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We can’t compete on cheap and nasty; let’s be a country that makes high-quality, lasting things

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Abstract
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We can’t compete on cheap and nasty; let’s be a country that makes high-quality, lasting things

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Embracing an Australia that makes things doesn’t mean taking backwards steps. Pizzodisevo/Flickr

WHAT IS AUSTRALIA FOR? Australia is no longer small, remote or isolated. It's time to ask What Is Australia For?, and to acknowledge the wealth of resources we have beyond mining. Over the next two weeks The Conversation, in conjunction with Griffith REVIEW, is publishing a series of provocations. Our authors are asking the big questions to encourage a robust national discussion about a new Australian identity that reflects our national, regional and global roles.

When BlueScope Steel announced in August 2011 it was about to close one of its Port Kembla blast furnaces and cease steel exports, Australian Workers' Union national secretary Paul Howes asked, "do we want to be a country that still makes things? Do we want to value-add to our natural resources, or do we want to become just one big sandpit for China?"

Australia should think positively of its future as a country that makes things. Exactly what things we make, and how we make them, is the difficult part of the equation.

Making things does not necessarily require backwards steps to a protectionist era when import tariffs meant artificially cheap Australian fridges, shoes or cars. But nor is making things in Australia necessarily dependent on competing with low wages in China or India for "bread and butter" manufacturing. That presumes we join in the "race to the bottom" through cheapening labour and relaxing environmental standards. Judging by the spectacular failure of Howard’s WorkChoices in 2007, Australians won’t accept cuts in wages and conditions in the name of global competitiveness (and in any case our reserve army of labour is just too small). Likewise, although cynicism towards Federal Government policies on climate change is at an all-time...
high, Australians care deeply about the environment (especially our beaches, national parks, air and water quality) and won’t accept deterioration in how industrial waste is handled simply so things can be made more cheaply.

So, in the face of seemingly impossible competition abroad, the question is whether it is worthwhile making things here in Australia at all?

The Sydney Morning Herald’s economics commentator, Ross Gittins, seems to think not. Gittins editorialised in August last year that the decline in manufacturing in Australia was part of an inevitable and permanent transition, a “historic shift in the structure of the global economy as the Industrial Revolution finally reaches the developing countries”. Rich countries such as Australia must now find other things to do to replace manufacturing. We can dig up resources to supply manufacturers in China. We can focus on the so-called “knowledge” industries (where a product’s value is in its intellectual or design content, not its material fabrication). We can export “know-how” rather than physical commodities.

Hence for Gittins, “the knowledge economy is about highly educated and skilled workers… Jobs in the knowledge economy are clean, safe, value-adding, highly paid and intellectually satisfying”. The Herald’s business editor and ex-television commentator, Michael Pascoe, agrees: “Australia’s never going back to having armies of people sewing buttons on shirts and gluing shoes together. Or at least, we should hope not.”

This line of thinking oversimplifies what we mean by manufacturing. It smuggles into the debate certain assumptions (manufacturing work is unsafe, deskilled and unsatisfying, requiring uneducated workers) that don’t match with existing manufacturing workers, their skills, or how lots of things are now made. Australians have become expert producers of hearing aids, hi-fi speakers, agricultural equipment, kayaks, saddles, metal detectors, four-wheel-drive accessories, satellite dishes, shock absorbers, musical instruments, and many other “quality” things. None of them rely on cheap labour or deskilled or uneducated workers. Most are made by small firms - hardly the mythic Fordist factory. According to the OECD, 88% of Australia’s manufacturing firms have fewer than 10 employees. Australia has four times the proportion of employment in such small firms than that much-touted manufacturing miracle, Germany.

Andrew Warren, an economic geographer at the University of Wollongong, details a great example - the Australian custom surfboard industry. In contrast to cheap mass-produced surfboards, which are imported from China, Warren describes how our cultural and natural advantages as a nation of coastal-dwellers have given Australia global dominance in custom surfboard production. Custom-making surfboards is a far cry from spitting out sneakers or cheap plastic toys: it requires craftsmanship, artistic flair, precise environmental knowledge of prevailing wave types and dynamics, a sense of care for the finished product and connection with the consumer who will use it. Innovation, creativity and knowledge are not separate from making quality physical things, but are deeply embedded in them.

Some products, such as paint, continue to be made in Australia because they are heavy and expensive or tricky to transport. Others - such as high-tensile steel and mining equipment - are made here because the construction, defence and resources sectors want customised products and ongoing support. They need manufacturers who respond quickly, can visit in person and who speak the same language. Distance and speed still matter despite the more-integrated nature of the global economy. All countries need a certain amount of locally based production, and necessarily so because factors of production other than cost of labour are significant.

Our natural and human resources are also geographically differentiated within Australia: skills and materials are not evenly distributed, but clustered and specialised. Sydney does financial services, Wollongong does not – and probably never will. But Wollongong has coal, steel, enormous port capacity and specialised knowledge in industrial design, machinery, operational...
health and safety, robotics and battery cell technology.

The thousand workers that lost their jobs at Port Kembla are not likely to get replacement jobs as graphic designers, financial advisers or lawyers. To suggest that workers in specialised regions must adjust to an inevitable shift to the knowledge economy is little short of what English academic John Lovering has called a “transition fantasy”. It is calling on sacked factory workers to achieve the impossible by reinventing themselves as something they are not, or are unlikely to want to be. Meanwhile re-educating masses of workers already skilled in something useful is inefficient and expensive.

Steelworkers’ skills could form the basis of new kinds of industries geared towards solar, wind and sustainable building technologies. Reading the writing on the wall, the South Coast Labour Council has made efforts towards exactly this in Wollongong, with some limited federal and state funding. But if we are to seriously compete with countries such as Germany, much, much more is needed. Through massive public investment, others have already leaped well ahead of us. Germany now holds more than 17,000 patents for new green production technologies. The private sector cannot be relied upon to fund the long lead-time in research and development, nor should we expect it to wear continual losses in the early years when fledgling new products are developed.

Massive public investment in manufacturing doesn't have to be nostalgic or nationalistic. Rather, in a more calculating fashion, governments could take seriously the possibility that there are regional competitive advantages already in the hands and minds of manufacturing workers. These are not obsolete people, regions or skills; serious long-term investment could help gear their skills towards future needs.

The biggest challenges are posed by climate change and the pressing need to integrate human and ecological systems. If we are to reduce carbon emissions, we must find ways to make things that last, that can be repaired, recycled or reused. The end-game of economic globalisation and low-cost labour is one where the only stuff we buy is cheap, poor-quality and disposable, to be replaced shortly by more cheap, poor-quality, disposable stuff. This kind of high-throughput existence isn’t tenable for humans if we are to take seriously the challenges of climate change or the need to conserve habitat and resources.

Ruth Lane from Monash University argues precisely this point in Material Geographies of Household Sustainability. We must connect a sense of stewardship to the ordinary things in our lives: our appliances, furniture, clothes, toys, electronics. Stewardship over material goods is a crucial ingredient in producing more sustainable households: whether people consume less, look after the things they have, repair rather than replace, or recycle materials more comprehensively when they are no longer useful. People are more likely to feel a sense of stewardship over things when they are well made and clearly involve human ingenuity, care and creativity.

Imagining manufacturing as only ever guided by global market forces towards low-costs and cheap prices is the low-road alternative. To shift manufacturing offshore doesn’t alter its unpalatable elements: it simply sends the dirty, unsafe and poorly-paid elements of making things to some other country – an option that surely isn’t morally defensible if we want to uphold labour and environmental standards here in Australia, or make a difference to climate change. Some responsibility must rest with the consumer to buy things that last, to look after them throughout their lifecycle and “un-make” them conscientiously, through how we deal with waste. Addressing this would go some way towards kicking our addiction to the fruits of cheap offshore manufacturing.

One option is to revisit the basic notion of the economy as the “proper husbanding of material resources”, as Timothy Mitchell, New York University’s Professor of Politics, puts it. This was a notion much more widespread in earlier decades of the 20th century, and it got Australia through the Great Depression. It could be revived now and inflected with a contemporary twist.
in light of climate change. What matters less is whether or not we want to make things, and more that we want to make high quality things that last, with decent wages and environmental standards, and that these things are available widely to all Australians.

Such thinking is not new: it underpinned the arts and crafts movement in early 20th century architecture and furniture, and the Bauhaus school in industrial design. Both were utopian visions of how to arrange production to maximise quality, democratise the possession and use of well-made things, and to nurture human creativity. Inklings of a revival in such thinking include:

the trend towards hand-made things gaining pace in the inner-city set (made-to-measure suits, shirts and skirts, bespoke cabinetry)

the thriving antique market for well designed mid-20th century second-hand goods (objects that often survive precisely because they were of a high quality, from an era when the “proper husbanding of material resources” was an overriding moral principle)

the broader shift across Australian households towards purchasing goods as longer-term investments rather than as disposable items.

There is also a link to a feminist take on “economy”, valuing and recognising the different forms of domestic and non-capitalist work that are productive, and not just a prerequisite to industrial development. We are a country that makes things all the time – we make babies, cakes, meals, beds, homes. Such things are not separate from the productive economy; in the sense of furnishing humans with the means to subsistence, they are the economy.

This is, then, an image of Australia with respect for the skills required to design and make things, and proper stewardship of our natural resources. The offshore manufacturing model of making things cheaply and replacing them often only works if consumers throw out things before their utility is exhausted, if resources are plentiful, and if labour is perennially cheap.

Australia cannot compete with this production of cheap and nasty stuff. But we do have choices whether to participate in this torrent of production and consumption – choices as consumers, voters, families, workers. We know that resources are not infinite, and as the global economy looks increasingly shaky, more people are choosing not to replace the phone, television or car quite as often. Consumers want, and will buy, quality things made in Australia that suit Australian conditions best. There are likely export markets too for such things, even with the high dollar. What counts is how we value the making of things, beyond cheap labour, and beyond a narrow view of what constitutes the Australian economy.

Read more provocations at The Conversation and at Griffith REVIEW.