2 From Federation to the millennium: the historical context of social change

To understand change and continuity we must clearly turn to their historical context, because this is the only way we can judge how much things have changed, and why. As we discussed in the Introduction, over the decades spanned by this research Australia's political economy has been extensively restructured, and there have been other, far-reaching social and cultural transformations. This means that even though our immediate task is to study three decades of life in Newtown, our analysis must not only be located within a longer time frame but also set against broad national and international trends. Because this is a sociological enterprise, some aspects of the history of sociology itself are also relevant to our task of examining the nature of social life at the end of the twentieth century.

In this chapter we pave the way for our analysis of change in Newtown by looking at the broad picture. In the first section of the chapter we locate the study sociologically. We do this by considering, albeit briefly, ways in which sociologists have approached the issue of social change in industrial societies. In the second section of the chapter we locate the study within its national context. We deal with the broad sweep of Australia's history under three headings: economic, social and political change. Because change in all three areas has been extensive, it is very clear that we need a grasp of this background to current movements if we are to understand the situation we find in Newtown.

SOCIOLOGY, CHANGE AND THE NEWTOWN STUDY

A desire to understand social change and continuity has been at the heart of sociology since the inception of the discipline in Europe in the nineteenth century. In focusing on change in Newtown, we are therefore engaged in a traditional and quintessentially sociological enterprise. Interest in change is also one of the hallmark features of Western societies, and has been since the eighteenth century, the period of the Enlightenment. Intellectuals of the Enlightenment championed reason, rationality and the scientific approach rather than religion and tradition as the basis for understanding social life. In so doing they opted for constant questioning, and in effect made a choice for change rather than stability. Change itself effectively became a central focus of life in Western societies.

Those we traditionally take to be founders of sociology, such as Emile Durkheim, Karl Marx and Max Weber, were stirred by the momentous changes they saw taking place around them in the nineteenth and early twentieth centuries. These changes Polanyi (1944) has aptly referred to as the 'great transformation', but they are more commonly, although less aptly, termed 'the industrial revolution'. The emerging 'modern society' or 'modern industrial society' was studied by the early sociologists with an eye to the way in which more complex, industrialised, mass, urban, rationalised and changing social forms gradually replaced smaller, less complex, largely rural, more self-sufficient, more stable and more traditionally based forms of social life (Tonnies 1963 [1881]; Durkheim, 1964 [1933]). The effects of this 'great transformation', as we see today, were ultimately global, although initially they affected mainly Western European countries and their colonies, including Australia. Core issues about the social effects of industrialisation and massification, and the loss or modification of earlier forms of social interaction anchored in smaller, non-industrialised centres, were thrown up by the emergence of 'modern society' or 'modernity'. These remain central issues in sociology today. They are now set in high relief by a question many are raising of whether we are moving beyond this modern form of society to a 'post-modern' form, beyond industrialisation to an information age. Recent political and economic trends, which history may well term 'the second great transformation', are seen as propelling society towards an age of 'post-modernity'. As the opening sentence of Manuel Castells' *The Informational City* proclaims, 'A technological revolution of historic proportions is transforming the fundamental dimensions of human life: time and space' (1989: 1).

Although in this book our concern with the nature of societal change

at the end of the twentieth century has much in common with the concerns of the early sociologists, our goal is very different. Apart from being located within a very different social as well as intellectual context, unlike the founders of sociology we are not pursuing grand theories and grand visions (Mills 1959). Earlier sociologists were concerned to construct theories about how societies and epochs change from having basically one form of social organisation to another. Apart from the epistemological criticism[1], which has been levelled at such grand theorising, it is clear that it is inappropriate to pronounce on major societal transformations on the basis of a study of one suburb. Thus our study has far more modest theoretical aims. None the less, because we have two snapshots of suburban life to compare, we have a valuable site on which to investigate the effects of broader change. Also, because Newtown's origins are tied into the development of industry, the interests of early sociology have a particular resonance, and there is a continuity between the concerns of early sociology and ours, over a century later.

Without joining the debate about whether a stage of 'post-modernity' has been reached, there can be no doubt that the establishment of Newtown had all the characteristics of a rational, 'modernist' project. A deliberate, rational decision was made by the state in the 1950s to establish the suburb, as part of its urban planning function. At this particular phase of Australian urbanisation, the government was addressing both a severe housing shortage and the re-housing of families from substandard accommodation. Further, the decision about the location of the suburb was directly influenced by capitalist goals. Newtown was developed to house workers for local industry, at a time when the labour force was being supplemented by an extensive immigration program. Newtown workers were largely absorbed into local manufacturing industry, and they became consumers of the goods produced by these industries.

One fundamental factor in the great transformation involved the positioning of capitalism as the dominant economic system of modernised societies. The capitalist economic system, with its complex division of labour, revolutionised not only production but also social relations within modern societies. The broad hierarchical relationships between citizens of earlier times based on birth were transformed into what we now routinely refer to as social class relations. Class relations and issues of inequality and social justice were the focus of the work of Karl Marx and Max Weber, and they have remained central to sociology. They

1 It has been suggested that theorising on such a macro scale is not a legitimate exercise, as no social theory can encompass sufficient complexity, while some would say that law-like theorising about social life, whether on a small or large scale, is not possible.

have been key themes of both of our visits to Newtown. In line with this traditional sociological concern, a central question underpinning the study was: 'How equal is Australian society today compared with the 1960s?' As already suggested, Newtown provided a strategic site from which to consider issues of distributional inequality, because it was built to house some of the least-well-off of society. In the 1990s we found that the residents continue to provide a litmus test for the effects of change on levels of poverty and inequality.

Social commentators and the Australian public have had a persistent interest in class relations. This is popularly talked about via the image of Australia as an egalitarian society. Early in the history of European colonisation it was widely held that Australia was more egalitarian than British society, which provided its dominant social and cultural heritage. Indeed Australia was recognised as a world leader here. This egalitarianism was historically based on a commitment to what Elaine Thompson (1994) identifies as 'sameness'. This involved 'a sense of national identity which was "Anglo-Celtic" ' (Davidson 1997: 144) and steeped in mistrust of difference, especially in respect of Aboriginal Australians, non-Anglo-Celtic immigrants and women. Such was the strength of the ideas of 'sameness' that even the Irish, and Catholics more generally, were likely to be the subject of discrimination up to and beyond the middle of the twentieth century.

At the same time, though, Australian 'egalitarianism' espoused equal treatment, mateship and a fair go for the in-group, and generally rejected mannerisms of superiority and the class-based distinctions of Britain. At the end of the twentieth century this form of egalitarianism, with its strong evocation of 'sameness', has been reawakened. The meaning embedded in Pauline Hanson's populist use of the term 'equality' has much in common with this much earlier view of Australian citizenship, and it excludes more recent liberalisation, which recognises the legitimacy of different treatment based on different cultural and social circumstances.

While many of the key issues in this study follow the interests of the male founding fathers of sociology, we also encompass the more recently heard concerns of feminist sociologists, which are broadening the scope of the discipline in many ways. Women and women's issues now have a presence within sociology, whereas in the past they did not. Feminist sociology has expanded sociology's horizons to include relations between the sexes and a recognition of the importance of the 'private' sphere of family and neighbourhood relations, where traditional sociology privileged the 'public' sphere of the economy and political life. In particular, feminist sociology is concerned with change and how and why it is resisted, and with how more equal gender relations might be achieved.

The period covered by our study is one that has seen fundamental change in gender relations in Australia, and indeed globally. Because feminist analysis was not prominent in the 1960s, revisiting Newtown in the 1990s provided an opportunity to reconsider women's position. The language used in *An Australian Newtown* graphically illustrates the state of gender relations within society and sociology at the time. As was the almost universal convention of the time, the pronoun 'he' was used to refer to both women and men![2] This linguistic silencing of women causes sexist discomfort to readers today (not to mention acute embarrassment to the authors).

In the 1990s we are able not only to redress the language but also to position gender relations more centrally. The original study did not ignore women, although many studies of the time were guilty of this (see Bryson and Wearing 1985). Women are prominent in the original text. Women's employment was discussed along with men's, and in similar terms. Child-care was considered, and women's involvement in the public sphere of local organisations and services was taken into account along with men's. But gender was not explicitly discussed as a fundamental cleavage of social relations. This contrasts with social class, which was given a central place in the discussion, as it still warrants today.

Another topic that was not explicitly addressed in the original study was the role of the state. The nature and role of the state took a central place on the sociological agenda in the 1960s, and again the topic was discussed in the original study in a practical way. The state's role in providing housing was acknowledged, including the part played by capital in state decision-making. Welfare issues were identified as central for the residents, and the implications of eligibility criteria for state benefits were also dealt with. There are two chapters explicitly devoted to discussing the provision of social security and welfare services. However, as was typical of much sociological analysis of the time, the state (particularly in its guise as the 'welfare state') was a neglected structural element of the study's sociological analysis. In our analysis of the situation in the 1990s, the role of the state, first as an interventionist state and then in retreat from this position, is recognised as central to the lives of Newtowners. The insight of Castles (1985, 1994) that the Australian welfare state must be seen as a wage-earners' welfare state alerts us to the importance of the relationship between the state and employment for our comparative study of equality and the well-being of Newtowners.

2 It is of some interest to note that a greater formality of language was also the fashion of the time. In the acknowledgements of assistance with the project, everyone was assiduously referred to by title: Professor, Dr, Miss, Mr, Mrs (certainly no Ms).

In the late twentieth century, trends have moved away from the state-supported and state-regulated industrialisation that was typical of Australia right up to the first visit to Newtown. These changes to employment have key implications for our study. There is a decline of manufacturing industry that leaves behind blue-collar workers, who readily become de-skilled and long-term unemployed. Also, with an increasingly deregulated labour market, those who remain employed form part of a labour force that is highly segmented, not so much along industry lines, as previously, but in terms of working conditions, including job security, rates of pay, and hours and conditions of work. Undoubtedly those left behind in this labour market are disadvantaged, a key factor leading some commentators to argue that a permanently excluded group, an 'underclass', is being formed. While we argue against this interpretation, our evidence does clearly show that many are suffering severe negative effects.

There are some, particularly those involved in new highly technical industries and the burgeoning professions, who make up increasingly privileged segments of the workforce. Their bargaining power allows them to maintain full-time work (although often with extended hours) and high incomes even in an increasingly deregulated industrial relations system. Juxtaposed to these are workers with little bargaining power, who are likely to work part-time, have little job security, decreasing wage rates and reducing conditions which, in the absence of state protection, are increasingly tailored to meet employer interests rather than worker needs or demands (Probert 1997). This is creating a widening gap between rich and poor, which has been described as a process of social polarisation in which both the rich and poor grow in number while the middle of the social spectrum is, according to Gregory (1993), 'vanishing'. Furthermore, a disjuncture emerges in the lifestyles and circumstances of, on the one hand, the 'work rich' who are 'time poor' and, on the other, the 'work poor' for whom time is not the issue but getting a decent job is. This gap is of great significance in a society that has not relinquished a work ethic, and which still sheets home to individuals responsibility for their own work and life situation. Paid work is still the key to human dignity, particularly for men, and it remains the justification for receipt of welfare as exemplified in the age pension (Horne 1997: 201–2).

Along with a labour force increasingly segmented with respect to access to jobs and the rewards received is a change in the pattern of work throughout the life course. The 'career' is in decline, and any expectation of lifelong employment in the same occupation or even industry is declining. This puts a premium on education and adaptability,

characteristics likely to be associated more with the top than the bottom of the labour market. At the same time, an increasing normalisation of dual-income earnings in families is leading to a widening gap between women in such families and those who choose, or are forced by lack of available work, to follow the more traditional wife-and-mother role. The latter group are likely to be in families lower on the socio-economic scale, and this choice may exacerbate a tendency to poverty. This increasing division between women is another facet of an increasing inequality within Australian society (Probert 1997).

The decline of manufacturing industry is part of broader societal trends, which can be encompassed by the concept of deindustrialisation, and which are referred to by some sociologists as post-modernisation. Such trends have become apparent only since our first visit to Newtown, but their effects are readily seen in the 1990s. This means that revisiting Newtown provided a valuable opportunity to see how such changes were impacting on working-class residents and on the concept of inequality more generally in Australia at the end of the twentieth century. This means that, as with the first visit, we were centrally concerned with social class issues. While Pakulski and Waters (1996) have recently hypothesised 'the Death of Class', suggesting the concept has become sociologically outmoded, this is not a generally supported view, and in everyday Australia, and particularly in areas such as Newtown, there is no real evidence of its demise (Peel 1995; Richards 1990; Powell 1993). We do not intend to be drawn into the theoretical discussion of the complexities of class, the most debated concept within sociology (Encel 1970; Parkin 1971, 1979; Connell 1977; Austin 1984; Wright 1985, 1989; Baxter et al. 1991),[3] rather we shall contribute to the ongoing debates through our empirical study of class issues at the end of the twentieth century.

Here we take a position on class relations that has continuity with earlier approaches to class. It is broadly in line with that adopted in the first phase of the study (*AAN* 13–18, 313–17), as we find this still serves us well enough today. The original study pointed to the way in which Australians generally, when asked whether there are broad divisions in society, respond in terms of social classes (Oeser and Hammond 1954; Davies 1967). Research continues to show that a vast majority of Australians assign themselves to either the working or middle class (Graetz and McAllister 1994: ch. 9). The public, like sociologists, mostly identify two aspects of importance in distinguishing between the

3 In one leading dictionary of sociology the 'class' entry is by far the longest in the book (Jary and Jary 1991).

middle class and the working class, the first associated with life chances, the second with interests, values and attitudes.

The first defining aspect of class, following Max Weber (1964), is access to life chances. The middle class have better access than the working class to higher-paying, more congenial jobs and other resources, which bring with them the comforts of life, such as education, powerful positions and the capacity to live in the better locations in the city. The middle class has historically been associated with white-collar jobs and the working class with blue. Women's occupations do not always fit as well into this scheme, although this is not so much the case in Newtown. Sociology has been criticised for dealing inadequately with women and class, and this remains a problem here (Crompton and Mann 1986; Webb 1990; Baxter et al. 1991). None the less, the occupations, incomes and housing circumstances of its residents make the case for calling Newtown a working-class suburb a very strong one, and there is little need to dwell on the many finer developments of the concept of class to cater better, for example, for women's position or a burgeoning cadre of managers in contemporary society (Ehrenreich and Ehrenreich 1979; Wright 1985; Baxter et al. 1991).

A key to understanding the nature of class has always been that the opportunities and material advantages and disadvantages associated with class position tend to be passed on by the family. Thus offspring tend to benefit from their parents' advantage or suffer from their disadvantage. It is this inter-generational aspect that makes class an issue of social justice, and this is central to our study, the more so because it is forces at the macro level that are so heavily impinging on Newtown.

The second element generally identified as an important aspect of class relations involves interests, values and attitudes. These defining aspects of class tends to be associated with the work of Marx (Marx 1964; Bendix and Lipset 1968). This complex constellation has provided endless stimulus for debate. None the less, it is possible to discuss some manifestations of such interests, values and attitudes without necessarily solving the theoretical riddle about their main source, how important they are in comparison with more material factors, or why there is no uniform or invariable connection between them and life chances. The original study focused, in particular, on the difference in aspirations for the suburb of Newtown among its local leaders. Some of these differences were interpreted as broadly related to middle-class or working-class values and referred to as 'external' (middle-class) or 'internal' (working-class) values, although it was pointed out that the labels would have been reversed had the study been undertaken in a middle-class area. We, too, examine leadership in the 1990s to

ascertain whether such class differences are still important and how they are affected by broader trends.

HISTORICAL ANTECEDENTS: ECONOMIC, SOCIAL AND POLITICAL

Having located the research within its broad sociological context, our next task is to locate the study within its historical context. We first explore relevant historical data from the economic realm, then move to the social and, finally, deal with the political. In each area we pay specific attention to those aspects of the historical picture that provide the background necessary for the interpretation, in later chapters, of the findings from the two phases of the Newtown study. In particular, we are concerned to bring to light matters of relevance to our key focus on changing patterns of inequality.

Classifying change as economic, social or political is not without its problems. We recognise that all aspects of life can be seen to involve each of these elements. However, it is also the case that explanation demands some form of systematisation, and this tripartite scheme is useful because it is a widely shared framework. The term 'social change' of course is popularly used also to refer to 'the big picture', to change across society. Thus at times, when we do not set it alongside the economic and the political, as part of our three categories, we do use the term 'social' in this broader, non-specific way.

ECONOMIC CHANGE

As our discussion of the sociological context has suggested, there have been significant changes to the nature of work and income since our first visit to Newtown. Coming to grips with these factors is therefore pivotal. In this section on the historical background to economic change, we focus first on unemployment and then family income. These topics have been chosen because they are fundamental elements of economic life and they provide an entry point to those broader economic trends, which are of significance to analysing the changes we find in Newtown. Our findings on unemployment and income are discussed in chapters 4 and 5 respectively.

Employment and the inextricably linked matters of unemployment and family income are basic factors of economic life, both for workers and for researchers. In common with many other Western societies experiencing major economic restructuring, Australia has had high and

intractable rates of unemployment since the late 1970s, and people's incomes have been seriously affected. Newtown's workers, because of their concentration in blue-collar, industrial jobs, which have been disappearing under the impact of processes of deindustrialisation, have proved particularly vulnerable. In the 1960s, when Newtown was first studied, there was a negligible rate of unemployment. In the 1990s one-fifth of the suburb's population was affected. Although the issue of unemployment has exercised successive Australian governments and been at the top of the list of public concerns, there is no widespread appreciation of the history of unemployment in Australia. Yet this provides a crucial perspective for understanding the present situation.

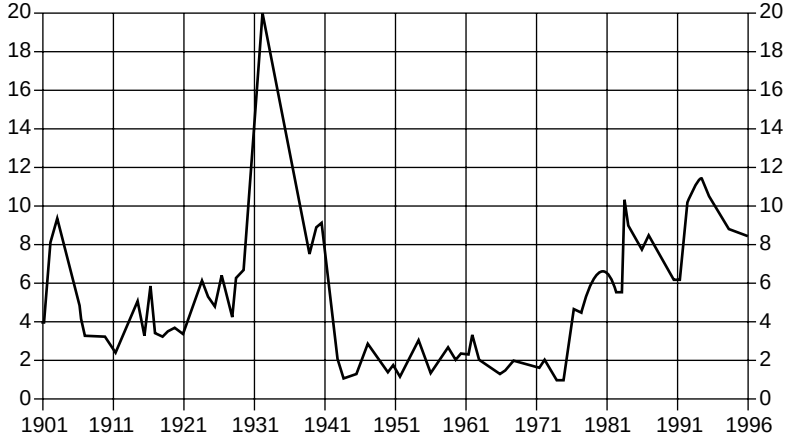
Unemployment

Although unemployment rates are regularly reported and discussed in the popular media, how the picture at the end of the twentieth century compares with other stages of Australia's history is rarely discussed. In the absence of a wider time-frame, it is easy to assume that the high levels of the 1970s, 1980s and 1990s represent a deviation from a norm of full employment. Yet a consideration of the historical picture shows something quite different. This incidentally illustrates why many sociologists, including Mills (1959) and Giddens (1986), have emphasised that history provides an indispensable ingredient of good sociological analysis.

In order to gain a comparative perspective, it is illuminating to go back to 1901, the year when the Australian colonies came into Federation to form the Commonwealth of Australia. When we do (see Figure 2.1), we find that unemployment has been a problem throughout most of the century. Other evidence suggests that this probably has been so since the arrival of Europeans, although there is a scarcity of reliable statistics. Available information for the nineteenth century indicates that rates of between 5 and 10 per cent were common, with higher levels during times of economic depression (Langmore and Quiggan 1994: 20; Kingston 1988: 50). Thus it seems, and as Figure 2.1 so vividly shows, in Australia only the three decades from the early 1940s to the 1970s have had consistently low rates of joblessness.

Figure 2.1 makes it clear why the period from the 1940s to the early 1970s is referred to as the post World War II economic boom. To use Hobsbawn's (1994) more colourful term, these were 'the golden years'. These years stand out as extraordinary, because the consistently low unemployment rates were part of a far broader package, which also delivered high economic growth and low inflation up to the end of the 1960s. This boom was experienced by many Western societies, and it

Figure 2.1 Unemployment rates in Australia 1901–96



Sources: ABS, Australian Social Trends 1997, cat. no. 4102.0.
The Weekend Australian, 5–6 July 1997, p.2.

not only redressed pre-war economic ills but also delivered a level of economic prosperity that far exceeded anything that the majority of people had experienced before. After that, the situation gradually unravelled, partly because the period had sown the seeds of the destruction of its own prosperity.

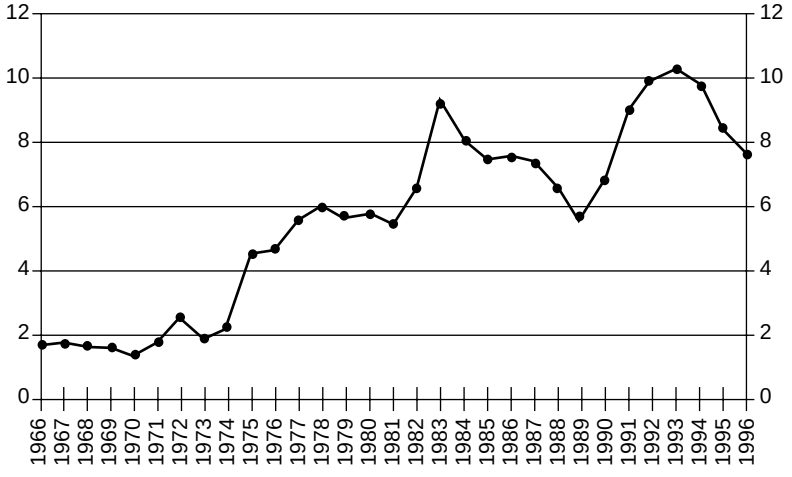
Hobsbawn points particularly to the development of 'a transnational process of manufacture' as 'the decisive innovation of the Golden Age' (1994: 280). But these years created other social advantages, which were later to become problems. For example, the expanding economy allowed the growth of a consumer society and for high standards of living to be accepted as the norm. These standards have remained, even though many families no longer have the wherewithal to support them, thus intensifying the effects of reduced incomes. This was also the time of the development of Western welfare states, which provided another form of consumption, albeit of a collective kind. In Australia, the most ambitious, although short-lived, welfare-state policy involved the Whitlam government's attempt, in the early 1970s, to provide a universal non-means-tested age pension. As the economy contracted, however, reducing rather than expanding welfare-state outlays became a central goal, even though attempts at reduction were not necessarily effective. This contraction of the welfare state was particularly the goal of those whom Hobsbawn (1994) calls 'free market theologians', who gained the political ascendancy from the 1970s and whose ideas underlay global economic restructuring.

It is highly significant that our first visit to Newtown occurred within these 'golden years'. Unemployment was hardly mentioned in the original study, which is not surprising given that it was easy to assume that unemployment was a thing of the past. Figure 2.1 shows a dramatically different picture for the 1990s, when unemployment reached its second-highest level for the century. Only the Great Depression of the late 1920s and the 1930s provided less access to jobs, though it must be recognised that in all earlier periods, unemployment brought even greater hardship than is the case in the late twentieth century. Australia now has a range of income security measures and other ways of supporting the unemployed, such as through retraining and job placement schemes. These were not available during the Great Depression or earlier times.

The development of the welfare state has meant that individuals and families are sheltered from the most dire effects of the poverty that unemployment can bring. None the less, this still leaves most people financially worse off than if they had a job; although for some (according to the intersection of welfare state eligibility requirements, their employment potential and family commitments) welfare-state benefits may net a somewhat higher income than would a market wage. For most, unemployment brings a financial penalty and social disadvantages. Having a job means more than the income it provides: social identity is also involved. To be jobless, even though one has no choice in the matter, is linked with many social penalties, from reduced self-esteem to higher risk of poor health, suicide, committing a crime and being a victim of crime (Langmore and Quiggan 1994: 16; Saunders 1995; Bryson and Warner-Smith 1997).

Figure 2.2 charts unemployment rates from the time of the first study in 1966 to 1996. By and large the trend is clear: unemployment rose relentlessly between the early 1970s and the early 1980s. We find temporary dips in the rate, which show that government policies and other factors (such as an economy boosted by favourable primary production) did make some impression on the annual rates. Between 1983 and 1989, with a concerted effort from the Hawke Labor government, almost 1.5 million jobs were created, and unemployment dropped. Even though unemployment was at its lowest level for almost a decade, this still left the rate at 5.7. After 1989 the rate rose to its highest level of the period, 11.2 in December 1992. This was in the aftermath of international financial deregulation and a stock market crash in 1987. The rate was also affected by what turned out to be misguided adjustments to the economy, which resulted in 'the worst credit squeeze, and the deepest recession since World War II' (Langmore and Quiggan 1994: 74). After that time unemployment rates generally went down, although

Figure 2.2 Official unemployment rate 1966–96 (percentage of labour force)



Source: Australian Bureau of Statistics and ABS *Australian Social Trends* 1997, cat. no. 4102.0.

only slightly, fitfully and unevenly across the country and across different groups of the unemployed.

It is of central relevance that our second survey of Newtown residents took place in 1991, when the unemployment rate was almost at its peak, and that this level had been exceeded at only one other time this century, during the Great Depression of the 1920s and 1930s. As already suggested, it is possible that the early 1990s was a time when unemployment reached its second-highest level ever. It is of some coincidental interest that the 1890s were also years of high unemployment, with rates reaching just under 11 per cent in 1896, after bank crashes earlier in the decade (Kingston 1988: 50). With unemployment rates so high at the time of the second study, we are alerted to the key role of welfare state provisions. Unlike the 1890s, families without access to market income are at least able to rely on the state to provide income support, modest though its level may be. It is to questions of family income that we now turn.

Family income

Unemployment and other changes affecting employment conditions clearly have direct consequences for family income, which in turn goes to the heart of changing patterns of inequality. In the time between our

two visits to Newtown, as well as direct changes to income levels, there was a major transformation of the way the study of income inequality was researched, as well as of the way the state responds to poverty and inadequate income. Because approaches to income issues are reflections of their time, it is important to locate our approach within its intellectual history.

Around the time of our first visit to Newtown, against a background of increasing affluence following World War II, Australia 'rediscovered' the plight of its poor. It was 'discovered' in the 1960s that the basic income security measures of the Australian welfare state set in place during the 1940s had not (in spite of full male employment) eliminated poverty. A groundswell of interest at this time among media commentators, the churches, welfare organisations, academics and the public, therefore, increasingly focused attention on the poor. A groundbreaking study of poverty in Melbourne, undertaken in the late 1960s, developed a systematic way of measuring household poverty. It came to be known as the Henderson poverty line (Henderson et al. 1970). The Federal government took up the issue and, in 1971, on the basis of his earlier work, appointed Ronald Henderson to head a Commission of Inquiry into Poverty. Using the poverty-line method Henderson had developed for his Melbourne study, the Commission studied the distribution of poverty Australia-wide and reported in 1975 (Henderson 1975).

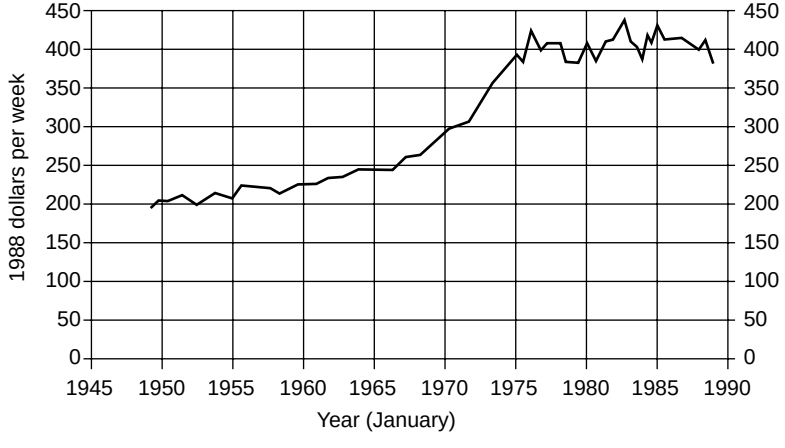
While these were the first systematic studies of the adequacy of income in Australia, there was a history in Britain of interest in the 'scientific' study of poverty dating back to the late eighteenth century (Marshall 1981: 37). A particularly influential project was Charles Booth's survey of life in London at the end of the nineteenth century. In this study Booth identified eight categories, or social classes, four of which he defined as below the 'line of poverty'. Although he did not use the term, Booth effectively identified the poorest class as an 'underclass'. A century later the relevance of such a concept is still being debated. Booth adopted what has come to be known as an 'absolute' definition of poverty. Such definitions focus on the bare necessities of life. Around the same time in the United States of America, however, a higher basic level was set. The Department of Labor's Minimum Quantity Budget of 1920, which was to be the standard for dealing with New York's poor, included 3500 calories of food per day and the purchase of clothes chosen not only for utility but 'for appearance and style'. Such a standard clearly involves a relative approach to poverty, because what is adequate is determined in terms of the general standard of living. It has been described as providing a 'comfort level' or a 'decency line' (Marshall 1981: 38).

A relative, rather than an absolute, approach to poverty is typical of official discourses about poverty in all Western societies today. Poverty is recognised as involving inequality of power and status, as well as inadequate resources. The Henderson (1975) poverty line, the accepted measure of poverty in Australia today, was based on a relative approach and was related to the benchmark of average (male) weekly earnings. It also took into account the number of people the income had to support and key expenses, such as housing and outlays connected with employment. Charts listing the minimum income necessary to keep families of various sizes out of poverty have been published on a regular basis in Australia since the 1970s. We make use of these when analysing our 1991 data, to compare the situations of families in Newtown with those of other Australian families. We found levels of poverty in Newtown to be very high which, given the levels of unemployment in the area, was not unexpected.

Another established way of assessing the adequacy of income is in terms of popular views of what constitutes a reasonable level. Australian research on this issue goes back to the late 1940s, when the periodic Morgan Gallup Polls started to ask the question: 'In your opinion, what is the smallest amount that a family of four – two parents and two children – need a week to keep in health and live decently – the smallest amount for all expenses including rent?' (Saunders 1994: 240).

As Figure 2.3 shows, in the early years of the 45-year period covered

Figure 2.3 Average response to the Morgan Minimum Income Question 1949–88



Source: Saunders & Bradbury (1989:13).

by the Morgan Polls, the perceptions of Australians about an adequate income remained at about the same level. Measured in 1988 dollars, the figure that respondents proposed was between $200 and $235 per week. In the late 1960s, however, just after the time of our first survey, people's perceptions of what makes an adequate income started to increase and rose steeply for the next decade. This was a period of high inflation and, importantly, it was a period when there was a marked expansion in the availability of consumer goods and a change in what was considered necessary family expenditure. By 1975 there was a levelling out, and while there have been fluctuations in the short run since, the level has remained broadly around the $400 mark. It is clear, then, that what Australians believe to be an acceptable income has risen quite dramatically since the first Newtown survey. This is another factor to be taken into account when trying to understand issues of inequality and the lives of Newtowners between the 1960s and the 1990s.

Over the same period that Australians' perceptions of what is an adequate weekly income for a family rose from $235 to $400, or by 70 per cent, the value of the Henderson poverty line rose in line with national per capita income. However, it increased by only 18 per cent in real terms (Travers and Richardson 1993: 170). This increase between 1973/74 and 1990/91 means that families in the 1990s found it 18 per cent easier to buy the goods that, because they were considered necessities, were built into the Henderson poverty-line calculations. As well, with improved technology and the escalation of the production of consumer goods, the prices of many goods have fallen and are now cheaper than in 1966. At the same time there has clearly been an escalation in what goods and services are considered 'necessities'. More money is needed to maintain a basic lifestyle commensurate with the higher standard of living that has become the norm (Travers and Richardson 1993: 170).

Raised expectations of what is an acceptable standard of living helped us to understand a certain desperation over finances that we found among many families in Newtown in 1991. This was so, despite the fact that on the basis of observation of lifestyle alone, actual material standards in the 1990s seem more comfortable than in the 1960s. Addressing consumption patterns as a facet of social change, the next section casts more light on the lifestyles against which our research must be understood.

SOCIAL CHANGE IN ITS HISTORICAL CONTEXT

As our discussion of social expectations about a 'decent' standard of living shows, the economic and the social are inevitably intertwined.

As well, when we turn our attention to those changes we explicitly categorise as social, we are confronted with an overwhelming range. Our coverage therefore is highly selective. We choose examples largely because they set the scene for our later discussion; we cannot claim comprehensive coverage. The examples, however, do provide ample evidence that while Australia in the 1990s shows some continuity with the 1960s, there are many changes. In this section we first deal with technological change and try to indicate something of its breadth and scope over the period covered by the study. We then consider some of the effects of the key social movements over the period, with particular focus on Aborigines, women and people of non-Anglo-Celtic ethnicity.

Technology provides a starting-point for our consideration of social change, with the dissemination of the computer chosen as a leading example of technology that has affected many areas of social life. Computers have effectively allowed the speeding up of the trend to the globalisation of production, which has always been inherent in capitalism. It also contributed to production techniques that allowed an exponential growth of consumer goods. The restructuring of industry that is associated with this technology is the stuff of debate about whether manufacturing is undergoing a revolution in production methods from fordist to post-fordist: from large-scale, assembly line, mass manufacturing to small-scale, niche market product manufacturing.

The computer is but one example of a technical innovation that has been at the centre of a range of consequential social changes. Examples can be as disparate as the oral contraceptive pill, television, video, the electronic sound system, fast foods, seat-belts, plastic bags, fax machines, automatic teller machines, mobile phones and the credit card. Television broadcasting began in Australia only a decade before the original study, and television sets were still absent from many homes at the time of the first visit to Newtown. Radios were found in virtually all homes, but each home had only one or two radios, as this was before the time of the cheap transistor radio.

Not only has there been an increase in the availability of consumer goods since our first visit, the mechanisms for fostering consumption have changed. People have been transformed into dedicated consumers. Fostering consumption developed hand in hand with capitalism, but speeded up in the post World War II period as it encompassed all social classes instead of just the better-off (Kingston 1994). In the 1960s, the US idea of the supermarket for food shopping was taking over from the traditional local store. The suburban drive-in shopping centre, also a US development, was quite new to Australia as well. The first one in Victoria opened in the Melbourne suburb of Chadstone in 1960. The

extent of the change in patterns of shopping over the decades is vividly illustrated by figures for the turnover in the retail industry. Whereas in 1956/57 the central business district (CBD) of Melbourne accounted for 34 per cent of Victoria's retail expenditure and had 3176 shops, by 1991/92 it accounted for only 4.5 per cent and had only 1199 shops. When we first visited Newtown, the process had already started. Expenditure in the CBD of Melbourne dropped between 1956 and 1966 from 34 per cent to around 20 per cent of Victoria's total retail expenditure (Spearitt 1995: 103).

As well as participating in a revolution in consumption patterns, between the 1960s and the 1990s people were creating their own revolutions. The years immediately after our first visit to Newtown were ones of intense collective activity, which created an agenda for social change. The title of Donald Horne's book on this period, *Time of Hope: Australia 1966–72*, evokes the spirit of the era. This was a time of protest movements, the most prominent being those to stop the Vietnam War and to ban atomic weapons. A series of movements emerged, and people involved in them continued to fight for the rights of specific groups, including Aborigines, women, homosexuals, people from differing ethnic backgrounds, and people with disabilities. In some cases, as with Aboriginal rights and the women's movements, rather than newly taking to the public stage they were longer-term crusades, which were revitalised in the climate of optimism. It was veritably 'a time of hope', to be played out during the 1970s in the years of the Whitlam Labor government, and revived in the early years of the Hawke Labor government. However, this hope gradually dissipated under the weight of change, particularly economic change.

It would require a different project from ours to deal exhaustively with the impact on Australian society of the key social movements of the decades following the 1960s. It is clear, however, that they were influential in shaping Australia's public agenda. In varying ways they continue to do so, and this makes the issues raised important background for our analysis. For example, there have been very important changes in relation to indigenous Australians. One of particular significance soon after our first visit was the 1967 Federal referendum, which was generally understood by Australian voters to be in support of full citizenship for Aborigines (Reynolds 1996). At Federation, the administration of Aboriginal affairs had been left with the states, except for the Federal territories. In 1967 Australians voted overwhelmingly (almost 90 per cent) for two key changes to the Australian Constitution. One was that Aborigines would no longer be excluded from the counting of the population. The second allowed the Commonwealth government to

legislate 'for their benefit'. While the full citizenship of Aborigines in the 1990s remains unfinished business, in the years since the 1960s many issues have been addressed or partially so. Aborigines' prior rights to the land, though still contested, have also been recognised. A celebrated political victory in the late 1960s, although with problematic effects, was over the payment of award rates to Aboriginal workers, whereas in the past, low pay (or more commonly no pay) was the situation, especially on pastoral properties. Also Aboriginal-controlled and managed organisations, such as legal and medical services, emerged around this time (Reynolds 1996).

In the 1990s Aboriginal students were entering universities, and Aboriginal graduates were joining the professions in increasing numbers. Aboriginal artists and singers were making a mark internationally. None the less, many intractable issues remained, including health and deaths in custody. Aborigines increasingly dealt with their own affairs, after years of being subject to paternalistic state polices. But Aboriginal issues re-emerged as highly contentious after the election of the Howard Coalition government in 1996. For example, the Aboriginal and Torres Strait Islander Commission (ATSIC) came under fire on a range of issues; the Federal government refused to give an official apology for earlier government policies, which removed Aboriginal children from their families; and the government, through legislation, has modified the advantages for Aborigines inherent in the High Court's Wik Judgment, which in 1995 found that a pastoral lease did not extinguish native title. Even the change of many decades is not, it is clear, secure in more conservative times.

When we first visited Newtown, Aborigines were still subject to policies that restricted where they could live, because most were still under the 'protection' of state welfare departments. Their children were often forcibly removed. Some Aboriginal families have lived in Newtown since its establishment, but in the 1960s they were not very visible. By the time of our second visit, their numbers were still small, but they were more visible. One local high school, which reflected the change, had a specific program for Aboriginal students. This program formed a strong part of the rationale of those who protested against the school's closure in the mid-1990s, although ultimately the campaign was unsuccessful. Aborigines were also more involved in local committees and local council activities than before, with the Koori flag first flown by the City of Earlston Council in the early 1980s. A visual reminder of the move in official policy away from one of assimilation and the submerging of difference is seen in the mural depicting Aboriginal history that occupies a prominent place near the main shopping strip.

For women, as for Aborigines, there has been highly significant change since the 1960s. There was a major resurgence of women's political activity, which is generally referred to as 'second wave feminism' to distinguish it from the feminist activism that was directed at achieving the vote for women in the late nineteenth and early twentieth centuries. A women's movement had, in fact, persisted between the major eras of first and second wave feminism, but sporadically, and it was often active in special areas, for example in relation to equal pay (Ryan and Conlon 1988) rather than in a more comprehensive way. In the political climate of the late 1960s and early 1970s, with its concern for human rights, women's issues once again became the focus of widespread activism.

Although women achieved the vote federally at the turn of the century, it was not until 1943 that the first two women entered Federal parliament. The numbers remained very small in the ensuing years, although in 1966 Senator (later Dame) Annabelle Rankin became the first woman minister in a Federal parliament. That women were on the move was demonstrated before the 1972 Federal elections, when the Women's Electoral Lobby (WEL), which continues as an active feminist organisation, was formed. WEL's members interviewed all potential candidates and publicised their views on women's issues. The numbers of women elected to Australian parliaments has continued on an upward trajectory since that time. By 1996 across Australia women represented one-fifth of all Federal, state and territory parliamentarians, with the highest proportion being 35 per cent in the Australian Capital Territory Assembly and the lowest proportion 15 per cent in the Queensland Assembly (ABS 1993 cat. no. 4113.0; ABS 1997 cat. no. 4124.0).

Many strategies have been adopted in an effort to redress women's situation as second-class citizens. The breadth of these efforts is well illustrated by the changed terminology we have already mentioned, which no longer assumes that male terms (particularly 'he') are the appropriate way to refer to women. Also women can no longer legally be excluded from membership of clubs, or prevented from drinking at hotel bars, and they are able to wear slacks on most occasions if they so choose. Women have been formally granted rates of pay equal to those of men, although the actuality still lags behind the formal requirement, with women's average full-time earnings still being only 81.4 per cent of men's in 1994/95 (ABS 1997 cat. no. 4124.0). There are now strategies to foster equal opportunity in education and the workplace, and also legislation aimed at preventing discrimination on the basis of sex, as well as preventing it on the basis of race and marital status (Eisenstein 1991).

Strategies adopted in the field of education since the 1960s have

been effective in increasing school retention rates for both sexes, as well as redressing an original gender imbalance. In the early 1970s only 27 per cent of girls and 34 per cent of boys completed year 12 of secondary school. By 1992, a year of high unemployment, girls had trebled their rate, to a peak of 82 per cent. For boys the retention rate increased markedly too, but not as dramatically as for girls, although it had more than doubled to 73 per cent by 1992. After that the rates for both boys and girls dropped off somewhat as unemployment fell slightly. In 1995 the retention rate for boys was 67 per cent and for girls 78 per cent (ABS 1997 cat. no. 4124.0). It should be noted that more boys than girls who do not reach year 12 undertake vocational training, largely in TAFE colleges. If this form of education is added in, we get much more similar retention rates for boys and girls.

Tertiary education as well as secondary has burgeoned during the period, and female enrolments have overtaken male here as well. In 1981 women made up 45 per cent of higher education enrolments, and there were around 150 000 women involved. By 1996 women made up 56 per cent of commencing-degree students, with a total of 344 000 studying. In the same year the proportion of women in the population with a degree or higher qualification reached the same level as for men: 13 per cent (ABS 1997 cat. no. 4124.0). The increasing rate of tertiary education for both sexes can be understood only in terms of the complex of changes that are connected with the restructuring of the Australian economy. Indeed, the restructuring of the tertiary education sector itself provides a very tangible example of this restructuring.

The numerical advantage that women now have in secondary and tertiary education is not directly reflected in the workforce, although rates of participation have increased among married women. Women remain over-represented in less-well-paying jobs and under-represented in managerial roles (ABS 1997 cat. no. 4124.0). The labour force participation rate among married women in Australia between the ages of 25 and 54 years was 37 per cent in 1966, at the time of our first visit to Newtown. By 1992, just after our second visit, the rate was almost double, at 67 per cent. This reflects a normalisation of the connection between women's rights, employment and patterns of consumption. None the less, there remains tension in relation to traditional views of the mother role. These are encapsulated in the following comments of a woman living in Green Views, the pseudonym given to an outer suburb of Melbourne studied by Lyn Richards at the end of the 1970s.

> All the women are going back to work . . . We have no other choice . . . You don't want it that way but that's the way it is . . . You know, if you want your own home and you want all the comforts that go with it, we're

> all compelled to live the same life style. We go to work, we work hard, we have the weekend off, we go back to work Monday morning. (Richards 1990: 158)

In summing up the views expressed by her respondents, Richards (1990: 159) points out that while 'nobody came out fighting for women's right to work, [n]obody pretended to live in a world in which mothers stayed at home'. While this routinisation of married women's employment is reflected in the increased rates of women's employment, by 1992 the proportion working full time had actually dropped from 70 per cent to 57 per cent (McDonald 1994: 157). This reflects a new form of segmentation of the labour force, with more jobs being part time, casual or involving 'flexible' hours. The period of most rapid increase in married women's employment was in fact the decade between 1961 and 1971. This was a period when restrictions to married women's employment (known as the marriage bar) were lifted from the public services of the Australian states and federally. It was also a time when government employment was expanding (McDonald 1994: 156). What has happened throughout Australia since the 1960s is that for women in their middle years paid employment has become almost universal, though intermittent breaks from the workforce for family reasons are also common.

The way women are treated in social policies, particularly those policies focused on income security payments, has also changed. Women are now approached as workers, whereas until the late 1980s they were largely constructed through social policy as the legitimate dependants of men (Bryson 1994b). This reconstruction of women within social policy as workers, rather than wives, was very much influenced by women themselves. After the feminist activism by the WEL in the run-up to the 1972 election, there was pressure for social reform from many fronts.

A distinctive aspect of Australian women's approach to achieving change developed through an alliance between activists in the women's movement and bureaucrats within government organisations. The term 'femocrats' is the neologism, coined in Australia, for these feminist bureaucrats (Yeatman 1990). Through this alliance between women within and outside government, much was achieved. For example, social policy now recognises that in some areas special attention must be paid to issues that particularly affect women, such as domestic violence and rape. There are now rape crisis centres and women's refuges where there were none when the first study was undertaken.

There are now also women's health centres, although these are fast disappearing after only a short history. The Commonwealth has, however, retained a women's health policy as well as policies on a range of family matters of central concern for women, including childcare and the care

of the frail and those with disabilities (Bryson 1994a). There has even been a public debate, supported by government, about the fair sharing of housework, and some policy attention given to achieving a fairer division of domestic labour (Bittman 1991; Commonwealth of Australia, Office of the Status of Women 1992).

Race and ethnicity have been at the centre of policy change over recent decades and, as has been indicated, this has at times proved contentious. The increasing ethnic diversity of the Australian population, which has resulted from less restrictive immigration patterns, has been accompanied by a gradually increasing recognition of cultural diversity within social policy. Indeed the suite of policies referred to as 'multiculturalism' has achieved international acclaim as a model for promoting a tolerant society. While the reality certainly has never matched the goal, there was a very concerted challenge to multiculturalism in the lead-up to the 1996 Federal election and in the later events, which crystallised around Pauline Hanson's establishment of her new Australian political party.

Four candidates, including Pauline Hanson, made headlines by expressing racist views during the election campaign, views that were disavowed by the major political parties. The Liberal Party formally disendorsed Hanson as its candidate for the seat of Oxley in Queensland for expressing such views. None the less she won the formerly safe Labor seat as an independent. Renegade Graeme Campbell, previously Western Australian Labor Party (ALP) member for Kalgoorlie, who had been at loggerheads with the ALP for some time for (among other things) racist attitudes, quit the ALP and went on to win the seat as an independent. Bob Katter, National Party member for the Queensland seat of Kennedy, maintained his endorsement in the teeth of accusations of racial intolerance. Although he was extensively criticised in the media, he went on to increase his majority significantly at the 1996 election. Although he was not elected, Bob Burgess, another Queensland National Party candidate who was nationally recognised for racist attitudes, also increased his Party's share of the vote. As Kalantzis and Cope (1997: 70) suggest, these election 'results might be seen as a victory for racism and a defeat for tolerance'.

This Federal election, as well as the surprisingly initial high-level support for the political party that Hanson established in 1997 and the capture of eleven seats in the 1998 Queensland state election, demonstrated an increased level of challenge to policies of racial tolerance, anti-discrimination and government support for representative ethnic organisations that were carefully built up since the 1960s. This challenge signals a resurgence of an interpretation of equality as involving 'sameness' rather than encompassing difference (E. Thompson 1994). This challenge

to liberalised policies also must be interpreted in the light of the increasing inequality. High levels of unemployment and pressure on the life chances of many Australian families has provided an environment in which the politics of envy thrives.

Despite the setback reflected in what has been referred to as the Hanson phenomenon, the period between our visits to Newtown saw a maturing of the Australian response to ethnic diversity. Within a common human rights framework, specific services and more extensive self-management were also fostered in relation to other groups as well, including people with disabilities and homosexuals. In general, it can be claimed that official policy attempted to deal more fairly with difference, difference that from the time of the arrival of the first Europeans was present and had often been a basis of inequality. By the time of our second visit to Newtown, social change with quite fundamental implications was in place, although in combination with the strained economic circumstances of the end of century this has at times proved a volatile political mix.

POLITICAL CHANGE IN ITS HISTORICAL CONTEXT

The third and final part of this historical backdrop sketches something of the wider Australian political context, within which the two visits made to Newtown must be understood. When we take a close look at the significant political change that has been occurring over recent decades it is clear that, not only is it fundamental in nature, but much is of very direct relevance for understanding what has happened in Newtown. As we found in relation to unemployment, for politics too the search for an adequate historical framework requires that we delve a considerable way back into Australia's history.

Once again a useful starting-point is 1901. This is a strategic moment for understanding twentieth-century political history because at Federation an explicit framework was established to underpin the newly federated nation. The principles that make up this framework have continued to be profoundly influential. Even though unanimity was not achieved, and not all voices were afforded equal significance, a number of principles were hammered out in the dying years of the nineteenth century through extensive, often formally organised, public debate and with support from both Labor and the conservative side of politics. The principles were rounded out by legislation in the early years of the new parliament. The very nature of these political processes, it must be noted, excluded indigenous Australians, and they were explicitly denied an equal citizenship by clauses in the Constitution.

Political commentator Paul Kelly (1994) refers to the constellation

of political principles that underpinned Federation as the 'Australian settlement', a useful summary term which we adopt here. While this settlement is not recorded in any formal document, there is fairly general agreement about its key elements. For Kelly (1994: 1–2) the settlement consists of five elements or pillars: industry protection, wage arbitration, state paternalism, restricted immigration (for more than sixty years the White Australia Policy) and imperial benevolence.[4] When Newtown was first studied, all the elements of this Australian settlement were effectively in place. By the time of the second study, however, as Kelly graphically puts it, the 'framework' of settlement was in an advanced stage of 'demolition' (Kelly 1994: 2). After so many decades as the backbone of the Commonwealth of Australia, the 'demolition' of these political principles is not only highly significant but also almost inevitably has been accompanied by difficulties.

The fate of all five elements of the settlement is relevant to understanding change in Newtown at the end of the twentieth century. Two elements, 'restricted immigration' and 'imperial benevolence', are, however, of less importance and do not, therefore, lend themselves to much discussion from the suburban location of Newtown, given our empirical approach. But they undoubtedly affect the context of social life in the suburb, and so we do briefly examine the historical fate of these two elements. The other three elements of the settlement – 'industry protection', 'wage arbitration' (which we will call wage regulation) and 'state paternalism' (which we will refer to as state intervention) – are of central importance, and we discuss these more fully. It is changes to these three elements of the settlement that, through their impact on the Australian economy, have had the greatest impact on Newtown.

When we excavate the political values underpinning the three pillars of the settlement with which we are most concerned, industry protection, wage regulation and state intervention, we find that together they testify to the triumph of what classic political theory terms 'political liberalism' over 'economic liberalism' at the end of the nineteenth century. At the end of the twentieth century, however, it is advocates of economic liberalism who are in the ascendancy. They champion a free (not a protected) market, a deregulated (not a regulated) labour market, and a more minimalist (rather than an interventionist) state. The economic liberal position that underpins the demolition of the settlement, like

4 The dominance of states' rights over the Federal body is arguably an equally important sixth element (Catley 1996: 46–50). While this is acceptd as a crucial and complex element, the actual relationship between the levels of government is not one that can be addressed within this study.

the political liberal position that underpinned its establishment, has supporters from both sides of politics. In the 1990s economic liberalism in Australia is popularly called 'economic rationalism', 'economic fundamentalism' or 'dry' politics, and it holds sway in business circles as well in governments at all levels, Federal, state and local.

It is not only within this fundamentally changed political environment that our findings must be understood, but also in relation to the extensive economic and social change that was dealt with earlier in this chapter. This is also the historical scenario against which the racial intolerance that took on a high profile in the lead-up to the 1996 election must be understood. These reactions call for a retreat to the past and to an emphasis once again on 'sameness' rather than difference. Given the length of time that the historic settlement was in place, and the speed and cumulative effect of recent economic and social change, it is perhaps less surprising that some strong, albeit minority, reactions have surfaced (Kalantzis and Cope 1997).

Restricted immigration

Australia's restricted immigration policy, which was widely referred to as the White Australia Policy, was originally based on that form of racism that is obsessed with racial purity. At the time of Federation, in the context of European colonialism, this form of racism was widespread and Davidson (1997) points to an early exaggerated Anglo-Celtic quality about the Australian national identity.[5] Also, workers were keen to exclude cheap and readily exploitable labourers who were prepared to work for low wages. There was certainly some legitimacy to the workers' fears, given the exploitation that many colonial employers practised, and given that this was before there was an Australia-wide system of wage regulation.

The White Australia Policy ensured that racially exclusionary immigration strategies were maintained in Australia, right up to our first visit to Newtown. It was not until 1965 that the ALP, in opposition at the time, removed the White Australia plank from its platform, and in March the following year Liberal Prime Minister Holt started dismantling this notorious and highly discriminatory policy. The impetus for change had built up from many sources, not the least being Australia's own diverse immigrant population. At the same time there was decreasing access to immigrants from 'approved' countries. Australia was also increasingly orienting itself as a nation towards Asia and the Pacific and was increasingly aware of world, as well as local, disapproval of its racist policies.

5 It should be noted that until 1948 there was no formal Australian citizenship, for Australians were British subjects before that date.

The White Australia Policy was gradually abandoned, without fanfare, and with the toleration of a majority of Australians, particularly the young (Horne 1980: 132). That Australia's immigration policy no longer excludes on the basis of race shows up in our data. Our first visit to Newtown found many migrants, but they were from the United Kingdom or Europe. By the time of the second survey, in 1991, the suburb was home to a much more diverse population. This includes families from Middle Eastern and Asian countries and in place of an exclusionary society, a more tolerant multiracial and multicultural Australia has been forged, although as we have already said there have been ups and downs in the support for the direction of change.

A long period of high unemployment with many families under financial pressure (see chapters 4 and 5) provides fertile ground from which racial sentiments are likely to resurface. In the 1990s, also in a situation with high levels of unemployment, reactionary minority views gained a voice in some European countries as well. In Australia it seems that regressive views are held more among a minority section of the older population than the young, and that these views are fairly readily modifiable. Research into talkback radio in October 1996, which monitored opinions before and after a unanimous, bipartisan repudiation of racist views by the Federal parliament, found that the racist views were 'very fluid and can be modified by reasoned argument from political leaders and by reasoned argument in the media' (Seccombe 1996: 7).

Imperial benevolence

At the same time as historic forces were overtaking the White Australia Policy, Australia was also gradually moving away from the extensive practical and symbolic reliance on Britain that Kelly calls 'imperial benevolence' and Horne referred to in 1950 to as 'anglocentric-imperialist strains' within the culture (Horne 1980: 4). While Federation had inevitably changed Australia's colonial relationship with Britain, the complex ties with the 'mother' country were modified only over many subsequent decades.

The close historic ties with Britain were well represented in the profile of the immigrant residents who first settled in Newtown. Half came from Britain, but even in 1966 a wide variety of European countries were represented in the other half of Newtown's immigrant families. Thus Newtown, from its inception, contained the seeds to Australia's restructured identity as a far less Anglophile and more multicultural nation, a trend that was far more developed by the 1990s.

Australia's imperial relationship with Britain, in association with

high tariff protection, which is discussed in the next section, resulted in the under-development of Australian manufacturing industry. After World War II, Australia looked to extending its international economic role beyond that of being mainly a provider of raw materials for British companies, to include a more independent manufacturing role. Newtown played a role in this industrial expansion as it was developed partly to house the families of the immigrant industrial workers needed for Australia's industrial expansion.

There was also a gradual lessening of the importance of British sources of capital, and this is reflected in the key factories in Newtown. The car factory that played a major role in the siting of the new suburb was a subsidiary of a US firm. This reflected the shift that had occurred in Australia's international relations in the post World War II period, as Australia moved out of Britain's sphere of 'imperial' influence into that of the USA. However, by the 1990s, the substitution of the USA for Britain in an 'imperial' role had also been modified. Between the 1960s and 1990s Australia became more intent on building its own, independent, international identity.

Recent policies aimed at industry restructuring to increase international competitiveness (the effects of which are discussed in chapter 4) can be seen to be a continuation of the very economic trends that spawned Newtown. Economic restructuring in the 1990s has continuity with earlier moves to overcome the effects on its economy of Australia's relationship with the imperial 'mother country', effects that were compounded by long dependence by local industry on the shelter of high tariff walls. After World War II the relationship with Britain was gradually attenuated from both sides. Australia extended its alliances beyond Britain, first to greater reliance on the USA, while Britain looked more to Europe rather than to its former colonies. Since the 1960s Australia has progressively repositioned itself, especially in relation to Asia. When a republic eventuates, the last symbolic expression of its reliance on 'imperial benevolence' will finally be consigned to history.

Industry protection

In the lead-up to the Federation of the Australian colonies, the most hotly contested political tussle was that between free traders (who supported open competition in the marketplace) and protectionists (who favoured tariff barriers to shelter local industry). New South Wales, whose economy was based on primary production, particularly coal and the pastoral industry, led the free traders. But the protectionists, led by Victoria, whose industry had long been reliant on tariffs, won the day.

Conservatives and Labor were split over the issue but, once adopted, the policy was implemented with a will. Australia established a high wall of protective tariffs around its industries and not long after Federation took its place internationally at 'the top of the protectionist league'. By 1927, it had tariff levels second only to those of the USA. It was to maintain its leading position as a high tariff economy well beyond our first visit to Newtown. In 1970, this time together with New Zealand, Australian tariffs were the world's highest (Capling and Galligan 1992: 70). Because of this long reliance on high tariffs, it is not surprising that towards the end of the century attempts by governments to abolish these and deregulate Australian markets created economic upheaval. This was evident in Newtown in the closure of firms and high rates of unemployment among its workforce. On the positive side it has also resulted in reduced prices of consumer goods, particularly clothing and footwear.

Many countries have protected their fledgling manufacturing industries, but Australia did not actively encourage them, as they matured, to compete on the open world market. It is Stephen Bell's view of manufacturing that 'the rationality of the sector's development in terms of criteria of competitiveness or efficiency was rarely even mentioned' (S. Bell 1993: 43–4). These industries were focused on local markets, but by the late 1960s these were becoming 'satiated' and stagnation was setting in (S. Bell 1993: 44). The situation was not attacked in a systematic and radical way until the 1980s, when freer trade began to dominate the world political agenda as the balance of political ideology among Western societies moved from political liberalism to the more conservative and capital supportive, economic liberalism. While, as we discuss later, the Hawke Labor government, which was elected in 1983, did not entirely abandon its traditional support for the interests of workers, it did accept a need to reform the Australian economy and at least partially adopted an economic liberal position. The Labor government supported freer trade and set about economic restructuring with the reduction of tariffs high on the agenda.

Policies that reversed Australia's traditional political economy have since been pursued. Over time these policies are aimed at demolishing the long-standing protectionist pillar of the settlement. Labor set about the 'implementation of corrective policies [that] entailed a reassertion of state action comparable in significance to that used in forging Australia's protective state in the early decades of federation' (Capling and Galligan 1992: xi). Because Newtown's development was so intimately associated with manufacturing industry, these changes have

had a crucial impact on the workforce of the suburb. Our return visit allows us to explore their impact.

Wage regulation

The regulation of employment, through the wage arbitration system, is a principle of the Australian settlement that has been of central significance for all workers, and those in Newtown were no exception. When protectionists won the political day at the time of Federation, this partly involved an understanding that the trade-off for employers was 'providing fair and reasonable wages to white workers in protected industries' (Catley 1996: 48). This principle of a fair wage was formalised in the Harvester Judgment of 1907, with the institution of a family wage for white male workers. This followed some earlier moves in the direction of wage regulation by a number of the Australian colonies (Kingston 1988: ch. 5). It is debatable if the basic or family wage made much immediate difference to the material circumstances of the working class, because the level at which the wage was set was broadly the going rate; nevertheless the establishment of the principle of a decent, regulated wage, related to the needs of a family, has protected workers ever since. The idea of a fair and reasonable family 'living wage' was a radical one. It broke with solely market control of wage rates and injected human need as a relevant consideration (Castles 1985: 14).

Wage regulation, together with an institutionalised role for trade unions, became a centrepiece of ALP politics. It has remained a central influence on Australian social policy for almost a century, and a key determinant of levels of poverty and inequality. The fact that an established system of wage regulation was in place proved of salience for moves to greater gender equality in the early 1970s, when the principle of equal pay was formally established. The centralised system allowed the Arbitration Commission's decision to grant equal pay to women, from the previous rate of 75 per cent of male awards, to flow through wage awards quite quickly, and by the 1980s Australian women's wage rates were closer to men's than was the case in most other Western countries (Hobson 1990).

In the 1966 study, Bryson and Thompson recognised the importance of wage arbitration for Australia's 'class situation', pointing to the way notions of equality had been 'important forces in shaping such typically Australian institutions as industrial arbitration and the basic wage' (*AAN* 14). Later, Castles (1985) was to judge the employment regulation system as such a significant part of Australia's class relations and political economy that he suggests it forms the basis of a distinctive type of

welfare state, unique to Australia and New Zealand. While he tends to downplay the importance of other factors in shaping Australia's welfare state, Castles is right to emphasise the importance of employment or, as it is often termed in such debates, 'occupational welfare' (Watts 1997). He identifies the regulation of wage rates and conditions of work as effectively protecting workers from poverty and decreasing inequality. The example of the facilitation of something approaching equal pay for women in the 1970s demonstrates this latter systemic capacity. Because of the emphasis on a decent standard of living from employment, however, Australia's social welfare provisions have remained underdeveloped compared with those of many European welfare states. They have essentially been treated as providing a safety net only. Castles and Mitchell see this in the following terms:

> The essential difference between Australia and most other nations is that, in Australia, wages policy in large part substituted for social policy, characterised by the importation into wage-setting mechanisms of such concepts as the 'fair wage', the 'living wage' and the 'basic wage'. A welfare state through government expenditure was therefore pre-empted by a welfare state through wage regulation. (Castles and Mitchell 1994: 171–2)

Given the central place of wage regulation in Australia's history, it is highly significant that at the end of the twentieth century the labour market has been progressively deregulated, through moves to enterprise and individual bargaining. The centralised wage regulation system that protected virtually all workers through its minimum awards is losing out to more individualised approaches, which leave behind those who are not in a strong position to bargain, and most Newtown workers are in such disadvantageous bargaining positions. The dismantling of the centralised system effectively means a significant alteration to the distinctive structure of the Australian welfare state, another fundamental change since Newtown was first studied and one that has contributed to increased inequality.

State intervention

At Federation, when protection rather than free trade triumphed, protection strengthened that inextricably associated pillar of the settlement, state intervention, or, in Kelly's terms, 'state paternalism'. It was not only that the very nature of protection required an active role for government, but protectionists and the ALP both 'sanctioned statist action for social reformist purposes' (Capling and Galligan 1992: 76). Indeed Australians at the time were far more supportive of state intervention than was the case in most European countries, including

Britain (Catley 1996: 50). A visitor to the Australian colonies at the end of the nineteenth century, William Pember Reeves (1969 [1902]), was impressed by the extensive range of government activity that he observed in the colonies. He saw this as an innovative form of 'colonial governmentalism', which prompted the writing of his book *State Experiments in Australia and New Zealand*. The early establishment of a wage regulation system is a key example of this statist commitment. Political support for a generally interventionist state was maintained until the 1970s when, in common with other English-speaking industrial societies, the size of government and its expense started to be questioned (Castles 1993).

State intervention was not comprehensively challenged at the Federal level by the Hawke and Keating Labor governments, unlike the Thatcher and Reagan regimes in Britain and the USA (Pierson 1995). The state itself was not specifically targeted as a problem. What was targeted was rather the way the state impeded economic competition. By the 1990s, though, some state governments, were taking a stronger anti-state line. It is significant for Newtown that Victoria's Kennett government was among the most committed of these state governments, although the Kennett government came to power only after the second survey of Newtown residents.

In trying to avoid the state impeding economic competition, Federal, state and local governments since the late 1970s have introduced polices that involve a changed approach to some state functions. Government instrumentalities have been corporatised or sold, and governments at all levels have adopted a private management model, focused around efficiency, leanness and market principles. As already discussed, policy changes at the Federal level that had a direct impact on residents of Newtown include tariff reductions and the partial deregulation of the labour market. At the state government level, changes to housing policy, as discussed in chapter 6, have been particularly influential and, as is discussed in chapter 7, local government restructuring has also had a direct impact.

Even as Australia's political economy was being transformed according to economic liberal principles, the Hawke and Keating Labor governments were involved in some more traditional Labor activity of intervention aimed at minimising adverse effects for workers and the poor. For example, at the same time as the Federal government pushed ahead with tariff reductions it developed, through industry minister Senator John Button, a range of policies for rejigging ailing industrial sectors, including motor vehicles, steel and textiles, clothing and footwear (S. Bell 1993). New methods of income support for those on low wages

were also put in place. This was in fact the first time that regular income support for the working poor had ever been available in Australia. Also a network of childcare centres was established, and these relied on support from government and facilitated dual-earning in families with young children. At the time of our first visit to Newtown, childcare services in Australia were very scarce and likely to be based on a charity model that viewed care as relevant only for the most needy and socially problematic families. By the second visit, childcare had become 'part of the mainstream political agenda', representing one of the most developed systems in the Western world (D. Brennan 1993).

As our return visit to Newtown in the 1990s shows, the sum of all this state intervention was not sufficient to shield workers and their families from the fallout from other economic trends and the effects of other policies that contributed to the economic restructuring program. As well as industry policy, housing policy has very directly impinged on Newtown. Housing bridges both Federal and state responsibilities of government, and reduction of enthusiasm for state intervention has been particularly significant for suburbs such as Newtown, developed as they were as public housing estates.

If we look at the history of public housing in Australia, we find that in 1909 the Queensland government provided the first subsidised housing. By 1919 all states had in place legislation for the provision of housing, and all except Victoria had built some houses. In 1927 the Federal government entered the scene and through the Commonwealth Bank started a lending scheme to promote home ownership. The Great Depression of the 1930s curtailed these initiatives, but they had signalled a clear acceptance of state intervention and 'the principle that some assistance had to be given to enable the worker to obtain adequate housing' (Jones 1972: 4). At the time, the schemes were limited to those who could afford home-ownership or the high rentals of state-provided housing. It was not until the 1940s that the notion of everyone having a right to adequate housing was accepted. It was on this basis that, in conjunction with financial assistance from the Commonwealth Housing Commission, state public housing authorities addressed the post World War II housing shortage (see chapter 6).

We see that well before Newtown was built, a policy framework for housing provision was in place in Australia. Home ownership was actively promoted by governments, at times specifically as an ideological support for capitalism. This became quite explicit in the climate of intense anti-communism of the 1950s, as is reflected in the words of one member of the House of Representatives on the occasion of the second reading speech of the Loan (Housing) Bill of 1952: 'Home

ownership is also the basis of national social security. If we desire to rid the community of communism, and to safeguard the best interests of the nation, we must provide every opportunity to the people to acquire their own homes' (quoted in Kemeny 1977: 48).

Home-ownership has more than ideological effects. The economic value of home-ownership has become an important aspect of the structure of the Australian welfare state. The adequate family wage for white male workers, which was achieved through the wage arbitration system, carried with it the responsibility to save some of that wage to provide for one's old age. The key way in which Australians have managed this is through the purchase of owner-occupied housing. This purchase acts as forced savings, which are accumulated through mortgage repayments. At retirement the house is normally fully owned, and by minimising housing costs reduces the need for high levels of income support. In this way it has been possible to maintain Australia's retirement pension at a low basic rate. The principle of individualistic and private saving for home-ownership and retirement contrasts with the collective saving for social security provision that typifies many European welfare states (Castles 1994). It is another aspect that renders the Australian welfare state distinctive. And it is another aspect of the history of the Australian welfare state that is of significance for understanding life in Newtown at the end of the twentieth century.

CONCLUSION

Our discussion of economic, social and political change has constructed the broad historical backdrop against which our empirical findings about life in Newtown must be understood. We have outlined relevant change within sociology and drawn, albeit sketchily, a picture of a century of Australia's political economy. What this discussion makes clear is that the decades covered by the study have been ones of major change and ones that have not advantaged ordinary workers and certainly not the unemployed. It is not therefore surprising that our return visit to Newtown should have found residents far more concerned about their lives, particularly their economic circumstances, than they were in the 1960s. In the following chapters we compare the lives of residents in the 1960s and the 1990s and provide a comparative picture, which allows us to reflect back on the wider historical trends that have been discussed here.

The amount of change that has occurred over recent decades, together with the fundamental nature of this change, has led social

analysts to talk in terms of a major economic and social transformation. However, they are far from being in agreement about the cause of change and its full implications for citizens in the twenty-first century. We contribute to this debate through our investigation of the way this change has affected life on the ground in Newtown, with chapter 3 first establishing the broad parameters of the study, the place and its people.