

Fragmenting Societies?

A comparative analysis of regional
and urban development

David C. Thorns



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FRAGMENTING SOCIETIES?

This book addresses a number of key themes in the debate about the nature of a contemporary capitalist society. It poses the question as to whether the present changes are creating a more fragmented society. Through a comparative historical analysis of Australia, New Zealand and Britain the book examines the restructuring of the workforce, the shifts towards more flexible work practices, rising unemployment, the growth of individualism, regional and local diversity, and the creation of new social formations. The book challenges both the more economic versions of the New International Division of Labour thesis and the ethnocentrism of much contemporary debate on regional change. It argues for an approach based in the distinct experiences of localities, regions and nation states. Detailed empirical data are provided for Australia, Britain and New Zealand covering such areas as economic and employment change, regional diversity, restructuring of the state sector, consumption and home ownership and local social resistances and responses to change.

The author is an established and widely published researcher who has conducted intensive research into the three societies examined in this book. The book will interest students in Sociology, Geography, Regional Science, Urban and Regional Planning and Political Science.

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PREFACE

This book arises out of a concern to develop a comparative historically grounded approach to urban and regional sociology. In confronting changes which have occurred it is necessary to try and distil the general shifts from the particularities of nations, regions, and place. Much of the debate over the past decade has been based around models which point to universalising processes and tend to operate at a high level of abstraction. We are thus confronted with such propositions as the shift towards a more fragmented society in which the trend is towards more 'flexible' work and leisure practices and greater individualism rather than collectivism. The decay of the welfare state and of bureaucratic centralism are now centre stage in debate and reality. The implications of such wide-ranging changes need to be carefully assessed. In the present book these themes of global social change will be examined and questioned to see whether they are fundamental or merely adaptations. If the latter, then they become part of a continuing process of adjustment rather than a radical break with the past. A recent persistent theme has become that of 'fragmentation', a concept not precisely defined, rather a general notion of movement from a stable, regulated social world to one of greater choice and individualism as the older forms of social regulation give way to newer ones. The question mark in the title is meant to show that the 'fragmenting' of society is an issue to be debated rather than assumed. Much rhetoric exists but less systematic research and analysis. It is as a response to this need that the present study was designed. To demonstrate how far global trends and changes have spread and become common to all advanced societies it is necessary to adopt

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a comparative historical approach. In this book it is to the similarities and differences in the experiences of Britain, Australia, and New Zealand that attention is focused. These three provide a mix of both metropolitan and more peripheral societies, hence an interesting group of nations to consider.

It is hoped that this book will stimulate further interest in comparative work which, despite the continued advocacy of the need for comparative urban and regional research, still is not extensive, particularly work which contains a North-South axis of comparison and draws the Pacific and Australasia into the mainstream of European and American debate. Comparison of this kind can, as this study seeks to show, assist in clarifying theory and bringing to light both the strengths and weaknesses of the more general level explanation provided of urban and regional restructuring and change.

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INTRODUCTION

FRAMEWORKS FOR STUDY AND LINKS BETWEEN THE THREE COUNTRIES

In the theoretical debates about the internationalisation of capital which have dominated the recent sociological research agenda, much of the argument has focused around distinctions between the 'core' and the 'periphery' and between exogenous and endogenous explanations (Boreham *et al.* 1989). For Wallerstein (1974, 1979) the present world system emerged in the sixteenth century with the discovery of the new world of the Americas and the subsequent development of industrial capitalism. The system was composed of 'core' nations which dominated the system, consisting of the first industrial nations of Britain, Netherlands, and France, which were joined in the twentieth century by the USA and Japan. The second group was that of the semi-peripheral nations of Southern Europe around the Mediterranean and linked to the 'core' through trading relations and a dependency which limited their internal development, leading to a relatively slow rate of economic and social development. The third was the 'periphery', the outer edge of the system, originally Eastern Europe, which sold cash crops to the 'core'. Finally, beyond these nation states there was the 'external area' of Asia and Africa which became incorporated into the 'periphery' as colonial expansion took place.

In the case of most countries allocation to one or the other of these categories is not particularly problematic, clearly the United States, Japan, West Germany, and Britain are centres of the world capitalist system whether this is identified in terms of systems of unequal exchange, control over financial markets, or location of multi-national companies which play a central role in

the patterns of capital accumulation. Similarly, countries such as Bangladesh, Ethiopia, Afghanistan on any definition would be peripheral with a high degree of dependency upon the capitalist core nations. But this leaves many nations lying in between these extremes; what of the Eastern European nations with their increasing financial indebtedness to the western banking system, or the newly industrialising countries of South East Asia such as South Korea, Singapore, and Taiwan with their rapidly growing consumer product industries. How are they to be fitted into such a model and what of the relatively high-income societies with advanced standards of living which still retain a high level of dependency such as Canada, Australia, and New Zealand?

To explore such questions further requires a comparative analysis of countries drawn from varying categories within the world system. In this text the three chosen are Britain, Australia, and New Zealand – countries which from their earliest days have been linked at a number of different levels with respect to their political and economic development. The three countries have been linked together through patterns of trade, flows of capital, political institutions, migration, and the movement of ideas. For example, the three countries share common traditions with respect to their parliamentary systems of government and through the interchange of 'expertise' within many areas.

A comparative analysis of the three countries, therefore, will allow the exploration of changes within both a core nation, Britain, and within two which have occupied intermediate positions. However, over time the links between the three have not just been from the core to the periphery but also strong links have been made between Australia and New Zealand. The most significant in recent years has been the agreement to develop Closer Economic Relations (CER) between the two countries through adjusting tariff levels and eventually creating a free trade zone to provide an expanded market for local manufacturers of consumer appliances and other similar products. The second is in the area of defence and collective security. With the ANZUS treaty becoming non-operational in 1986 as a result of New Zealand's non-nuclear position and thus a ban on American nuclear-armed or propelled warships from visiting New Zealand ports, a new set of defence arrangements with Australia have been initiated (Clements 1988). However, at the same time as

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moves exist to draw New Zealand and Australia closer together, economically and strategically there are also moves within Australia to establish new sets of linkages with America as Australia seeks to adjust itself to a Pacific-focused future rather than one centred upon Western Europe. Such moves are likely to bring changes to patterns of trade and create new forms of economic dependency, a dependency, however, less reliant upon Britain and more linked into the USA, South East Asia, and Japan. American and Japanese capital is currently replacing British and so the nature of domination and dependency is shifting towards a position within a Pacific centred system of economic, political, and social relations. The 1980s have also seen Australian and New Zealand capital investing offshore, with, for example, New Zealand's largest company investing in Chile and Canada, creating multi-national enterprises.

The three countries vary considerably in size and resources. Britain is a nation of some 50 million whereas Australia has only 16 million and New Zealand 3 million people. All three have a significant degree of ethnic diversity created through migration and the revival of the indigenous population in New Zealand and Australia. The European population in all three is ageing with the greatest growth and potential growth amongst the ethnic minority groups. The demographic future suggests, therefore, one that is both ageing and ethnically more diverse. Finally, all are predominantly urban societies with a high degree of concentration in the largest urban areas. Australian states are dominated by their capital cities which in 1986 contained 64 per cent of the total Australian population and in New Zealand Auckland, a city of over 800,000, dominates the country and contains 25 per cent of the total population.

Britain, of the three societies chosen for this study, is a core nation. This is reflected in the patterns of economic and social development which have taken place. In the eighteenth and especially the nineteenth century there was a rapid growth in industrial production and urban living creating a large urban working class. The growth of these new factory-based settlements provided the first major period of new city formation since the thirteenth century and by 1900 four-fifths of Britons lived in urban areas. London was the dominant urban centre and during the nineteenth century grew from 1 million to 7 million people,

and became firmly established as a centre for 'international cosmopolitan mercantile capitalism' (Lash and Urry 1987: 94). One result of this rapid urbanisation was extensive poverty and poor housing conditions amongst the urban working class, documented in many studies including those by Engels (1892), Mayhew (1861), and Booth (1889). As industrial capitalism developed there was a shift from the small-scale capitalist owner to the business corporation, utilising new forms of technology to produce consumer goods for a mass market. Alongside these changes to industrial ownership and the organisation of paid work, the twentieth century saw the rise of the centralised state increasingly involved in the regulation of social and economic activities. By the middle of the twentieth century the manufacturing base was beginning to be eroded by increasing competition from both other newly arrived 'core' nations such as Germany, America, and Japan and the greater internationalisation of production. This latter trend has seen British capital investing in the 'semi periphery' and in the newly industrialising nations of South East Asia such as Hong Kong, Singapore and Malaysia. Changes brought about by these shifts have resulted in restructuring within Britain leading to a rapid decline in manufacturing with a loss of 2.5 million jobs from 1971 to 1984, and the shift to a more service-based occupational structure leading to a realignment of the class structure. The rise of such a service class with different tastes and life styles has had a considerable impact upon patterns of consumption, especially housing tenure. The 1980s thus present a decade of considerable change both to the position of Britain within the international system and to the internal structure of class relations.

The economic and social experience of Britain is, then, different from that found in Australia and New Zealand, neither of which have been core nations. Consequently, it is necessary to consider how these nation states can be viewed within the world system and how their particular location has shaped the social and economic structure that formed. One way to approach this task is to see Australia and New Zealand as dominion capitalist societies. Armstrong (1978) in an important discussion of this concept draws attention to the fact that orthodox economic theory has seen dominion capitalist societies as a historical category of the nineteenth century. Other economists have,