In 1990 the Bureau of Immigration Research funded the centre for which I work to produce a study of the effects upon immigrant workers of the massive changes which took place in the Illawarra region during the 1980s. These changes resulted mainly, although not exclusively, from the complete restructuring of steel production which was carried out during the decade. Last month we released the final report on the study and were astonished by the amount of interest it provoked from the media.

The arrival of news helicopters on the university's football field is an event usually confined to periods when the Wallabies are training there; and we are unaccustomed to the release of an 'academic' report resulting in a large colour photograph of one of the authors on the front page of the region's main newspaper, as well as extensive coverage elsewhere. It was all a bit of a worry.

No author, of course, actively dislikes his or her work getting some recognition. The real worry was that none of us thought that the report contained much that was particularly newsworthy in the sense that it might have come as a surprise to any moderately well-informed resident of this country. It certainly should have surprised nobody in the region.

The main findings of the report were straightforward enough. We found that the industrial restructuring of the 1980s had led to a massive contraction in the demand for labour in the steel, associated manufacturing and coal industries and that this contraction of demand resulted from sectoral forces, most of them related to labour-replacing technological change; that labour displaced from the manufacturing sector had not been absorbed into the expanding service sector; that expansion of the service sector had not been absorbed into the service sector itself (at least regionally).

Our main concern in all of this was the migrant workers (mainly of southern European origin) who had formed the backbone of the steel industry's workforce ever since the 50s. These were workers who had never acquired any transportable skills in their years at BHP and who had generally not learnt to speak English with any degree of fluency either. They had been the ideal labour force for the sort of operation that BHP had run to the end of the 70s, one in which a labour-intensive and largely obsolescent technology was used to process abundant cheap raw materials in order to provide steel for a heavily-protected home market.

By the end of the 70s this form of production was no longer viable. Not only was there overproduction of steel on a world scale but the old production methods could no longer even maintain BHP's position in the home market since they were not susceptible to the degree of quality control that consumers were demanding and not suitable for turning out specialist steel products—an area of expanding demand. Something had to go, and what went was most of the old system of production, the majority of the workers and whole sections of the regional economy.

Over the next decade, BHP reduced its workforce from over 20,000 to less than 10,000. The number of wage employees was reduced from 15,510 to 6,326. There were also employment contractions in other industries, including the loss of over 3,000 jobs in coalmining alone. Over 20% of the jobs available in the region in 1980 probably disappeared, on a permanent basis, over the subsequent seven years. It is scarcely surprising, then, that the persistence of the then Lord Mayor in referring to the region as the Leisure Coast produced a great deal of bitter laughter locally.

In this process of labour 'shedding', workers of all birthplaces suffered but migrant workers were hit the hardest by far because of their employment concentration in the fastest-contracting areas and their inability to find alternative employment in the expanding (service) sector.

The largest non-anglophone ethnic minority in the region is people born in what used to be Yugoslavia. Such workers lost roughly the same number of jobs in the steelworks as British-born workers, yet this represented over 40% of all jobs held in the region by the Yugoslav-born. By contrast, British-born job losses represented only 14% of the jobs they held in the region and for the Australian-born (who lost three times as many jobs as either of the other two groups, in absolute terms) the equivalent figure was only 5.4%. Our survey of ex-steelworkers showed that only a third of them had found employment subsequent to leaving the steelworks and among the non-anglophone migrants surveyed only one had found employment outside the manufacturing sector.

This process of getting rid of workers mainly took place under the provisions of the Steel Industry Plan, negotiated between BHP and the newly-elected Hawke government—a document superseded in 1998 by the Steel Industry Development Agreement. Both are complex documents but the guts of them was that, in return for massive government handouts, BHP agreed to terminate involuntary redundancies, reduce its labour force by natural attrition and negotiate 'voluntary' redundancy agreements. The company also agreed to maintain, and invest heavily in, its steelmaking facilities and to develop a number of innovative (for BHP) industrial relations practices such as employee participation and general worker education and training.

Because of these agreements BHP had
only limited latitude to pick which workers it kept and which it 'shed': as a result, some rather strange things have happened to the composition of the workforce at the Port Kembla plant. The most notable is that the characteristics of the workers who left the plant do not seem to have been markedly different from those who are still there. In other words, the smaller workforce of the 90s is probably just as badly educated, just as lacking in English language skills, and just as disadvantaged as the labour force of the 70s when it comes to benefiting from now modish projects such as ‘worker lifetime education’. Thus, the proportion of southern European-born workers employed in the Port Kembla plant in 1990 was actually higher than it was in 1980 and, for all the talk of a ‘new workplace culture’, it is the factory fodder of the old workplace culture (as well as management socialised in the ‘old’ culture) who will have to produce it.

Meanwhile, back in the Lakeside suburbs where migrant workers are concentrated, there are crippling rates of long-term unemployment which no realistically predictable rate of economic growth is going to cure. Workers in their 40s who do not speak any more than rudimentary English, whose educational background is poor and whose skills, acquired on the job, have been rendered valueless on the labour market because of technological change have few job prospects. And not just in these suburbs, of course. Although it is true that the Illawarra has some fairly distinctive regional characteristics, it is by no means a unique case. What is happening in this region is happening all over Australia’s rust belt, in Newcastle, in Geelong, in Adelaide and, with a vengeance, in Melbourne. An industrial workforce recruited (to a large extent from overseas) to service a particular sort of industrial system is finding itself strangled by the changes which are being forced upon that system. The section of this workforce which has managed to stay in manufacturing industry is faced with demands which it is ill-equipped to handle and the section which has been ‘shed’ is largely, as things stand, without hope of getting work.

It need hardly be said that the task of producing this study was not a happy one. The sheer scale of devastation in the lives of working people which has taken place over the last 15 years is the material of the study: and the apparent inability, or, more correctly, refusal, of the political class even to acknowledge what is happening forms its backdrop. But maybe there is a dim ray of hope to be discerned in the story of our study. I started by expressing the surprise we felt that our report was, in the context of such things, such a big story as far as the media were concerned. It could have been just a slow news day, of course, but I would argue something else. Whatever its other shortcomings, the media has to sell, and that involves at least partially holding up a mirror to the deep concerns of the people who buy. Our study, in a small way, mirrored the crisis of the Australian economy. It focused what people can see happening all around them: things which they look at and which make them wonder what the hell is going on.

When they look to the politicians for an answer to this question they get replies which they do not understand and certainly don’t believe. Perhaps the interest in our study was a tiny expression of this increasing gap between people’s lived reality and the way in which politicians try to interpret it for them. Or maybe it was just a slow news day.

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