- [ ] 1-5 years
- [ ] 6-10 years
- [ ] 11-15 years
- [ ] 16-20 years
- [ ] > 20 years

5. (a) How many employees are in your business (including all branches/stores within the Shoalhaven)? Please specify number:

(b) How many employees are (please specify number)

...... males ...... females
...... full-time ...... part-time
...... temporary/short-term contracts
...... casuals
...... young adults (16-24 years)
...... older employees (50+)
...... unionised
...... paying towards a superannuation fund
(c) How many employees are within the following categories?

- trainee/apprentice
- unskilled/labourer
- sales (assistants/reps)
- semi-skilled/clerical
- tradesman
- skilled/para-professional
- highly skilled/professional
- managers and administrators

(d) Do you have any sub-contractors working for your business?

[ ] yes  [ ] no

If yes, there are ......... sub-contractors.

6. (a) Has there been an increase in part-time, casual, short-term and contract work in your business?

[ ] yes  [ ] no

(b) If yes can you detail and give reasons for the increase?

.................................................................

.................................................................

7. (a) Do you export

[ ] outside the Shoalhaven region but within New South Wales
[ ] outside New South Wales but within Australia
[ ] outside Australia
[ ] you do not export
[ ] other (specify) .................................................................

(b) If you do export outside Australia, please specify the percentage of your production exported:

[ ] < 5 per cent  [ ] 40-59 per cent
[ ] 5-9 per cent  [ ] 60-79 per cent
[ ] 10-24 per cent [ ] 80-100 per cent
[ ] 25-39 per cent

8. (a) Is your production/service level significantly cyclical, catering for a varying demand (eg, tourism peaks and lows etc.)?

[ ] yes  [ ] no

Can you comment on this (e.g. tendency to employ less full-timers)?
(b) Is your production/service level significantly vulnerable to national and/or international forces (e.g., overseas competition, recession etc.)

[ ] yes        [ ] no

If yes, please detail

9. Has your production/service level over the last 10 years or since establishment
   [ ] increased        [ ] remained constant
   [ ] decreased

10. (a) Has the number of employees during the last 15 years or since establishment
     [ ] increased        [ ] remained constant
     [ ] decreased

     (b) If the number has decreased, can you approximate the number retrenched, reduced by natural shedding or other means of reducing staff in the last 15 years?

     ...............

     (c) If the number of employees has decreased or remained constant, the reason(s) are (tick more than one if applicable):

         [ ] technological change allowing less labour for more production
         [ ] rationalisation (e.g., widening tasks per employee etc)
         [ ] vulnerability to national and international forces (e.g., foreign competition, recession etc.)
         [ ] poor profitability levels/low demand levels or lack of consumer confidence in the region
         [ ] cut-throat competition within the region
         [ ] expansion of the use of sub-contractors/contract work
         [ ] other (please specify) ........................................

     ...............

     (d) Can you comment on this stagnation/reduction in employees?

     ...............

11. (a) Do you plan to

         [ ] expand your business in the future within the Shoalhaven
         [ ] relocate your business to another region
         [ ] close down your business in the future
         [ ] contract your business in the future
         [ ] remain as at present
         [ ] other (please specify) .................................
(b) If expanding, would more employees be involved? [ ] yes [ ] no
OR
If contracting, would less employees be involved? [ ] yes [ ] no

12. Can you estimate the flow-on effects from your business, that is, the number of employees generated in other businesses from your operations and production (eg, one employee in your company generates two elsewhere)? ........................................................................

13. (a) When recruiting staff where skill is involved, what qualities are important (please rank in order of importance, 1-6 – 1 most important; 6 least important):

[ ] formal qualifications
[ ] recent work experience
[ ] specialist knowledge in your area of expertise
[ ] residential address (residing close to work seen as desirable)
[ ] appearance of applicant (dress, grooming etc)
[ ] extent of time out of work
[ ] other (please specify) .................................................................

(b) Where little skill is involved in an employment position, what criteria do you use for employing an applicant? (please state in order of importance, 1-7)

[ ] employment/unemployment status [ ] education/qualifications
[ ] marital status [ ] area of residence
[ ] form of job enquiry [ ] appearance/presentation
[ ] work experience
[ ] other (please specify) .................................................................

14. (a) Can you rank in importance (1 to 8) the following avenues for recruitment which you use? (1 most important; 8 least important)

[ ] contacts (friends, relatives etc)
[ ] word of mouth
[ ] individual enquiries from prospective employees
[ ] newspapers
[ ] the C.E.S.
[ ] employment creation schemes/labour market programs
[ ] employment agencies
[ ] professional, trade or industry journals
[ ] other (please specify) .................................................................

(b) Have employment creation schemes allowed you to employ more employees than would have been the case without such intervention? [ ] yes [ ] no

(c) Do you have any comments?
..............................................................................................................
Appendix

(d) Do you advertise vacancies

[ ] locally only (eg, South Coast Register)
[ ] state wide (eg, Sydney Morning Herald)
[ ] nationally
[ ] other (please specify) .................................................................

(e) Is a proportion of your employees recruited/employed from outside the Shoalhaven region? 
[ ] yes [ ] no

(f) If yes, can you estimate the percentage/number out of total employed? .................

15. (a) Are you happy to employ job applicants through the CES?

[ ] yes [ ] no

why/why not?

(b) Do you have a preference for employees who live in town rather than in coastal villages, eg, which are a distance from town?

[ ] yes [ ] no

(c) Are long-term unemployed job applicants (that is, unemployed for 12 months or more) considered less suitable than other applicants due to their unemployment status and associated attributes?

[ ] yes [ ] no [ ] don’t know

Can you comment?

16. (a) Do you have trouble recruiting workers in the Shoalhaven?

[ ] yes [ ] no

If yes, is/are the reason(s) ... (tick more than one box if applicable)

[ ] predominance of low skill levels in the Shoalhaven
[ ] you require specialist knowledge for many of your positions which are not available/job mismatch
[ ] applicants tend to be potentially unreliable
[ ] applicants tend to be long-term unemployed
[ ] lack of appropriate training in the region
[ ] lack of adequate dissemination of vacancies
[ ] other (please specify) ...............................................................
(b) Do you receive a sufficient number of job applications when a vacancy occurs?  

[ ] yes  [ ] no

(c) Approximately what proportion are from the long-term unemployed? [%]

17. (a) Do you receive many job enquiries directly from unemployed people?  

[ ] yes  [ ] no

(b) Do you consider this method of job search a successful one?  

[ ] yes  [ ] no

18. Do you provide on-the-job training for employees?  [ ] yes  [ ] no

19. (a) Do wage differentials exist between the Shoalhaven region and Sydney in your area of business?  

[ ] yes  [ ] no  [ ] don’t know

(b) If yes, can you comment on the nature and extent?

...........................................................................................................................

...........................................................................................................................

20. (a) Has the unfair dismissal law (1993) affected your business in terms of expansion/contraction?  

[ ] yes  [ ] no  [ ] don’t know

(b) If yes, can you explain/comment?

...........................................................................................................................

...........................................................................................................................

21. Can you comment on any problems and/or hindrances which have adversely affected the success and/or stability of your business?

...........................................................................................................................

...........................................................................................................................

22. (a) In your opinion, has cooperation and integration been achieved between the CES, local employers, regional and industry bodies in the pursuit of solutions for the high unemployment levels in the Shoalhaven?  

[ ] yes  [ ] no  [ ] don’t know

(b) Can you comment?

...........................................................................................................................

...........................................................................................................................
This research proposes that high unemployment rates in the Shoalhaven region are related to barriers to industrial development (which includes primary, manufacturing, services and information industries). It further proposes that concentrations of unemployed people in particular areas within the Shoalhaven are related to barriers to training and employment. Please tick any barriers which you believe hinder either industrial development or training and employment opportunities for the unemployed.

**Barriers to industrial development**

- [ ] inadequate physical infrastructure (eg, transport structure and services)
- [ ] inadequate social infrastructure (eg, lack of quality secondary and tertiary educational institutions, lack of skilled workforce)
- [ ] availability of workforce for your specific employment requirements
- [ ] environmental legislation
- [ ] the Shoalhaven's natural environment (eg, the dominance of national parks and other natural attributes)
- [ ] cut-throat competition with other regions
- [ ] cut-throat competition with other firms
- [ ] over-shadowing effect of Wollongong
  - which other regions enjoy; situated on the periphery of the conurbation of Sydney
- [ ] government 'red tape'
- [ ] other (please specify)

**Barriers to training and employment**

- [ ] lack of training opportunities in the region
- [ ] lack of information on training
- [ ] lack of confidence and self-esteem of unemployed
- [ ] poor information access about job opportunities
- [ ] misinformed information about job opportunities in the Shoalhaven
- [ ] unable to compete for jobs with personal contacts
- [ ] lack of work experience
- [ ] employers tend to prefer workers to live in town
- [ ] pay too low for jobs on offer
- [ ] have no private transport and public transport inadequate
- [ ] lack financial backing and proper clothes for interviews
- [ ] lack of or too expensive child care facilities
- [ ] welfare payments too high/too easy to obtain welfare
- [ ] other (please specify)
Can you comment on the impact of barriers in the local labour market?

24. This research also proposes that work is increasingly becoming insecure. Involved is an increase in full-time work with little tenure; part-time; short-term; casual; nonunionised and contract work. Also, the long-term decline in manufacturing work and rise in services is seeing a correlating rise in unskilled work for which labour is readily available in the external labour market. Can you comment on this and its implications for unemployment in the Shoalhaven region?

25. Do you have any further comments to make?
APPENDIX F

SELECTED INDEPTH INTERVIEWS RELATING TO THE SUPPLY-SIDE OF THE LOCAL LABOUR MARKET

Community Development Officer, Sanctuary Point

- You mentioned that the population growth rate of Sanctuary Point was around 9 per cent before the early 90s recession, now around 6 per cent (can you supply data to substantiate these growth rates?) Is most of this growth from in-migration from outside the region? Can you substantiate?

- To what extent does in-migration from outside the region impact upon unemployment levels in Sanctuary Point? Do you have data etc. to substantiate this? Can we discuss the relevance to the restructuring of industry and the labour market in Sydney?

- What forces underly this rapid population growth/in-migration? What is the role of the local government, real estate agents, property developers etc. Is this rapid growth good or bad? Why?

- Unemployment in Sanctuary Point is around 33%. To what extent do barriers to employment (lack of privately owned or public transport, lack of training facilities, distance from work opportunities, discrimination by employers, housing affordability etc) impact upon the unemployment level in Sanctuary Point? If you acknowledge that they do, which barriers do you see as the main ones? (show list of barriers)

- To what extent do individual characteristics of the unemployed relate to unemployment levels in Sanctuary Point? Can we discuss?

- Has cooperation and integration been achieved between the CES, local employers, regional and industry bodies in the pursuit of working towards solutions for unemployment? Can we discuss?

- An industrial estate was established in Sanctuary Point around 11 years ago. However, no industry has ever been established there. Why is this so? Would industrial development on the estate improve unemployment greatly? Why/why not?

- From your perspective, do the unemployed in Sanctuary Point want to work? From your experience, is the case, the longer the duration of unemployment, the harder it is to re-enter the workforce for various reasons. Can we discuss?

- Do you believe that those in power could be doing much more to help the unemployed? Are training programmes enough? What should be done?

- From your perspective, what are the main causes of the high unemployment level in Sanctuary Point?
• Is widening disparity in unemployment across space within the Shoalhaven manifesting in the emergence of a social underclass concentrated in pockets within the region - specifically Sanctuary Point and East Nowra (predominantly hidden unemployment)? If so, can you give indications of this emergence?

• Can you comment on high youth unemployment in the area?

• Does the area need a better educational infrastructure, eg, better secondary and possibly some tertiary education? Relatedly, what services are lacking in the area which compound unemployment and associated problems.

• Can you comment on this model of the cumulative processes leading to an underclass in areas such as Sanctuary Point? (show model) Can you add or recommend the omission of any points?

• You mentioned that the Shoalhaven is the ‘land of grand schemes’, for example, AMCO steelworks, fleet base, ammunitions factory, armourments depot, nuclear power station, floating casino, Midnight Island resort. Have these unsuccessful developments seen in-migration in the hope of work?
Social Worker – East Nowra

• It has been ascertained that the proportion of sole parent families to all families in East Nowra is very high (26%). This research proposes that this phenomenon manifests correlating high hidden unemployment. Can we discuss?

• To what extent does in-migration from outside the region impact upon unemployment levels (hidden and overt) in East Nowra? Do you have data etc. to substantiate this?

• What is the impact of the local and state government policy, real estate agents, property developers etc. on the concentration of hidden and overt unemployment in East Nowra?

• To what extent do barriers to employment (lack of privately owned or public transport, lack of training facilities, distance from work opportunities, discrimination by employers, housing affordability etc) impact upon the unemployment level in Sanctuary Point? If you acknowledge that they do which barriers do you see as the main ones? (show list of barriers)

• To what extent do individual characteristics of the sole parents or hidden unemployed and the unemployed in East Nowra relate to unemployment levels? Can we discuss?

• Has cooperation and integration been achieved between CES, local employers, regional and industry bodies and social workers in the pursuit of working towards solutions of unemployment? Can we discuss?

• From your perspective, do the unemployed in East Nowra want to work? From your experience, is the case, the longer the duration of unemployment, the harder it is to re-enter the workforce for various reasons. Can we discuss?

• Do you believe that those in power could be doing much more to help the unemployed? Are training programmes enough? What should be done?

• From your perspective, what are the main causes of the concentration of overt and hidden unemployment in East Nowra?

• Is widening disparity in unemployment across space within the Shoalhaven manifesting in the emergence of a social underclass concentrated in pockets within the region - specifically Sanctuary Point and hidden unemployment in East Nowra? If so, can you give indications of this emergence?

• Can you comment on the high youth unemployment in the area?
Manager – Department of Social Security

- Can you estimate what percentage of all new or transfer unemployment registrations and sole parent registrations result from persons moving into the Shoalhaven region from elsewhere, eg, for a 6 month period?

- Relatedly, to what extent does in-migration impact upon unemployment levels in the Shoalhaven? Do you have data etc. to substantiate this view?

- Can you comment on or provide statistics on the extent of the transient nature of unemployed people - ie, the in-coming and out-going level of movement?

- Generally, non-metropolitan regions have lower levels of female participation in the formal labour market. The Shoalhaven is typical of this phenomenon. Is there an association with sole mothers in the case of the Shoalhaven? Can you substantiate this?

- To what extent do barriers to employment (lack of privately owned or public transport, lack of training facilities, distance from work, discrimination by employers, housing affordability etc) impact upon the unemployment level in the Shoalhaven? If you acknowledge that they do significantly, which barriers do you see as the main ones? (show list of barriers)

- To what extent do individual characteristics of the unemployed relate to unemployment levels in the Shoalhaven region? Can you substantiate this view?

- Is the extent of underemployment a serious problem in the Shoalhaven, eg, a large and growing part-time workforce? One implication is that this may be suitable for many mothers, sole parents, and students however, it may not be for the rest of the workforce. Do you see any implications?

- Are differences in income in certain jobs/occupations between Sydney and the Shoalhaven significant? Can you supply any examples? Is this related to the lack of unionisation in the region? What percentage of jobs would be unionised in the region? Do you have statistics?

- Has the Shoalhaven had success in attracting state government employment - departments, major regional offices for example? Can you detail?

- Major employers include Australian Paper (300 employees), Keystone Pacific (400), Nationwide Rubber, Manildra (160). Interviews with managers of some of these have raised uncertainties about their futures. In particular, the paper mill which is already spasmodically shutting for short intervals and Manildra which is competing with subsidised companies overseas have conveyed concern. What would be the consequence for unemployment or employment in the region considering, for example, the linkages and flow-on effects of the paper mill (detailed in South Coast Register, March 1996)?
• Relatedly, have there been any significant large-scale retrenchments in the Shoalhaven other than the paper mill? Gradual retrenchments?

• Is there a significant proportion of seasonal/causal labour (associated with tourist industry) in the Shoalhaven's workforce?

• Is finance, real estate and business services a strong, fast growing industry sector?

• Is there a plentiful supply of productive labour? What is the perceived quality of labour supply/reserve in the Shoalhaven (eg, reliable, loyal, flexible etc)?

• There are claims that trouble makers in areas such as Mt Druitt are being transferred to the Shoalhaven. Can you comment?

• Can you provide details on the indigenous families supposedly transferred from inner Sydney to the Shoalhaven?

• Can you comment on the extent of rationalisation and other form of labour shedding in the Shoalhaven and the effect on unemployment and underemployment levels? Especially youth unemployment?

• Can you comment on cooperation and integration between CES, DSS, local employers, regional and industry bodies in the pursuit of working towards solutions for unemployment in the Shoalhaven?
Real Estate Agents

This research includes an investigation into the high unemployment (both overt and hidden) levels in Sanctuary Point and East Nowra. The following questions relate to these two areas within the Shoalhaven region:

• Can you verify the extent to which certain areas in Sydney (e.g. west and south and south west) have been (are) targetted for prospective buyers of land or house/land packages in the Jervis Bay area, particularly Sanctuary Point?

• Can you comment on the push and pull factors (that is, factors discouraging people to stay in Sydney and encouraging them to move to the Shoalhaven to live) which are pertinent to the Sydney-Shoalhaven migration dynamics?

• Can you comment on the concentration of housing commission in East Nowra and the impact this has on land and housing prices in that area?

• Can you provide any details on proposed or current contraction of housing commission in the Shoalhaven and the implications of this?

• Can you comment on the extent of stigmatisation of both Sanctuary Point and East Nowra? What factors do you believe have seen the development of this stigmatisation?

• This research proposes that overt and hidden unemployment is concentrated in Sanctuary Point where those in the over 50 age group are clustered who cannot find work and have assets which prevent welfare dependency; also manufacturing decline in Sydney has caused much unemployment in Western and South Western suburbs which has seen a movement of those out of work to the Shoalhaven. The study also proposes that several minority groups are clustered within East Nowra which encompasses both hidden and overt unemployment. Can you make any comments on these proposals?

• Can you comment on the power of the 'gate-keepers' in the Shoalhaven to impact on the development of the region. Examples of 'gate-keepers' are lone managers, developers, estate agents, landowners, managers in the public sector, including the housing environment. Can we discuss the impact on unemployment levels in the region?
Department of Housing

- Can you provide details on present policies of public housing in Australia, for example, the tendency to spread out housing commission houses rather than concentrate them into estates?

- Are the housing commission estates in East Nowra presently undergoing any modifications regarding de-concentration, contraction, expansion etc.?

- Can you provide any information on associated socio-economic variables with public housing, eg, unemployment, crime, delinquency.

- There are claims that ‘trouble makers’ in areas such as Mt Druitt are being transferred to the Shoalhaven. Can you comment?

- Can you provide details on the Aboriginal families transferred from inner Sydney to the Shoalhaven? Apparently, 80 families were transferred from Redfern to Ulladulla?

- Can you provide details on the selling of Navy Housing in the past in both East Nowra and Sanctuary Point to the Department of Housing and discuss implications of this?

- Can you make any comment on housing commission estates and neighbourhood decline?
Shopkeepers at Sanctuary Point and East Nowra

- to what extent is the area stigmatised? Is it seen as a ghetto?
- to what extent are sections of the population seen to be segregated in the area?
- Is crime, domestic violence, delinquency etc. a problem in the area?
- How does the future look if trends continue as they have in the past?
- Is hidden unemployment a big problem, eg, older workers/early retirees; sole mothers; housewives who would like to work etc.
- Should more industry be developed in the area? Would the localisation of industry ameliorate unemployment level at the local level? What kind of industry should be encouraged to be developed here?
- Does the area need a better educational infrastructure?
HUMAN RESEARCH ETHICS COMMITTEE

CONSENT FORM

THE GEOGRAPHY OF UNEMPLOYMENT: THE SHOALHAVEN REGION

CARMEL SMALLWOOD

This research project is being conducted as part of a Master of Science (Honours) degree supervised by Dr. L. Brown in the Department of Geography at the University of Wollongong.

The purpose of this study is to find out the extent to which certain barriers to training and employment are involved in the high levels of long-term unemployment in areas within the Shoalhaven region.

Involved is a 10-15 minute face-to-face interview where you are asked a series of questions. Most questions have a range of possible answers which are read out or shown on a flash card to ensure speed and accuracy of the survey.

You are free to withdraw from the survey at any time.

If you have any enquiries regarding the conduct of the research please contact the Secretary of the University of Wollongong Human Research Ethics Committee on (042) 21 4457.

I understand that the data collected will be used to verify if barriers to training and employment exist in the Shoalhaven and if so, to what extent they affect unemployment in the region.

Respondents will remain anonymous at all times and individual responses will be confidential. Your cooperation is appreciated.

If you wish to take part in this research please sign below.

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FACE-TO-FACE QUESTIONNAIRE SURVEY

1. Do you live in
   [ ] East Nowra  [ ] Sanctuary Point area

2. Are you
   [ ] not working and seeking work
   [ ] not working and would like to but unable to seek/undertake work due to constraints (eg, lack of childcare facilities, lack of transport)
   [ ] registered at the CES
   [ ] currently undertaking work experience

3. Have you been out of work (including short spells of work) for
   [ ] 12-23 months
   [ ] 24 months-4 years
   [ ] 5 years plus

If you have ticked boxes to questions 1, 2 and 3 could you please answer the following questions.

4. (a) Your sex  [ ] Male  [ ] Female
    (b) Your age  [ ] 16-19  [ ] 20-24  [ ] 25-29  [ ] 30-39
                  [ ] 40-49  [ ] 50-59  [ ] 60 or over
    (c) Are/were you:
        [ ] indigenous Australian
        [ ] non-indigenous Australian
        [ ] born overseas
        [ ] other
    (d) Are you:
        [ ] in a married/permanent relationship
        [ ] a sole parent
        [ ] single/divorced with no dependants
        [ ] a retiree/early retiree
        [ ] other
    (e) Do you have dependants?  [ ] Yes  [ ] No
        If yes, how many?  [ ] 1  [ ] 2  [ ] 3+

5. Do health problems prevent you from working?  [ ] Yes  [ ] No

6. (a) Did you and/or your parents move to the Shoalhaven from another area or state after 1970? (If no, go to question 7.)
    [ ] Yes  [ ] No
(b) You moved from:

- [ ] Western Sydney
- [ ] South Western/Southern Sydney
- [ ] inner city Sydney
- [ ] Eastern/Northern Sydney
- [ ] coastal NSW
- [ ] country NSW
- [ ] another state

(c) The reason(s) for moving to the Shoalhaven was/were:

- [ ] nice environment/away from ratrace
- [ ] affordable housing
- [ ] perceived employment opportunities
- [ ] you had obtained a job in the region
- [ ] to retire early
- [ ] you have links with the area
- [ ] other (specify)

(d) If you have moved from another region, were you (or your parents) not working just before you moved to the Shoalhaven region?

- [ ] Yes
- [ ] No

7. How long have you lived in the Shoalhaven region?

- [ ] 0-12 months
- [ ] 1-2 years
- [ ] 3-5 years
- [ ] 6-10 years
- [ ] 11-20 years
- [ ] 21-30 years
- [ ] all your life

8. Your housing status is:

- [ ] owner/buying
- [ ] housing commission
- [ ] private tenant
- [ ] living with family
- [ ] other

9. Your highest level of education reached:

- [ ] some primary
- [ ] finished primary school
- [ ] some secondary
- [ ] finished secondary
- [ ] some university
- [ ] incomplete technical or formal training
- [ ] finished technical or other formal training
- [ ] university bachelor degree
- [ ] postgraduate university
- [ ] other
10. Your occupation:
   [ ] home duties
   [ ] labourer
   [ ] plant/machine operator/driver
   [ ] sales and personal service worker
   [ ] clerk
   [ ] tradesperson
   [ ] para-professional
   [ ] professional
   [ ] manager/administrator
   [ ] other

11. How many years have you been in the workforce (working or not working)?
   [ ] 1-5  [ ] 6-10  [ ] 11-15  [ ] 16-20  [ ] 21-25  [ ] 26+  [ ] not in workforce

12. During the last year has your work experience involved:
   [ ] No work at all
   [ ] A week's work to a month's work at a time
   [ ] A month to six month's work
   [ ] other

13. Your position immediately prior to becoming unemployed was:
   [ ] in work
   [ ] sick
   [ ] in full-time education
   [ ] on a government scheme
   [ ] looking after home and family
   [ ] other

14. If you have worked before please answer (a) and (b) below:
   (a) Your position in your last job was:
      [ ] labourer
      [ ] plant/machine operator/driver
      [ ] sales and personal service worker
      [ ] clerk
      [ ] tradesperson
      [ ] para-professional
      [ ] professional
      [ ] manager/administrator

   (b) The reason(s) for leaving your last job was/were:
      [ ] resigned due to poor work conditions (eg, pay, hours)
      [ ] resigned due to other reasons
      [ ] voluntary retrenchment without 'pay out'
      [ ] voluntary retrenchment with 'pay out'
      [ ] compulsory retrenchment or made redundant
      [ ] fired for whatever reasons
      [ ] business/workplace closed down
      [ ] other
15. (a) Your methods of job search are:
[ ] newspaper search
[ ] contact with the CES and associated programmes
[ ] through employment agencies
[ ] enquiring directly with prospective employers
[ ] through personal contacts such as relatives, friends etc.
[ ] unable to search due to constraints (explained verbally)
[ ] Other

(b) Which method do you see as the most successful?

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(c) Can you comment on the success of personal contacts, generally and from your experience?

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(d) Can you list any factors hindering job search in the Shoalhaven?

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16. The approximate number of jobs you have applied for in the past 6 months is:
[ ] 0 [ ] 1-4 [ ] 5-10 [ ] 10-20 [ ] 20+

17. (a) Where are you willing to work, given your circumstances:
[ ] Nowra township only
[ ] your coastal village only
[ ] within the Shoalhaven region only
[ ] anywhere within one hour's travel
[ ] anywhere
[ ] unable to due to constraints (explained verbally)

(b) Are you willing to leave the area to obtain work? [ ] Yes [ ] No

(c) If no the reason(s) is/are:
[ ] unable to afford cost of living in lower unemployment area
[ ] unable to afford housing in lower unemployment areas
[ ] own you own home and cannot buy elsewhere as too expensive
[ ] live in housing commission and unable to live in one elsewhere
[ ] don't want to 'up root' family/children
[ ] don't want to leave family, relatives, friends etc.
[ ] like the Shoalhaven's environment, social life etc.
[ ] have no confidence/self esteem to move
[ ] other (please specify) .................................................................
18. The type of work sought is:
   [ ] only that which is relevant to your skills
   [ ] if necessary that which is less skilled than your qualifications
   [ ] anything
   [ ] not seeking work due to constraints (verbally explained)

19. The most important factors of work sought are: number 1 (most) to 7 (least important):
   [ ] pay
   [ ] hours, (eg, part-time, full-time, casual)
   [ ] working conditions (eg, shift work, dangerous or unhealthy work)
   [ ] job security (eg, assurance of keeping your job)
   [ ] distance from home
   [ ] size of workplace
   [ ] holidays

20. (a) Are you willing to take a job if the pay is similar to or minimally more than your unemployment or other benefit?
    [ ] yes [ ] no

(b) If no, why?
    ........................................................................................................

21. (a) Do you see any advantages in remaining unemployed or on a benefit over being employed?
    [ ] yes [ ] no

(b) If yes, please list the advantages:
    ........................................................................................................

22. (a) Do you feel that your current skills and qualifications are insufficient to get you a job?
    [ ] yes [ ] no

(b) If yes what do you feel you need?
    [ ] work experience
    [ ] further secondary education
    [ ] a TAFE course
    [ ] university education
    [ ] a refresher course
    [ ] some other form of education or training

(c) Would you consider retraining in areas where there are skills shortages in the Shoalhaven or other regions?
    [ ] yes [ ] no

d) why/why not?
    ........................................................................................................

e) Do factors such as transport etc. prevent you from retraining? [ ] yes [ ] no
23. The following is a list of barriers to training and employment which you may be experiencing. Please tick those which are relevant to you:

(a) **EDUCATION AND TRAINING BARRIERS** (most to least important; 1+)

- [ ] don't have right qualifications
- [ ] lack of training opportunities in area
- [ ] lack of information on training
- [ ] can't afford to do a course
- [ ] course for training too far away
- [ ] course times are not suitable
- [ ] have to mind the children/commitments at home
- [ ] no transport/poor public transport
- [ ] lack confidence/self-esteem
- [ ] other (please specify)

(b) **EMPLOYMENT BARRIERS**

**JOB SEARCH RELATED BARRIERS** (most to least important by numbers 1+)

- [ ] poor information access about job opportunities
- [ ] misinformed information about job opportunities
- [ ] can't compete because many jobs given to friends, relatives etc
- [ ] other (please specify)

**INTERVIEW/RECRUITMENT RELATED BARRIERS** (most to least important)

- [ ] lack of work experience
- [ ] prospective employers' attitudes are discriminatory (eg, too old, 'dole bludger')
- [ ] prospective employers tend to prefer employees to live in town
- [ ] lack of proper clothes for interviews
- [ ] pay too low for jobs on offer
- [ ] no job prospects
- [ ] poor employment conditions
- [ ] not enough hours offered/casual or part-time work only offered
- [ ] other (please specify)

**HOUSING AND COMMUTING RELATED BARRIERS** (most to least important)

- [ ] housing too expensive elsewhere to move for work
- [ ] don't want to sell house/move
- [ ] living at home/can't afford to move out
- [ ] can't leave housing commission as not available elsewhere
- [ ] live too far from town
- [ ] have no transport
- [ ] poor public transport
- [ ] other (please specify)
FINANCIAL AND PERSONAL RELATED BARRIERS (most to least important)

[ ] lack of money
[ ] lack of proper clothes for interviews
[ ] lack self-esteem/confidence, poor self-image
[ ] too long out of work
[ ] concerned about losing benefits
[ ] no-one to look after children
[ ] too many commitments at home
[ ] health not good enough
[ ] skills/education not good enough
[ ] other (please specify)

24. Further comments on individual unemployment situation:


25. Why do you think unemployment is high in the Shoalhaven region?


26. Why do you think unemployment is higher in your area (Sanctuary Point or East Nowra)?


27. What would you recommend to improve the unemployment situation in the Shoalhaven region?