

Fabricating a Steel City: An Ethnography of the Illawarra Steel Industry

Jesse Negro
(Macquarie University, Australia)
jesse.negro@hdr.mq.edu.au

Certain core dimensions of urban de-industrialisation/re-industrialisation processes have been neglected in the discipline of anthropology. This article seeks to redress that under-examination by considering in an anthropological way the consequences for workers, urban activism and built environments of industrial policies directed towards the shrinkage of the steel industry in the Illawarra region. This article investigates how industrial policies have influenced the Illawarra's past, present and future.

Keywords: Industrialism, policy, ethnography, urban, steelworks.

Introduction

In an anthropological study of the urban environment Low presented a number of city typologies, including the ethnic city, the globalised city, the divided city, and the industrial/de-industrialised city (Low 1996: 383). This article focuses on the last of these images through a study of the Illawarra, an industrial urban centre of Australian steel production. Its Port Kembla or BlueScope Steelworks has been in operation since 1927, transforming the region from rural district to urban centre. Eklund (2012: 3) argues that the history of Port Kembla highlights the *local* manifestation and shaping of powerful global forces, leading to his insight that industrial towns are places where local and global processes collide. In the past ten years Port Kembla has been transitioning into a de-industrialising city due to the decreased economic profitability and accompanying shrinkage of the BlueScope Steelworks. This article argues that industrial politics are a critical factor in the de-industrial process that is shaping the social landscape of the Illawarra.

Bluestone and Harrison (1982) were early innovators in the de-industrial paradigm using their research to examine social and community factors alongside economic and political considerations in industrial change. The anthropology of de-industrialisation has primarily focused on the consequences of factory closure and the effects of this on the surrounding community firstly through examining the impact of plant closure on individuals and, secondly, it has sought to understand the role of the state in relation to corporate decisions that can be described as de-industrialising (Lamphere 1985: 260). Here the de-industrial paradigm analyses the causes and impacts of industrial closure from a broader perspective that combines these two approaches. Newman (1985: 15) argued that the de-industrialisation process has real effects on everyday lives, as it ultimately affects family life, the ways in which people age, the extent to which their communities remain intact or fall victim to outmigration, and the very nature of the urban dweller's worldview. In the most general sense, the research on deindustrialization turns the urban anthropologist toward the social problems side of our informants' lives, since many of the pathologies of city life can be traced to the effects of economic dislocation.

Since the 1990s, urban anthropological research has variously recognised the ways in which regional diversity (cultural, social, economic and political) affects urban life.

Anthropologists have given primary attention to the following four aspects of urban life. Firstly, rethinking of theories of urbanisation and patterns of urban growth. Secondly, different patterns of urban social interaction and urban conflict in traditionally multi-ethnic states and ‘multicultural’ processes in Western cities. Thirdly, the ways in which people in different regions and under different political regimes respond and adapt to the demand of global policies for example post-industrial settings; and finally, the visibility and relevance of urban research, and anthropology generally, in the broader society (Pardo and Prato 2013: 97). The last two decades have seen an evolution of industrialisation studies with the emergence of two important edited editions: *The International Review of Social History* (Altena and Van der Linden 2002) and *Beyond the Ruins* (Cowie and Heathcott 2003). Both argue that the de-industrialisation literature and paradigm must broaden its examination of its social, cultural and political consequences. Cowie and Heathcott (2003: 1-2) note that the time is right to widen the scope of the discussion beyond prototypical plant shutdowns, the immediate politics of employment policy, the tales of victimization, or the swell of industrial nostalgia. Rather, our goal is to rethink the chronology, memory, spatial relations, culture and politics of what we have come to call ‘deindustrialization’.

This article seeks to widen the discussion on de-industrialisation in the Illawarra. The primary methodologies for this research were participant observation and interviews with Illawarra steelworkers, politicians and other community members impacted by the region’s steel industry. Participant observation inside the fiery pit of the steelworks, hearing the chants of activists fighting to save the steel industry, and helping former steelworkers pick their fruit trees gave a deep insight into the Illawarra’s steel industry. Ortner (1995: 175) and Abu-Lughod (1990: 50) both argue using ethnography as a method allows anthropologists to observe and demonstrate complexities within the field. Pardo is critical of studies of Neapolitan urban life with their imposition of theoretical models onto the ethnographic details they intend to explain. Pardo (1996: 3) argues that they ignore the basic requirement of ‘achieving an empathic grasp of the situation through prolonged interactive involvement in the flow of local life’. The ethnographic research I have conducted in the Illawarra demonstrates the complex role policies and politics have played in shaping the Illawarra’s past, present and future.

I proceed by first sketching out the historical development of the Illawarra’s steel industry throughout the 20th century, examining its rise and decline; secondly, I analyse the corresponding effects on the community; finally; thirdly, I investigate local and state political and social movements or forces and their influence over steel making in the region. The first movement that I discuss is the Save Our Steel (SOS) activist movement supported by steelworkers and the local community, demanding that the government should step in to create a steel policy to protect the steel industry. This movement led to the creation of the Steel Industry Protection Bill in March 2016 that mandated 90% of the steel used in Australian Government infrastructure projects must be Australian made. I continue to discuss political opposition of the Bill, and its ultimate failure. The final section of the paper discusses the Illawarra’s future, and whether the city can transition into a period where steel production is no longer its key feature.

Rise and Fall of the Steel City

The steelworks were the creation of Broken Hill Propriety Company Limited (BHP), John Lysaght Pty Ltd, and Australian Iron and Steel Limited. The Hoskins Family formed the Australian Steel and Iron Works in Port Kembla in 1928. The opening of Blast Furnace No 1 in 1929 corresponded with the Great Depression and caused great financial difficulties for Australian Iron and Steel. BHP made an offer to buy all AIS ordinary shares, and the offer was accepted by the end of 1935. BHP provided the financial capital needed to expand the steel plant. Blast Furnace No 2 was completed in 1938 and while production in the Illawarra was less than in Newcastle, Port Kembla still made a significant contribution to the Australian armed forces during World War 2. When the war ended in 1945 Port Kembla was selected over Newcastle as the site where BHP would build a hot strip mill, bringing innovative technology to Australia's steel making industry. In 1962 the Steelworks were expanded again with the process of electrolytic tinning introduced. Ten years later basic oxygen steelmaking was brought into Port Kembla, and Blast Furnaces 1 and 2 could not handle the workload alone leading to the commission of Blast Furnace No 5. Further technological advances and demand for efficiency led to the commission of Blast Furnace No 6 in 1996, replacing the two smaller less efficient furnaces.

BlueScope Steel and BHP became separate companies in 2002 when assets were split, and BHP merged with Anglo-African company Billiton to become BHP Billiton. The next seven years until 2009 yielded mixed results for BlueScope, instigating the need to update and modify Blast Furnace No 5 with the relining process aimed to improve efficiency, making Australian steel competitive once again in an international market. In 2011 production at the Steelworks was halved with the permanent closure of Blast Furnace No 6. Operating with only one blast furnace essentially removed Port Kembla steel from the export market. It has been speculated that if Blast Furnace No 5 had not undergone its multi-million-dollar renovation, it would have been shut down as well, meaning steel making at Port Kembla would have stopped altogether. Despite many adversities, 2.6 million tonnes of raw steel are still produced at Port Kembla every year. BlueScope is a world leader in a coating and painting technology that has led to products such as COLOURBOND which are used on roofs, fences and building frames all around Australia.

According to Eklund (2012: 2-3), industrial societies created powerful national images that caused the stereotyping of industrial areas. Steel and heavy industries are major markers of economic development, transforming rural communities into urban centers and laborers into skilled workers. The role of steel in the development of cities remains as crucial as ever. Even well-established cities such as Sydney are constantly re-developing and re-shaping themselves to manage population changes and support community needs. These changes require the creation of new buildings, housing, transport, and infrastructure that use thousands of tonnes of steel. Similar concerns have been noted in the Greek ship building industry by Spyridakis (2017). The Greek economic policy regarding the secondary shipbuilding sector was generally categorised by weak adaption to international economic conditions. The Greeks fell behind the

so called ‘Asian Tigers’ (Korea and Taiwan) as these countries became leaders through integration policies of cost reduction, rational distribution of investment, the application of new technologies and strategies for diversification of the final product to meet market demand (Spyridakis 2017: 176). The situation of the Greek shipping industries is not expected to change anytime soon for a number of reasons. Firstly, a lack of necessary management structure and the industries’ failure to attract the business necessary for their economic survival. Secondly, the pace of the global economy has accelerated the need for rapid circulation of material goods and information. The shipyards are unable to meet this demand due to their ineffective administration structures that are burdened with old infrastructure. Thirdly, the shipyards are facing increased competition particularly due to lower labour costs. Finally, instead of developing bonds of cooperation they do not take any initiative for coping with the current crisis together (Spyridakis 2017: 176-177). The changing way in which resources and materials are used and transported around the world is why terms such as de-industrialisation have been criticised; especially as they imply that the grand epoch of heavy industry is over (Rodrik 2016: 1). The Illawarra’s steel industry shares similar concerns with the Greek Shipbuilding industry, particularly as regards competing with foreign markets producing cheaper steel at a more rapid rate than the Illawarra. In spite of these concerns, Eklund (2012) argues that Port Kembla is a unique urban environment, as social life and politics were shaped by industrial society like nowhere else.

According to Bill Shorten (leader of the Australia Labor Party), there are 30,000 plus jobs directly reliant upon steel production in Australia, not just in the Illawarra but right throughout Australia. There are 100,000 Australians (families, small businesses) who directly depend upon steel production and steel manufacturing and distribution.

One of these 30,000 is Michael Walters, who moved to Wollongong to study Materials Engineering at the University of Wollongong and complete the BlueScope Steel Cadet Program. In my interview with Mike, he recounts how the steel industry contributed significantly to the Illawarra, bringing thousands of jobs from manual labor work to high end technical and research positions. The flow on effects and support services are huge with thousands of contractors employed as a direct result, all with various levels of technical services (for example, Veolia, Shinagawa Refractories, Instrument Electricians, Pacific National Train services, Australian Steel Mill services, and a wide range of engineering and fabrication companies). Having such a wide range of employment needs requires a certain level of knowledge and skills that many other cities in Australia do not have.

Along with high standards of educating and training BlueScope has always sought to ensure that the steelworks are constantly improving with new equipment and technology. A significant part of the steelworks increasing innovation has been through updating the blast furnaces. The relining of Blast furnace No 5 at Port Kembla was designed to propel the steel industry forward by boosting productivity. The relined Blast furnace No 5 was expected to help BlueScope blast off into a more profitable space after reporting a \$66 million loss in 2009. Blast furnace No 5 is now more advanced and has a greater capacity.

This major capital investment was expected to improve efficiency, increase BlueScope's global reputation for quality and set new production records. A short two years later and the hopes of boosted production and profits have faded. Blast furnace No 5 produces 2.6 million tons of steel a year, covering local market demand. With what has been described as a global market failure, markets have been oversupplied with cheap steel, and the excess steel produced from Blast furnace No 6 was being sold at a loss. Blast furnace No 6 has been shut down. Mike recalled how in 2011 when it was announced that 1000 jobs were to be cut and several close friends of his in their mid-20s were made redundant, it was obvious that the company was not looking towards the future and was in survival mode.

Mike described to me the difficulty of seeing other workers who had helped build the furnace being made redundant, especially those who had families. Morale around the workplace was incredibly low and people began looking for new jobs before the furnace was drained and closed. Mike remembered three main events that occurred during the closure of the No 6 blast furnace.

'Wayne Phillips from the Australian Workers Union came around to talk to the workers. Everyone had their heads down and didn't want to talk. I usually don't like union people, but he was a comforting sight as he listened to the peoples' stories about how they will support their families, and people had put their heart and soul into the furnace when building it. Mike overheard one worker state that "he had helped build this furnace and it's the only furnace he was ever going to work at".'

The initial stages of Mike's recollection of the Blast Furnace No 6 shutdown gave me an appreciation of the passion and devotion gone into blast furnace six and the steel industry. The second significant event for Mike was an interview he watched on Nine Local News with a metallurgy manager who stated that, 'the shutdown had not affected any of the trainees'. Mike continued:

'This made me very angry, as it was hard to come to terms dealing with people who lost their jobs while I was secure and being able to empathise with them. She had obviously not talked to anyone involved in the process or know what it's really like to talk to people who lost their jobs and livelihood that meant so much to them. Finally, speaking to the metallurgy manager when it was announced, I asked about the method they were going to use to drain the furnace. He said the most labor intensive, but it takes months of preparation and fabrication to get specialised metal runners and drilling equipment to be able to empty the furnace in that way. It dawned on me that they had been preparing this for at least 6 months in secret. It felt terrible knowing that quite a few people knew what was going to happen before it all went down.'

Mike's anger towards BlueScope was evident in his discussion with me, as he had trusted them and he felt let down. Mollona (2009: 15) noticed similar occurrences during his fieldwork in Sheffield, suggesting that trust can produce inequality and exploitation particularly for young

lads starting their apprenticeships. While the closure of Blast furnace No 6 did slow the loss, BlueScope were not able to completely recover in the following years and were still leaking money. Port Kembla was not alone as Whyalla in South Australia was also losing money. These problems culminated with what was identified as ‘The Australian Steel Crisis’ in 2015. According to Dr Martin O’Brien, an economist at Wollongong University, for those who lost their jobs in the crisis of 2015, the prospect of finding other work was significantly less than it was in 2012 when 1100 steelworkers were laid off. The unemployment rate for ex-BlueScope workers was 40% (Power 2015: § 12). O’Brien went on to say that in 2012 job losses were offset by the mining sector boom. Now, with another significant round of job losses, a depressed local labor market and the end of the mining boom, it is highly likely that the unemployment rates will be much worse. He would not be surprised to see over 50% of the redundant workers remaining unemployed for a long duration (Power 2015: § 13). The effects of the 2015 crisis combined with impacts of the 2011 downturn have affected urban life in the Illawarra region.

The BlueScope steelworks is more than a physical space for employment and production. Mollona’s (2009: 2) work in Sheffield demonstrates that the factory she studies is a physical, economic and political space located between society and state. Mollona argues that the state affects the politics of production in two ways: by determining the conditions whereby labour power is reproduced and by determining the conditions in which labour power is used on the production floor. Politics of the Sheffield steel plants that Mollona studied indicates the significant role the government can have over the production of steel and the workforce (Mollona 2009: 2). The role of politics in the Illawarra’s steel industry became abundantly clear in response to the threatened closure of the Steel Industry. Local residents and steel workers rallied to save the steel industry, creating the Save Our Steel or SOS group that was instrumental in petitioning the creation of the Steel Industry Protection Bill that mandated 90% of steel used in Australian Government projects must be Australian made.

Streets of Steel

The Illawarra has a long and proud industrial history, and fighting for workers’ rights has always been an aspect of it. Many studies of de-industrialisation assume that these industrial communities are shaped by men and only affect men. The work and family changes for women during de-industrialising processes has been complex (Olson 2005). In the Illawarra women have played an important role on the steel industry. Christine Wilkinson led the ‘Beige Pants Rebellion’, becoming the first female steelworker at Port Kembla. The campaign and industrial relations battle went all the way to the high court, which the women eventually won during the 1980s as part of the larger Jobs for Women Campaign. While this article will not focus on the role of industrial women in the Illawarra, it is an area that should be noted and has the potential for future research.

The fight against the current steel industry crisis began 24 August 2015 when BlueScope suggested that the Port Kembla steelworks would be shut if 200 million dollars in savings could not be found. On 8 October 2015, the workers took the first steps to save the steel industry by

voting to keep the Port Kembla steelworks open, accepting pay cuts and wage freezes. The government responded in kind announcing 60 million dollars' worth of tax relief to ultimately save the steelworks. The community and government united again on 17 March 2016 when the Steel Industry Protection Bill was introduced into the New South Wales upper house, and by 25 August the Steel Protection Bill entered the upper house with support from all minor political parties. The aim of the Steel Protection Bill is to ensure that 90% of the steel used in government infrastructure projects is made in Australia. The community continued to lobby for its support until early 2017 when the Steel Protection Bill returned to the Legislative Assembly for a vote. On that day crowds filled the streets of Wollongong, the air was still, and the sound of static poured from speakers that lined the roads amidst the chants of the workers pouring through every window from Crown Street down to the harbour.

In *The Palgrave Handbook of Urban Ethnography*, Prato (2017: 53) argues that grassroots approaches to the city have been hijacked by political and corporate interests in attempts to satisfy national policies in the context of Pan-European programmes. Prato's two urban ethnographies indicate that if we accept that the future of our planet is intrinsically linked to our cities then urban policies should address the city in terms of urban community. She argues that this would be an ideal type in Weberian sense; that is, the city is conceived as a social body of citizens united by shared values and laws that demand the fulfilment of their civic responsibility for the common good. While Prato's work is centred in the Pan-European region, it is possible to see how her argument could be applied in Australia, particularly in the Illawarra. The Australian Workers Union (AWU) and the Labor Council argued that the Save Our Steel rallies sent a strong message to the government, to say that the community is prepared to mobilise on a plan to save the steel industry, as the community believes steel is critical to the future of the region. Similarly, community action echoed loud and clear at a public meeting to 'Save our Steelworks' on 5 August 2016. The Fairy Meadow's Fraternity Club was filled with hundreds of people voting for change in government policy to secure the future of steel making in Port Kembla and Australia. The vote called on all levels of government to mandate that federal and state infrastructure projects should use at least 50% Australian made steel. The meeting additionally asked for a steel summit involving steel producers, unions, and federal ministers to prevent the shutdown of steelmaking in Port Kembla. Australian Workers Union branch secretary Wayne Phillips said,

'It would secure this city and this region for the future. I don't think people understand how serious it is if this place folds up. Unlike many other areas, we don't have growing or emerging industries to take over if the steelworks finishes. The only thing that will grow here is unemployment and crime, and we just can't afford to let that happen.'

The AWU accuses Chinese companies of being responsible for global oversupply by dumping cheap steel on the international market. Steel dumping is regularly proposed as a reason for market concerns that the steel industry is facing and is referenced in a report by Arrium, the owner of the Whyalla Steelworks in South Australia on the state of the Australian

steel industry. In light of steel dumping from Asia, the Federal Government is facing calls to remove a special trade deal that allows China to dump cheap steel and aluminium in the Australian market (Ryan 2016: § 1-3). The most recent downfall of the Australian steel industry has been blamed primarily on oversupplied, overseas markets.

Palma's (2014) and Bluestone and Harrison's (1982) research allow us to go beyond these assumptions and investigate the underlying cause of de-industrialisation. Palma (2014: 8) discusses four causes of deindustrialisation: the fourth he calls 'Dutch disease', which is concerned with the increased trade of commodities that reduce the need for local production in regions such as North America, Europe, and Australia. Bluestone and Harrison argued that American industries were slowly killing their plants by failing to modernise equipment despite becoming less efficient. Businesses could make as much money from tax incentives as they could by producing products. Modernising machinery while being more efficient for businesses also automates jobs causing high unemployment rates. In July 2016 BlueScope informed 15 operators and 10 tradesmen that they would lose their jobs in the slab yard due to the automation of moving steel slabs and the Australia's Workers Union has concerns these numbers will continue to rise. BlueScope was helped by Government tax incentives in October 2015, not to modernise equipment but purely for the survival of the steelworks and to save 5000 local jobs. The first half of 2017 saw BlueScope's share price recover and profits margins increase with BlueScope's overseas investment in the United States being critical to the survival of the Port Kembla Steelworks. BlueScope Steel's decision to spend \$947 million gaining ownership of North America's most profitable steelworks just as United States authorities imposed punishing anti-dumping duties on steel imports from China delivered profit growth that is positioned to continue rising.

BlueScope CE Paul O'Malley described the anti-dumping policy in the United States as being 'on steroids' compared to the laws currently in Australia (Evans 2016: § 2). The United States authorities closed off the US market to outsiders with their tough anti-dumping measures to combat excess production from China and other countries. Industry experts say US prices of the hot-rolled coil were at least US\$300 per tonne higher than those in mainland China at the end of June (Evans 2016: § 3). BlueScope's North Star mill in Ohio which makes 2 million tonnes of steel annually for customers in the automotive and construction sectors generated a \$62 million increase in profits in the second half, compared with the first half of 2015-16. Mr O'Malley said he still could not guarantee that the Port Kembla steelworks in NSW would remain open in the longer term despite the revival in BlueScope's fortunes, proclaiming, 'it's game on, not game over' (Evans 2016: § 8). O'Malley conceded that Port Kembla operations would need to deliver solid returns over an extended period against a backdrop of volatile global demand and pricing.

Despite the fact that the SOS campaign gained the support of thousands of Illawarra residents and officials, there were still many in the community that opposed the SOS movement. Local MP Gareth Ward refused to speak in support of the Steel Protection Bill. Despite the Illawarra being responsible for the Steel Protection Bill, local Kiama MP Gareth Ward failed

to present the Bill to Parliament, and it was left to Kuringai MP Alister Henskens to do so. The lack of support from local MPs left the Illawarra community asking, ‘where was Gareth Ward?’ Mr Henskens (in Ward’s place) said the government supported the state’s steel industry but opposed the steel bill because it was not in the best interests of NSW, arguing that the bill would be completely unworkable in practice. Mr Ward was not in the chamber as he was meeting with the region’s nurses and the health minister about the public-private partnership at Shellharbour Hospital at the time, but this failed to make the community any less forgiving.

Mr Henskens’ statement appears to be contradictory, given he made no clear response to rework the Steel Protection Bill into something that might be more effectively used in practice. He attempted to cover up the government’s lack of support of the Bill by saying they supported the steel industry. Liberal MP Peter Phelps was more open about his lack of support, arguing that if BlueScope Port Kembla is forced to close its gates for good, then so be it (Humphries 2016a: § 1). Phelps spoke in the NSW upper house during a debate on the Steel Protection Bill. He argued that BlueScope had no responsibility to the local community or to the steel workers, with BlueScope’s only responsibility being to make money, and the steelworks should close if they were unable to compete financially. Phelps continued to say the tax-paying public had a right to demand and every right to expect that the money would be used in the most efficient manner possible.

Labor senator Kim Carr says a mandated percentage of Australian steel use in government projects sounds tempting but ‘doesn’t match the realities’ of the industry. Although having to use a percentage of Australian steel in government projects would ensure the survival of the steelworks in both Port Kembla and Whyalla, it is likely that neither would be able to produce the increased demand of up to 90% of Australian made steel used in projects. The use of steel in local projects sounds good, and it is good that the government is doing something, but a minimum use of Australian steel in government projects is largely overvalued. Whyalla in South Australia produces 1 million tonnes of steel a year and the contract for the Navy which they failed to get would have been for only 10,000 tonnes. In this case there may be little value in the steel protection bill. The main challenge for Port Kembla is to be competitive in the international market, particularly in Asian markets where over 70% of world steel production is occurring.

Government opposition to the steel protection bill appeared to grow when it announced that 500 new train carriages, some that would be used on the South Coast railway line that runs directly into Port Kembla, would be built in South Korea, costing the Illawarra hundreds of jobs. The Illawarra had a tenderer, Stadler, prepared to deliver 600 jobs at Unanderra, assembling new train carriages and maintaining them, with hundreds of apprenticeships for local kids, giving the future workforce much-needed experience. Mr Foley, New South Wales Labor Party leader (Humphries 2016b: § 2-4) said that the Baird government is completely disinterested in supporting local manufacturing and local jobs, and the people of Wollongong should now be very, very clear that this is a government that does not care about jobs in this

region, that this is a government that does not care about Wollongong and the Illawarra more broadly.

Vaccaro, Harper and Murray (2016: 3) discuss how the economic mechanisms of capitalism affect real people and places. The principle motivation behind these mechanisms is the growth of profits through market expansion, establishing favourable terms of trade or through the reduction of costs. In the Illawarra, however, there is an accompanying process of the disconnection of a community from the market. Vaccaro, Harper and Murray (2016: 4) create a framework to understand how places are affected by disinvestment after a period of capitalist integration. Bill Shorten made the promise on metal manufacturing in Australia that he and his Labor team would do everything they could to make sure that steel was made in Australia. Arguing that Australians have seen the car industry go, and mining industry jobs in free-fall in the last three years, he said:

‘Enough’s enough. Australians want a government in Canberra who will fight for Australian steel, and we are up for that fight. The question is not whether Australia should be making its own steel. Of course, we must. The question is what policies will secure our local industry’s long-term future.’

The Illawarra steel industry has clearly created a divide at all levels of government and within the local community. Prato (1993: 184) argues that the case of the Brindisi Power Plant highlights the complex issues of representation that characterise the gap between expectations and actions of ordinary people and the political programme, ideology and policy of local administrations, and of institutionalised politics generally. In spite of supporters and opposition to the power plant referencing their loyalty to and pride in the local tradition and identity the gap was not brought any closer (Prato 1993: 184). The Steel Industry Protection Bill victory of late 2016 was eroded in March 2017 when the bill failed to attain a vote in the Legislative Assembly and lapsed. The Steel Industry Protection Bill returned to Legislative Assembly on Thursday 9 March 2017 for what was expected to be the final day of debate on the bill, and a final vote. Each MP was given 10 minutes to speak but Gareth Ward was later accused of stalling tactics by asking for an extension on his speaking time, which would lead to avoiding a vote. The next sitting of the NSW Parliament would be 30 March 2017 long after the bill has lapsed. If the bill is to be reintroduced it will have to be done at a later date, and at the time of writing the bill is yet to be reintroduced. The future of the bill and of the steel industry remain unclear and is stoking a debate on how the Illawarra will progress with or without steel production.

The Future of the Steel City

Throughout the Illawarra’s history, industrial policy has been geared towards increased production. Industrial activism has been key in attempting to secure policies that will aid steel production in the region. An alternative approach that has been used in other de-industrialised cities has been to transition the local economy to one that is not reliant on one economic source. The city of Sisak in Croatia is one example of a failure to diversify the local economy after the

closure of the Sisak ironworks. Much like the Illawarra community, Potkonjak and Skokic's narratives of Croatia's unemployed Sisak ironworkers revealed their hopefulness for the future and gaining assistance from the Croatian government (2013: 81-82). One difference is that while the Illawarra resorted to activism much of the Croatian residents' hope resided in the action of external forces. The Sisak ironworkers had little faith that the government would make policies allowing them to act regarding their futures. Potkonjak and Skokic (2013: 81-82) argue that the passive level of resignation expressed in ironworker narratives is a consequence of failing to transition economies in Croatia. They argue that as time passes the effects of deindustrialisation have become more apparent.

Pappas (1989) has identified similar issues in the once 'magic city', Barberton, Ohio. When the Seiberling tire plant in Barberton was closed in 1980, over 1200 jobs were eliminated. Drawing on extensive research, Pappas offers an incisive analysis of their responses to unemployment first detailing the ways in which the unemployed rubber workers have met their economic needs in the face of declining income. He next evaluates their success in re-entering the labour market, as he examines the job-hunting process, the unemployment insurance system, and workers' initiatives toward retraining and relocation. Finally, Pappas describes unemployed workers' responses to the loss of status, identity, participation in the community, and sense of time.

While the above cities have openly been seen as failures to transition post industry in Poland, steel-towns Nowa Huta and Csepel have been viewed as successfully transitioning after the closure of their steel industries. Trappman (2013) challenges the one-sided account of Poland as a successful transition case, by exploring the huge social costs for workers in terms of impoverishment and employment precarity. The ambivalent role of the European Union in the economic restructuring of Poland emerges through comparisons to earlier rounds of restructuring of steel in Western Europe, Eastern Europe and other parts of the world.

The key for de-industrialised communities is to find a way to transition into a local economy that is not reliant on any one economic source. According to Cowell (2014: 2), in America's Midwest developers believe that they can transcend the economic forces that have decimated communities. Urban planners use two forms of adaptive resilience that emphasise both recovery of people and of places that have experienced extreme stress. Economic resilience suggests a return to a former paradigm while ecological resilience presumes a movement from one economic paradigm to another. Cowell suggests that neither should be a return to normalcy after an economic crisis but rather part of a dynamic process of continuous development.

Müller's (2007) ethnographic analysis of East-West German industrial restructuring following German unification is evidence of adaptive resilience in action and, whilst it is an extreme case study, is one worth noting. The fall of the Berlin Wall and the collapse of socialism in East Germany released pent up ambitions while evaporating the myths of market economics. Müller (2007) captures this unique moment in history through a thorough examination of largely unknown informal mechanisms of power in enterprises of the planned economy and their transformation. The experiences of workers, managers and new owners tell a complex

story of adaptation and resistance to both systems (Müller 2007). The anticipated freedom for East Germans was tempered by new ideologies, lay-offs and loss of personal autonomy in the workplace.

There are many cases of industrial closure around the world, including Wollongong's sister city Newcastle, whose steelworks was abolished at the start of the millenium. Newcastle became the hero of the Australian Labor Party as they won the election in 1910 for the first time. The government used Newcastle to fulfil its nation-building role advancing the Australian economy (Metcalf 1993: 7). A great mistake was the belief that Newcastle could fill this nation-building role with unlimited potential as an industrial centre. Newcastle has had a number of 'reincarnations' over the years, with residents quietly brushing off coal dust for over a decade to reveal a city that sits on a pleasant harbour. Given a leg up by the Renew Newcastle project, according to the marketeers the centre of town has evolved into a destination of choice for foodies, vintage shoppers, market hoppers and culture vultures alike.

The transition in Wollongong's economy has been analysed with the release of Wollongong City Council's *Economic Development Strategy 2013 to 2023* (2014) document. Launched by Lord Mayor Gordon Bradbery, the document examines how the city evolved from an industrial powerhouse in the early 1980s to its current de-industrialising state. The *Economic Development Strategy 2013 to 2023* shows that 16,553 people commute from the Illawarra region to Sydney. This makes the Wollongong to Sydney route one of Australia's busiest commuter corridors. This reflects a number of factors including a lack of opportunities in Wollongong along with higher pay opportunities in Sydney. Mayor Bradbery said the city was emerging as an important business and financial service centre and was home to the University of Wollongong, one of Australia's leading universities. He argued that a resolution to unemployment required a united approach between all levels of government, the business community and residents.

Gary, a former steelworker and the OH&S manager, was forced into early retirement due to pressure from BlueScope to cut jobs in 2010. Gary owns his own house as well as an investment property and appears to live a comfortable life. As I looked around his back yard, I noted several garden beds all growing different assortments of fruits and vegetables. I asked if he had always had fruit and vegetable gardens: 'I only started once I retired,' he replied. 'I needed to keep busy, I usually grow quite a bit more than we could ever eat before it goes off, so I give a lot of it to my kids and their families.' I could see the pride he took in the fact that he was still a provider for his family, growing vegetables to plug the void that the steelworks had filled for over 40 years. The value of labour is discussed widely by Potkonjak and Skokic. The Sisak ironworkers were forced to conceptualise their lives without work, even as they often referred in interviews to a time when they were working (Potkonjak and Skokic 2013: 74). While economic, social and physical survival despite unemployment was important for the Croatian ironworkers, it also threatened their perception of themselves as valuable workers or as contributors to their community. Harris (1987: 3) argues that the understanding of what work means to duties of everyday life is connected with the cultural meaning people ascribe to their

daily actions — this ‘involves both an analysis of the complex factors that structure the situation for the individuals to get caught up in it and an attempt to understand the meaning of the situation for these individuals; the way, that is, that they understand it and how, in consequence, they try to manipulate structure’. In Gary’s case while he was clearly troubled by his lack of purpose after he left BlueScope he was able to more than just hope for a positive future. He actively searched for a new purpose to contribute to his perception of himself as a valuable member of the community. Gary’s response provides an exemplary example of the way the Illawarra must transform and reinvent itself if a dystopian future of urban ruins, social decline, and economic collapse are to be avoided.

John, a steelworker and Port Kembla resident of 40 years expressed similar thoughts to Mayor Bradbury surrounding the innovation of the steel industry but also using existing industrial infrastructure such as Port Kembla harbour to generate economic growth to the region. In my time with John it was clear that his narrative captured the struggle the Illawarra is experiencing trying to move from its industrial past. There is a deep local attachment to the steel industry, but it is obvious that the city must adapt to be successful in the future:

‘The steelworks closure would definitively hurt but nowhere near as badly if we had closed during the financial crisis in the 80s when basically the whole Illawarra worked here. People commute to Sydney and the far south coast daily now, and lots of people are moving to the region from Sydney and just taking the train. The university just needs to make sure it stays competitive to students now that there isn’t necessarily a clear progression path because I think that is the future of the Illawarra. That and tourism, for some reason the cruise ships like to come here. I guess we have the beaches and stuff.’

While it is clear through John’s interview that the city cannot rely solely on the steel industry anymore, it is an important part of its past and could still have a role to play in the Illawarra’s future if it becomes more adaptable. This indicates that the Port Kembla steelworks will not survive long into the future in its current state. If the steelworks can adapt, it can still remain as part of the Illawarra’s economic makeup along with a variety of new industries. This is important as it both helps preserve the Illawarra’s industrial heritage, and many current jobs in the steel industry while making Port Kembla’s urban environment a more vibrant space.

One such plan that is being backed by the State Government is a bipartisan plan by industry, unions and Wollongong University to gear the heavy-polluting manufacturers of the Illawarra towards renewable energy. The steel plant at Port Kembla can produce metal components for wind turbines, and be partially powered on site by recycling hot gases from its blast furnaces in a cogeneration energy plant. Eriksen’s (2018) study on the North Queensland city Gladstone demonstrates the difficulty in balancing industrial growth and the environment. Gladstone is surrounded by pockets of valuable natural gas and the largest living eco-system on earth, the great barrier reef. The delicate relationship between industry, the local community and the natural environment at Gladstone embody many contradictions: prosperous yet polluted, growing and developing, yet always on the precipice of crisis (Eriksen 2018). Under

the Green Jobs Illawarra Action Plan, the Illawarra could become a green job hub for Australia. Former Premier, Nathan Rees (Cubby 2009: § 5-6), said in a statement in 2016 that,

‘This strategy provides an excellent blueprint for regions that are traditionally supported by industries like coal and steel to build long-term plans for the future. What we’ve done is broken the back of the old jobs versus environment conundrum, if you can do that in Wollongong with our heavy industry steel and coal jobs, then you can do that anywhere.’

BlueScope Steel estimated that it would have to spend up to \$1 billion to develop fully a cogeneration plant at its Port Kembla steelworks, and shelved its plans during the economic downturn. According to the company, the proposed plan would not assist the steelworks long term in saving money and providing jobs, even if it would stop the release of about 1 million tonnes of greenhouse gases per year. BlueScope is responsible for 7% of the state’s total emissions. The reduced environmental impact of the government’s plan could have assuaged part of the Illawarra’s anti-industrial sentiment. The options posited by John and suggested by the NSW state Government are just some of the multiple futures for the Illawarra. It currently remains unclear if the Illawarra will move into an economical or ecological adaptation with both options being pushed by the local community and Government policy.

Conclusion

Both the steel industry and its workers have faced adversity over their inter-generational life, with the industry’s beating heart threatening to flat line on many occasions. The lone furnace light may grow dim, but it continues to burn, producing steel. The aim of this paper has been to investigate how policies directed towards the steel industry, and relationships between local, national and global processes, have and are continuing to shape the Illawarra Region.

While the impact of the initial stages of de-industrialisation in Port Kembla has not been completely devastating, the impacts of this loss have still been dramatic. Numerous threats of immediate closure, including as recently as November 2016, have meant that the community is devoting considerable political energy both to saving the steelworks through the ‘Save Our Steel’ campaign and to the regeneration of Port Kembla. The ‘SOS’ campaign was vitally important to gathering the support of the government to change policy that had left the Australian steel industry vulnerable. Despite community support many Government officials have opposed the steel bill, as highlighted when the Steel Industry Protection Bill lapsed.

If the steelworks do shut down, they would most likely be replaced with a variety of smaller industries such tech jobs, further University of Wollongong expansions, and expansion of the port and harbour for passengers and more cars. BlueScope will face a crucial decision in 10 years as to whether to spend between \$300 million and \$400 million re-lining the No 5 blast furnace again. There will need to be a ‘business case’ made for its delivery of acceptable returns before the investment will be justified. Many of the Illawarra community believe this case will depend on the path senior management take. If BlueScope can focus on innovation, upgrading

their infrastructure, and continue to develop workers technical skills they can survive into the future.

Ethnographic research in the Illawarra is important now precisely because the steel industry continues. In other cities such as Newcastle there is no choice but to move forward as heavy industry has shut down. Is it possible for the community to maintain its industrial past while moving into the new, more 'agile' industries that the current Government publicises? There is much that can be learnt about the social, cultural and political landscapes of industrial cities around the world based on current and future research in the Illawarra area.

References

- Abu-Lughod, L. 1990. The Romance of Resistance: Tracing Transformations of Power Through Bedouin Women. *American Ethnologist*, 17 (1): 41-55.
- Altena, B and Van der Linden, M. 2002. Preface. *International Review of Social History Supplements*, 47: 1-2.
- Bluestone, B. and Harrison, B. 1982. *The Deindustrialisation of America*. New York: Basic Books.
- Cowell, M. 2014. *Dealing with deindustrialization: adaptive resilience in American Midwestern Regions*. London: Routledge.
- Cowie, J. and Heathcott, J. (eds). 2003. *Beyond the Ruins: The Meanings of Deindustrialization*. Ithaca and London: Cornell University Press.
- Cubby, B. 2009. Illawarra Steelers get set to tackle renewable energy. *Sydney Morning Herald*; viewed 20 November 2016 <http://www.smh.com.au/environment/illawarra-steelers-get-set-to-tackle-renewable-energy-20091116-iic9.html>
- Economic Development Strategy 2013 to 2023. 2014. *Wollongong City Council*; viewed 20 February 2017, <http://www.wollongong.nsw.gov.au/city/economicdevelopment/Documents/Wollongong%20City%20Council%20Economic%20Development%20Strategy%202013-2023.pdf>
- Eklund, E. 2002. *Steel Town: The Making and Breaking of Port Kembla*. Carlton, Vic.: Melbourne University Press.
- Eriksen, T. 2018. *Boomtown: Runaway Globalisation on the Queensland Coast*. London: Pluto Press.
- Evans, S. 2016. BlueScope CEP says no guarantees Port Kembla will stay open. *Australian Financial Review*; viewed 25 November 2016 <http://www.afr.com/business/manufacturing/bluescope-ceo-says-no-guarantees-port-kembla-will-stay-open-20160821-gqxnj7>
- Harris, R. 1987. *Power and Powerlessness in Industry. An Analysis of the Social Relations of Production*. London: Tavistock.

- Humphries, G. 2016a. Liberal MP says ‘so be it’ if the Port Kembla steelworks was forced to close. *Illawarra Mercury*; viewed 26 November 2016
<http://www.illawarramercury.com.au/story/3995923/so-be-it-if-port-kembla-closes-says-liberal-mp/>
- Humphries, G. 2016b. New Illawarra trains to be built in Korea. *Illawarra Mercury*; viewed 26 November 2016, <http://www.illawarramercury.com.au/story/4105369/new-illawarra-trains-to-be-built-in-korea/>
- Lamphere, L. 1985. Deindustrialization and Urban Anthropology: What the Future Holds. *Urban Anthropology and Studies of Cultural Systems and World Economic Development*, 14: 259-268.
- Low, S. 1996. The Anthropology of Cities: Imagining and Theorizing the City. *Annual Review of Urban Anthropology*, 25: 383-409.
- Metcalfe, A. 1993. Mud and Steel: The Imagination of Newcastle. *Labour History*, 64: 1-16.
- Mollona, M. 2009. *Made in Sheffield: An Ethnography of Industrial Work and Politics*. Oxford: Berghahn Books.
- Müller, B. 2007. *Disenchantment with Market Economics: East Germans and Western Capitalism*. Oxford: Berghahn Books.
- Newman, K. 1985. Urban Anthropology and The Deindustrialisation Paradigm. *Urban Anthropology and Studies of Cultural Systems and World Economic Development*, 14: 5-19.
- Olson, K. 2005. *Wives of Steel: Voices of Women from the Sparrows Point Steelmaking Communities*. Pennsylvania: Penn State University Press.
- Ortner, S. 1995. Resistance and the Problem of Ethnographic Refusal. *Comparative Studies in Society and History*, 37 (1): 173-193.
- Palma, J. 2014. De-industrialisation, ‘Premature’ De-industrialisation and the Dutch-disease. *Revista NECAT*, 5: 7-23.
- Pappas, G. 1989. *The Magic City. Unemployment in a Working-Class Community*. Ithaca: Cornell University Press.
- Pardo, I. 1996. *Managing Existence in Naples: Morality, Action and Structure*, Cambridge: Cambridge University Press.
- Pardo, I. and Prato, G. B. 2013. ‘Urban Anthropology’. *Urbanities*, 3 (2): 80-110.
- Potkonjak, S. and Skokic, T. 2013. In the World of Iron and Steel: On the Ethnography of Work, Unemployment and Hope. *Narodna Umjetnost*, 50: 74-95.
- Power, J. 2015. Wollongong unites on campaign to buy local steel and Save Port Kembla’s Steelworks. *Sydney Morning Herald*; viewed 12 March 2017
<http://www.smh.com.au/business/wollongong-unites-on-campaign-to-buy-local-steel-and-save-port-kemblas-steelworks-20150918-gjpolx.html> .
- Prato, G. 1993. Political Decision Making: Environmentalism, Ethics and Popular Participation in Italy. In K. Milton (ed.), *Environmentalism: The View from Anthropology*. London & New York: Routledge.

- Prato, G. 2017. Rethinking the City as Urban Community: Views from South Europe. In I. Pardo and G. B. Prato (eds), *The Palgrave Handbook of Urban Ethnography*. New York: Palgrave Macmillan.
- Rodrik, D. 2016. Premature Deindustrialization. *Journal of Economic Growth*, 21 (1): 1-33.
- Ryan, P. 2016. China trades arrangements question over steel dumping. *ABC News*; viewed 27 November 2016, <http://www.abc.net.au/news/2016-09-28/china-trade-arrangements-questioned-over-steel-dumping/7884026?pfmredir=sm>
- Spyridakis, M. 2017. Shipbuilding Decline and Dubious Futures: A Greek Ethnography of Creative Destruction. In I. Pardo and G. B. Prato (eds), *The Palgrave Handbook of Urban Ethnography*. New York: Palgrave Macmillan.
- Trappman, T. 2013. *Fallen Heroes in Global Capitalism: Workers and Restructuring of the Polish Steel Industry*. New York: Palgrave Macmillan.
- Vaccaro, I., Harper, K. and Murray, S. 2016. The Anthropology of Postindustrialism: Ethnographies of Disconnection. In I. Vaccaro, K. Harper and S. Murray (eds), *The Anthropology of Postindustrialism: Ethnographies of Disconnection*. New York: Routledge.