IMAGES OF COMMUNITY, INDUSTRIAL RELATIONS AND REGIONAL DEVELOPMENT

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ABSTRACT: The OECD is promoting a new approach to regional development – the 'New Regionalism' - which proposes a new and more positive link between work, worker organisation, community involvement and regional development. This relies upon the construction of a shared vision or image of region and its proposed pattern of development. In the first section of this article we provide a brief sketch of the New Regionalism. In the final section, using the Latrobe Valley's development as an example, we examine the link between industrial relations, history, community and locality, and in particular the dominant images or representations of a locality. We argue that these are complex and contested and militate against simple notions of community generated in some versions of the New Regionalism. Part of the problem, we suggest in the second section of the article, lies in the fact that academic approaches to industrial relations have tended to ignore or downplay the importance of place or locality.

1. INTRODUCTION

In the field of industrial relations, why should we worry about place? On one level, this question is naive. The globalisation debate highlights a well-documented belief (see for example Allen, *et al.*, 1998) that capital is mobile and labour relatively immobile. Put another way, capital occupies space and labour occupies place. However, in the dog-eat-dog world of regional development, where companies play off localities against each other as sites for investment, we see that place clearly matters. Across the world, regions are competitive in rushing to trade financial and social benefits in order to attract *quantities* of jobs sacrificing the *quality* of jobs along the way. The quality of labour on offer – price, skill levels, quiescence etc – is of central importance to place marketing which is intimately connected to regional development.

The OECD is promoting a new approach to regional development – the 'New Regionalism' – which proposes a new and more positive link between work, worker organisation, community involvement and regional development. This relies upon the construction of a shared vision or image of region and its proposed pattern of development. Using the Latrobe Valley's development as an example, we examine the link between industrial relations, history, community and locality and in particular the dominant images or representations of a locality. We argue that these are complex and contested and militate against simple notions of community generated in some versions of the New Regionalism. Part of the problem we suggest, lies in the fact that academic

approaches to industrial relations have tended to ignore or downplay the importance of place or locality.

2. THE 'NEW REGIONALISM'

The 'New Regionalism' is an emerging paradigm that draws its intellectual backing from the new institutionalism and points to localities as the emerging focus of economic and political activity. It has a growing and influential following, including the OECD (2001a, 2001b) which has argued that in a globalising era, the regional level offers the greatest prospect for devising governance structures able to facilitate and foster the transition to the new patterns of knowledge based economic activity (OECD, 2001b). Storper (1997) suggests that dense local tissues of corporate and institutional interaction are important in explaining the apparent success of industrial agglomerations. These firm-institution relations or 'untraded dependencies' are the conventions and norms that foster collective and localised learning and promote trust between economic actors. Regional success is then explained as being the way in which local resources and institutions (including trade unions) are mobilised to enhance competitiveness, trust and innovation (for critiques see Lovering, 2001, and Smith, *et al.*, 2001).

Globalisation brought with it knowledge intensive innovation and flexibility as a key to regional development. The 'New Regionalism' stresses the importance of creating socially inclusive entrepreneurship and employment to nurture supply-side skills, expertise and capabilities and these factors are more important than simply focussing on the number of jobs created. Firms need to draw on the active participation of their workers, suppliers and customers as well as build long-term relationships with providers of public goods such as training and education. This forms the basis of what Amin and Thrift (1995) have termed associative democracy, defined (inevitably) as 'a third way' between state and market. The third way "is an attempt to set up networks of intermediate institutions between market and state….Its emphasis is on forms of governance which integrally involve institutions in civil society, especially those without hegemonic power" (Amin and Thrift, 1995, p. 50). Competitiveness requires associationalism and, as successful regions show, networking is the way to achieve it.

The 'New Regionalism' holds within it, quite explicitly, a partnership ('third way') approach to industrial relations and regional development. This, potentially, opens up new agendas for both employer and employee organisations at the regional level, both in emerging governance structures within organisations and in determining strategy and delivery systems at the regional level for sustainability and innovation strategies. The 'New Regionalism' presupposes a form of partnership in determining the 'image' of a place to be presented to the outside world, an image that must be drawn from and carry with it, all stakeholders. This is an essential element in creating the trust (both inter- and intra-organisational), which will glue the 'New Regionalism' together

The role for workers and their unions is positive participation only. It can be

seen in one of the major texts (Cooke and Morgan, 1998) outlining the New Regionalism where Nissan in North East England is put forward as an exemplar of the new work relations. Despite evidence to the contrary (Garrahan and Stewart, 1992), Cooke and Morgan (1998) argue that there is an unprecedented degree of worker involvement and commitment at Nissan and they focus on a pluralistic notion of trust as the glue in intra and inter work organization relations. The approach draws heavily on Human Resource Management driven notions of trust and empowerment, and is driven by something far more sophisticated and inclusive than simply a resurrection of corporatism at the local level. Workers (as well as other members of civil society) have to be involved in workplace governance, and this includes workers both organised and otherwise. In doing so the approach draws on notions of trust assumed to be emerging from new post-fordist regional success stories such as the newly emerging industrial districts (Piore and Sabel, 1985).

> *Here we have an intimate connection between regional governance and inclusion with workplace governance and inclusion. Other than the problem of the lived experience of such local partnership (see Geddes, 2000 for a critical review of the European experience), in an academic sense, the problem is that, unfortunately, the academic subject of industrial relations has tended to ignore issues of space, place and geography.*

3. GEOGRAPHY AND INDUSTRIAL RELATIONS

Ellem and Shields (1999) have argued that Australian industrial relations (IR) writers have adopted a systems approach to the issue of the 'region' and therefore have made little progress since Benson and Hince (1987) first addressed the concept. Ellem and Shields (1999) question the manner in which space is taken as an objective given in discussions of regional industrial relations. The authors draw on ideas from economic geography to examine how different social agents construct concepts of 'space' and 'place'. According to Burgess (2001) their critique focuses on three tendencies in the IR literature:

1. to construct arbitrary and distinct levels of IR without considering how these interact;
2. to abstract from the complexity of spatial relations; and
3. to place IR onto an empty stage called 'place' without evaluating how that stage is constructed.

The Ellem and Shields' (1999) article is important for advancing the investigation into how geography can be incorporated into the analysis of industrial relations. To do this Ellem and Shields suggest the following five issues need to be acknowledged:

1. That while social relations and processes are constructed over space, space is not a given, being constructed in different ways by different actors;
2. That there are tensions between different concepts and constructions of place and space;
3. That the scope of analysis has to move beyond the workplace to include

issues of labour reproduction and consumption;
4. That labour markets are regulated in place specific ways; and
5. That local labour markets are the focal point for the organization and reproduction of labour.

This argument draws support from Allen *et al.* (1998) and Hudson (2001), where place, space and region or locality are seen as concepts involving far more than simple questions of proximity and distance. From this perspective regional identity is constituted through time and through relationships with other regions. Therefore regions have a history and an identity but this is relational: "regions draw their meaning at any one point in time through their differences from other regions" (Allen *et al.*, 1998, p. 10). Space is socially constructed and as Allen et al (1998, p. 34) point out "regions (more generally 'places') only take shape in particular contexts and from specific perspectives. There will always be multiple, co-existing characterisations of particular places/spaces… there is, then, no single, essential place". As a corollary, if space is social relations stretched out, then there can be no social relations that do not have a spatial form.

Ellem (2001) brings these insights together with an approach outlined by Peck (1995) to argue the centrality of labour markets in fashioning the relationship between labour and capital. Particular geographies tend to be associated with the development of new industries or processes or the shift to a new paradigm of development as far as the most suitable locale for new institutions are concerned. The power industries in the Latrobe Valley are a classic case in point

In this context the operation of the labour market is the filter between the organisation of work or more widely workplace governance and particular localities. It might be argued that labour markets for higher level occupations are not so firmly geographically rooted but in general the point is well taken. Yeung (2002) suggests labour is not merely a unit of production but its identities and social meanings are discursively constructed for political reasons. For example, hegemonic labour market discourse in a locality (for example, militant labour in the Latrobe Valley) may be more important than grounded reality. There is no such thing then as an undifferentiated and uncontested labour market. Instead labour and its socially constructed labour markets – from highly skilled international business elites to 'docile' and 'submissive' workers in developing countries – should be seen as embodying multiple identities and discursive practices (Yeung, 2002, p. 372).

Peck (1995) argues that all labour markets are spatially specific and that local labour markets are established at the intersection of 'space' and 'place'. At this intersection community structures collide with the logics of business organisation. Crucially, the operation of labour markets can only be fully understood outside of the workplace, in what Peck (1995) calls the sphere of reproduction. This extends from production of the next generation to media, education, training, housing and health. These are anchored not only in the labour market but also in household community and the state. Labour supply is then socially regulated, as are labour markets. If both these factors are spatially fixed, then to understand the nature of industrial relations and work organisation

we must examine the relationship between production, labour, labour supply and social production (Ellem, 2001, p. 3). We will now apply these insights to studies of the Latrobe Valley.

4. THE LATROBE VALLEY

The Latrobe Valley is a region in the southeast of Victoria. It is shaped geographically by the Eastern Highlands on the north, the Strzelecki ranges on the south and the Gippsland Basin which lies in between. The first settlers arrived in the area around 1830, from which time the region began to grow with an increase in agricultural activity, particularly cattle. In 1872 the first finding of brown coal in the region was reported, an event that would result in significant change in the Latrobe Valley and forever shaped its future development (Legg, 1992).

As the presence of brown coal in the area became well known, a number of prospectors began coal-mining operations. These adventures generally collapsed, in part due to difficulties of transporting the coal to Melbourne in the absence of a railway system in the Latrobe Valley (Legg, 1992). At the time Victoria's energy source was imported black coal from New South Wales. However, "supply was always uncertain, interrupted by strikes on the coal fields and in the transport industry" (Fletcher, 2002, p. 14). Thus, in the early 1900s the Victorian government began investigating the Latrobe Valley as a possible energy source for Victoria with the aim of electrifying Victoria.

After forming the State Electricity Commission (SEC) in 1919, the government began to plan coal-mining operations in the Latrobe Valley. An appropriate site was located six miles from Morwell, and named Yallourn (Fletcher, 2002). It was here a unique relationship between work-life and private-life was formed by the SEC. The SEC became a major employer, recruiting a largely migrant workforce. The workforce was organised in a large number of craft/occupationally based unions that, over time, acquired a reputation for collective strength and militancy. Fairbrother and Testi (2002, p. 104) describe the SEC as an archetypal statutory organisation which, for much of its early history, was a vehicle for paternalistic and welfarist policies pertaining to employment organisation and practice, with the reproduction of the labour force via comprehensive training and education schemes and community planning and development. These practices were predicated on centralised and institutionalised forms of wage determination and labour regulation.

The township of Yallourn was planned by the SEC to house employees at the neighbouring brown coal mine. The town was planned by engineers as a garden city, based on British principles of housing and closely followed the design of Letchworth Garden City in Hertfordshire. It is worth noting that attempting to construct 'model' housing communities as deliberate elements of social engineering were far from new. The Quaker industrialists of the nineteenth century such as Salt and the Cadburys, and to a much less philanthropic degree Henry Ford, had all experimented with various forms of tied housing. These employers envisioned a direct link between social and community control and social engineering within the workplace. The underlying principle behind the

planning of Yallourn is summarised by Fletcher (2002, p. 19).

> *Harmony and unity could be imposed through the physical fabric of the town, where planning resulted in cohesion through architecture and landscaping. It could be achieved through design and ownership of domestic spaces, which would create ideal living conditions and result in a loyal, compliant workforce.*

Industrial relations in the Latrobe Valley reflected the idea that "by reproducing the hierarchy of the workplace in the town and placing engineers at the apex, unity could be achieved through social structure" (Fletcher, 2002, p. 19). Sir John Monash expounded this view in 1921, writing the foreword to the public information booklet – 'Power for Victorian Industries':

> *The community can help greatly in this magnificent enterprise….by developing a healthy public opinion which will act in restraint of industrial unrest and in favor of honest labor and all the good that flows from wholehearted endeavour (quoted in Gibson, 2001, p. 651).*

The relationship between labour, production and reproduction was also clear. There were restrictions on female employment, and, as Dixon, the assistant general superintendent stated in 1928 (cited in Fletcher, 2002, p. 32) "the more married men the Commission employs, the less industrial unrest will be experienced". However the SEC's attempt to construct community itself could be a cause of friction. Evidence of this can be seen in the township of Yallourn, in particular relating to the town's general store. With no readily available transport to nearby towns, Yallourn residents were compelled to shop at the Yallourn General Store, which was owned and operated by the SEC. Prices were high at the store, and the range of stock limited. Yet, despite frequent requests from residents and resident groups, the SEC made no changes and thus the residents' concerns were dismissed (Fletcher, 2002).

4.1 Post World War II to Privatisation in the Valley

In the period from the end of the Second World War through to the early 1990s the SEC's approach to industrial relations changed. Prior to the war the SEC maintained strong control in Yallourn. Requests to purchase homes in Yallourn were refused, independent newspapers were not able to operate in the town and the town's store was still operated by the SEC (Fletcher, 2002). The SEC's approach to industrial relations was centralised, with all decisions either made outside of the region, in Melbourne, or settled by a third party such as the Conciliation and Arbitration Commission. Five interlinked events in the post war period had flow on effects for industrial relations in the Latrobe Valley. These events included: relaxation of control over Yallourn; the demise of the township; and, finally, privatisation. Other driving issues during this time included the expansion of the SEC outside Yallourn to other sites within the Latrobe Valley and the introduction (albeit limited) of new industries into the region.

The post war years saw a relaxation of control over Yallourn residents by the SEC. This change emanated from a Royal Commission Report by Judge Stretton, who was charged with producing a report after a bush fire swept through

Yallourn in 1944, resulting in fire in the open cut (Edwards, 1969). Although Stretton's recommendations on preventing future fires involved more fuel reduction burns, he also covered the town itself. Stretton, known for his sarcasm, was critical of the township, describing it as a pleasant town where people "enjoy all that the heart of man could desire – except freedom, fresh air and independence" (Stretton, 1944 as cited in Fletcher, 2002, p. 114). Somewhat contentiously, Gibson argues that the residents of Yallourn were housed, schooled, employed, entertained, policed and watched by the SEC – they were, Gibson (2001, p. 654) suggests, "infantilized and controlled as well as protected and pampered".

Subsequent to the Stretton report the Government decided to give municipal rights to Yallourn residents (Edwards, 1969). The SEC loosened its hold over Yallourn by allowing private traders to operate in the town, employees to purchase houses in Yallourn North and independent newspapers to operate in the town (Fletcher, 2002). The SEC's changed approach impacted on the nature of the relationship between employees and employers. By allowing Yallourn residents to have control over their private lives, the ability to influence their environment through municipal rights and a voice in a more independent newspaper, residents gained some independence from their employer in their private environment.

The demise of the Yallourn township also had an impact on working relations. In 1961 the SEC announced to residents and the press

> *The State Electricity Commission desires to make it widely known that it seems likely that the coal under the town of Yallourn must be won after the year 1995. More than 200 million tons exist in this area, and the potential value to the State and the Commission far exceeds any value possessed by the town property* (Field, 1961 as cited in Fletcher, 2002, p. 165)

Yallourn residents did not agree with the SEC's view of this decision being good business sense. The announcement was described in local papers as 'Yallourn's Death Knell', and the reaction by residents was one of 'shock and horror' (Fletcher, 2002). The reaction to the decision not to open a new site to the east of the original was hardly surprising after 40 years of the SEC's paternalism (Edwards, 1969). The last resident moved out of Yallourn in 1981 (Courtis, 1988). The demise of the Yallourn township changed whatever perception people had of the SEC as protector or father figure (Fletcher, 2002).

In terms of industrial relations, privatisation of power generation has had the most significant impact in the Latrobe Valley. In 1990 privatisation was initiated by the State Labor Government with the authorisation of the part sale of Loy Yang B (for a detailed analysis see Fairbrother and Testi, 2002). After the election of the Coalition government in 1992 the process of disaggregation and privatisation was compressed and comprehensive, with the generating plants being sold off in 1996 and 1997.

If the Latrobe Valley could have been viewed as a monoindustrial culture in the inter- and immediate post-war periods, this was certainly no longer the case. The disaggregation and privatisation of the former dominant local employer

locked the new entities into the international mosaic of economic and political forces from which it had hitherto been relatively insulated. Only Energy Brix remained in the hands of an Australian consortium, with British and American multinationals now dominating the landscape in terms of ownership, but not in terms of numbers in employment.

Employment levels started to fall from the period of reorganisation in the late 1980s. By this time around a half of all SEC employees were in the Latrobe Valley. It was a young and predominantly male workforce. Between 1986 and 1990 SEC employment fell by 18.5 percent, with another 20 percent decline in 1990, leaving a total workforce of 17,962, of whom only 7 percent were women (Fairbrother and Testi, 2002). In an attempt to construct 'good' industrial relations through the construction of a strong community, the SEC had achieved some contradictory effects. A strong community had emerged, echoing similar monoindustrial areas in other parts of Australia and other industrialised nations, but the sense of community and belonging did not translate directly into workplace relations in the way that the SEC may have hoped and expected. In particular after the town of Yallourn had been dug up for coal, subsequent industrial action in the area resulted in the Latrobe Valley acquiring an image of strong union organisation, and frequent collective action that involved a quite different image of community.

4.2 Industrial Climate and Image – Post World War II to Privatisation

In the 1960s there was evidence of union organisations in the area, particularly unions related to the SEC, lodging formal requests for changes to working conditions. This began around the same time as Yallourn's demise was announced, and as private industries in the area grew. Unions began contesting the SEC's policy of only paying award rates. The unions and the Trade Hall Council pressed for agreement on their claim for higher wages by settlement, whereas the SEC refused to negotiate outside the conciliation and arbitration system. The disagreement resulted in work stoppages, causing electricity restrictions across the state. Although it is likely that employees saw work stoppages and strikes as an effective tool in the negotiation process, from the SEC's perspective strike action not only affected their bottom line but also their image as a reliable provider of electricity. For the residents of Victoria, who had become accustomed to everyday access to electricity in their homes and businesses, the stop work action had a direct impact. The disagreement concluded when the SEC applied to the Conciliation and Arbitration Commission itself with a resulting increase in margins (Edwards 1969). It is interesting to note how the SEC declined to engage in direct negotiations with the unions and Trades Hall Council, preferring instead to settle disputes through a mediating party. Holden and Iverson (1982 :p.24) found that during 1960 to 1977 "arbitration was the most dominant resolution procedure accounting for some 39 percent. This was followed closely by private negotiation accounting for 30 percent and resumption without negotiation accounting for 13 percent", reflecting the SEC's centralised approach to industrial relations.

Unions together with the Trades Hall Council continued to call for

improvements in work conditions through the 1960s. Conditions that the unions sought included the introduction of a 35 hour week, further increases in wages, and general conditions such as allowances and extra leave (Edwards, 1969). It is worth noting that local contracting firms in the Latrobe Valley generally offered better pay and conditions than the SEC, and with a shortage of skilled labour in the area, wage issues contributed much to the industrial conflict as SEC workers aimed to compete with the wages offered by contractors (Holden and Iverson, 1982). On occasions the SEC conceded some claims, but generally claims were settled after stop work action resulting in highly visible and politically sensitive electricity restrictions and the intervention of the Conciliation and Arbitration Commission (Edwards, 1969).

Industrial conflict at the SEC from 1960–1977 took the form of strike action in approximately two thirds of cases, with black bans, go slows, overtime bans, and the like making up the remainder. Union membership amongst SEC employees was high, contributing to "unions with large memberships which are capable of cohesion and provide workers with a sense of security which means that when workers take collective action they need not fear dismissal as they have the support of their unions" (Holden and Iverson, 1982, p. 16). Crucially, unions in the Latrobe Valley had a militant image both in and outside the region. Yet research by Holden and Iverson (1982, p. 22) showed that on average "over 100 working days of waiting preceded both strikes and unrest … [which] indicates that the unions have in fact not been militant but tolerant in their negotiating with the parties involved". This image, defying all academic analysis, had and continues to have a complex effect on attitudes towards the Valley itself.

A protracted strike in 1977 by maintenance workers lasted for eleven weeks and had a significant impact on the state (Benson and Hince, 1982). A further protracted disagreement occurred in 1980 (Benson, *et al.*, 1983). At this time, the SEC's policy on industrial relations was characterised by centralisation, with control being held in the Melbourne Head Office; by the need to accommodate both direct and indirect forms of government intervention; a reliance on the formal Conciliation and Arbitration system; and a largely reactive approach to industrial relations issues (Benson *et al.*, 1983). However, Benson *et al.* (1983) also found that in the early 1980s the SEC's approach had changed, the main effect being that issues could be negotiated at the local level. This move from a centralised to decentralised approach to negotiating industrial issues was reflective of a general trend in Australian industrial relations at the time (Pullin 1996). Benson *et a.l* (1983) concluded the main reason for this change in approach was the impact of the 1977 maintenance strike. Another contributing factor could have been the increase in the frequency and duration of industrial action during the 1970s. Holden and Iverson (1982) show that strikes in the SEC in the 1960s had an average duration of 4 working days. However this figure jumped to 16 working days in the years 1970 to 1977 (Holden and Iverson, 1982). However, there was also a general trend across Australia for an increase in strikes during these years. Another change in the general Australian industrial relations landscape, seen also in the Latrobe Valley, was a widening of the

bargaining agenda, which Pullin (1996) argues led to a change in the employment relationship. Other reasons given for the change in industrial approach by the SEC were "younger, more 'progressive' managers, the increasing militancy of key unions within the SEC … the change in the leadership of the Office of Industrial Relations Co-ordination and the increasing scrutiny the SEC was coming under by academics, the media and the general public" (Benson *et al.,* 1983, p. 18).

However, there were factors at play that would make the SEC/Latrobe Valley union organisation a little different from the standard Australian model. By the mid 1980s, 24 unions represented electricity workers in the Latrobe Valley, and overall union density of around 95 percent, with 90 percent of these members belonging to four manual and two non-manual unions. In effect, a defacto closed shop was in operation (Fairbrother and Testi, 2002, p. 109). Wider union organisation was focussed on Gippsland Trades and Labour Council (GTLC). The membership of the main unions was organised in local branches, reinforcing the local focus of the trade union action. Furthermore, despite terms and conditions being covered by three major federal awards, there was evidence of extensive local bargaining between workplace trade union representatives and line management. These arrangements arose from the specific characteristics and history of industrial relations in the Latrobe Valley and involved disputes involving sections of the SEC workforce. The outcome, according to Fairbrother and Testi (2002), was a complex relation between union pressure at the local level and the pursuit of remedies through centralised tribunals.

Writing shortly after the disputes of the late 1970s and early 1980s, Benson and Hince (1982, p. 1) argued that "conventional wisdom is that the Latrobe Valley, the centre of the Gippsland coalfields region, is a strike prone oasis, that it is more strike prone than elsewhere, and that this characteristic has been even more noticeable in the more recent years". However, their work concluded that there was little difference in industrial disputation in Victoria as opposed to other states (Benson and Hince, 1982). Further they also found that a significant number of hours lost in strike action were due to events outside the Latrobe Valley, such as "a campaign for a 35 hour week, the national Medibank strike, arrests of a unionist in Western Australia and opposition to amendments to the Victorian Workers Compensation Act" (Benson and Hince, 1982, p. 10).

Pullin, Gough and Foster (1993) confirmed that Benson and Hince's (1982) findings for the early 1980s applied for the rest of that decade and into the 1990s. Their survey of Latrobe Valley organizations employing more than 20 employees compared findings to the 1990 Australian Workplace Industrial Relations Survey (AWIRS) survey. Although they conceded that the lapse in time between the surveys would have had an effect on the findings, the authors concluded that the incidence of industrial action in the Latrobe Valley was slightly less than national figures (Pullin *et al.*, 1993). This despite the fact that the survey indicated that the number of unionised workplaces in the Latrobe Valley was higher than the national average and that major changes had occurred in the region as opposed to nationally in areas such as "award classifications, work practices, introduction of career path and changes to working time

arrangements" (Pullin *et al.*, 1993, p. ii).

Thus, by the early 1990s, industrial relations in the Latrobe Valley were still dominated by the electricity industry, with a widely held, but largely misleading, view that strikes were common in the area and the unions were militant. However, there is however some question mark regarding even the perception outside of the Latrobe Valley of the region as a strife torn location. Research carried out by the Gippsland Research and Information Service (GRIS) in 1994 regarding Melbourne residents perceptions of Gippsland and the Latrobe Valley threw up some interesting results. Over fifty percent of respondents agreed with the statement that 'industrial disputation in the Latrobe Valley was no worse than in Melbourne', with less than a quarter disagreeing (GRIS 1994: 28). Furthermore, nearly two thirds, either disagreed or strongly disagreed with the statement that 'workers in the Latrobe Valley had it easy' (GRIS, 1994, p. 23). The worst aspects of the Latrobe Valley reported by respondents were (in descending order), pollution, power stations, ugly industry and unemployment (GRIS, 1994).

This difference in the image of the Latrobe Valley and the contrasting reality could in part be due to the very public and strong effects of strikes resulting in electricity reduction or restrictions across the state. The role of the media in constructing the image of the Valley is worthy of more detailed examination. Employees may see a strike as an effective method of improving work conditions, but for the general public electricity restrictions were viewed as disruptive and inconvenient for both home and business. Benson and Hince (1996, p. 39) explained the perception of the Latrobe Valley as strike prone by stating that "a strike involving the power industry, generation or construction, has a high public and political profile; and this must be seen as part of the backdrop to industrial relations in the region". The process and outcome of privatisation on the other hand would be vastly disruptive for the inhabitants of the Latrobe Valley, but this would not be defined as a problem in quite the same way that disrupting state power supplies might be, nor would it attract the same level of media concern.

Gippsland was one of the few areas that it was publicly acknowledged would be adversely affected by the general effects of National Competition Policy. Walker and Walker (2000) also report among many negative effects of privatisation were loss of services to the community, marginalisation of rural communities, eroded arrangements for public sector accountability and a possible increase in environmental damage. Arguably the largest negative impact of privatisation of the electricity industry on Latrobe Valley residents was the significant loss of jobs (Walker and Walker, 2000). As Fletcher (2002, p. 220) reports "the workforce employed in the Latrobe Valley power industry was quickly and dramatically reduced" following privatisation. Employment in the industries of electricity, oil and gas, and forestry in Latrobe Valley dropped from 20,420 in 1986 to 10,997 by 1994 (GRIS, 1995 as cited in Pullin, Bryant and Haidar, 1997).

Corporatisation and privatisation transformed industrial relations, with each power generating company and associated mine setting up its own terms and

conditions of employment, sometimes through early ventures into enterprise bargaining. Unions faced the challenges of large-scale job losses, falling membership and pressure from the remaining membership for protection. They were also faced with the arrival of new multinational owners in an era of progressively decentralised bargaining (Fairbrother and Testi, 2002).

Given these huge changes in the region, it would not have been unusual to see a dramatic increase in industrial disputes during the 1990s. However, the opposite occurred. Pullin *et al.* (1997) repeated their 1992 survey across the region in 1996. They identified privatisation as one of the major changes that occurred in the region during the time period, together with "the suspension of elected local government, the enforced amalgamation of shires and councils, [and] the increased use of Compulsory Competitive Tendering (CCT) in local government" (Pullin *et al.,* 1997, p. 3). In this environment of major changes, industrial disputes actually fell by roughly one-third. Pullin *et al.* (1997) identified three key factors contributing to this figure including generous voluntary severance packages, no compulsory redundancies and an influx of new employers into the region. However, this trend was not unique to the power industry in the Latrobe Valley, with working days lost to industrial action in the coal mining industry of the Hunter region also falling during this time. Although the coal industry in the Hunter had not been privatised, much restructuring had occurred in this industry over the past decade including disaggregation and corporatisation of the industry (Macdonald and Burgess, 1998).

Pullin *et al.* (1997, p. 16) concluded that the "industrial relations climate in the Latrobe region should no longer be considered in a negative context". The surveys showed a fall in the number of unionised workplaces, a decrease in union delegate involvement in workplace decision-making processes and an increase in information sharing between management and employees and their representatives. Fairbrother and Testi (2002, p. 129) argued that the devastating impact of restructuring on the communities of Moe and Morwell presented trade unions with new challenges. Workers retaining their jobs were privileged but in a quite different sense to that which SEC workers had hitherto been viewed. Vulnerability was now an everyday and obvious experience. Trade unions had difficulties developing a new outward looking form of unionism in response to these challenges.

5. LATROBE VALLEY IN THE 21ST CENTURY

By the end of the 1990s the image of the Valley was becoming a contradictory dualism. The 'old' image of the Latrobe region as a hotbed of militant union organisation remained but by the early years of the twenty-first century this was even further removed from reality than it ever had been. Melbourne newspapers in 1997 were already describing the region as 'The Valley of the Dole' (Tippett, 1997) when commenting on the devastating effects of privatization and restructuring of the power industry. By 2001 an editorial in The Age (27th Oct 2001) called the Latrobe Valley the 'unhappy valley' and argued that 'the break up and privatization of the SEC have left the Latrobe Valley in a permanently depressed state'.

There was an objective and a subjective element to this change. The first and most obvious change was in the nature of work and employment. Unemployment has remained tragically and stubbornly high since the mid 1990s, and furthermore the nature of employment has changed. By 2001 despite the fact that the proportion of employment in Electricity, Gas and Water in the region was nearly twelve times the national average, these sectors only accounted for 8.2 percent of the regions employment. In 2001, nearly half of all establishments and more than half of all employees were to be found in four major industries – retail services, health and community services, property & business services, and education (Snell, D'Urbano and Cunningham, 2002). The proportion of employees in all these sectors (bar property & business services) were above the national average. It is not surprising then to find a higher proportion of Latrobe employees in the public sector than in Victoria as a whole. Although the Latrobe Valley is now a small business dominated economy, the proportion of small businesses in the region (92.8 percent) was slightly below national figures (96 percent) (Snell *et al.*, 2002). However the most significant growth in establishments between 1994 and 2001 was in micro-businesses. Even more problematic was that accompanying high unemployment rates was a significant growth in part-time work, accounting for over one-third of employment in 2001, above the national figure of 28 percent. Between 1994 and 2001 full-time employment in the Valley fell by nearly nine per cent, whilst part-time employment rose by nearly eleven per cent (Snell *et al.*, 2001).

The area continued to suffer overall net population loss. The Latrobe Valley Ministerial Taskforce, reporting in 2001, recorded population levels falling in the City of Latrobe for more than a decade with the City recording the largest absolute population decline amongst Australia's local government areas in 1999-2000 and the second largest in 1998-1999 (LVMT, 2001, p. 12). More young women than young men were leaving, creating a growing gender imbalance. For Gippsland as a whole, the group most likely to leave were adult skilled males able to earn high salaries elsewhere, and those most likely to remain or relocate to the region ware a disproportionately high proportion of low income, often welfare dependent families (Forth, 2003). Over the course of the 1990s average taxable income in the City of Latrobe fell from a level six percent above the Victorian average to three percent below it. Between 1991 and 1999 the numbers in the region receiving unemployment benefits rose by 78.2 per cent and number in receipt of disability pensions rose by 118.5 per cent. In the health ranking of local government areas in Victoria, the City of Latrobe was listed 72 out of 78 in men's overall health category and 73 out of 78 in women's overall health (LVMT, 2001, pp. 14-15). This combined with the inquest into the tragic death of two year old Jayden Leskie in 2000 served only to reinforce the newly emerging image of the region as a troubled area populated by (moccasin wearing) dysfunctional groups and individuals. These media generated images were challenged by local representatives at the time, but the challenges did not carry the weight of the disempowering and destructive dominant image. That this image was equally as inaccurate as the previous caricature is not important, its strength and pervasiveness is what matters. In 2001 the Latrobe Ministerial

Taskforce reported the despair that many members of the community expressed about the regions negative image problem, particularly stereotypical images – an uneasy industrial environment, troubled social environment, polluted atmosphere and a fractious local council (LVMT 2001, p. 18). There have been attempts to construct more positive and affirming images of the local community generated by the local community (see Cameron & Gibson, 2003) but without massive success as yet.

We have already seen that some commentators suggest that SEC workers were "infantilized and controlled as well as protected and pampered" (Gibson, 2001, p. 654). In an earlier study, the same author argues that by the end of the 1990s, "a narrative of victimhood seemed to be predominant in the Latrobe Valley region. Participants in focus group discussions spoke of dependence of the region on state and federal levels of government, of being lied to by governments, of the hopelessness engendered in people and of their inability to fight back or exert their rights. These images position the Latrobe Valley community as needy and requiring care" (Gibson, Cameron and Veno, 1991).

Despite the restructuring of the power industry and the growth in small business in recent years, the perceived negative effects of SEC domination are taken as being all pervasive. The Latrobe Valley Ministerial Taskforce Report (2001, p. 69) noted that "the absence of a strong commercial culture amongst small businesses in the Latrobe Valley is an enduring legacy of the SECV's complete dominance of the local economy".

In contrast to the old militant and active image, the new characterization is therefore of a passive, demoralised and unenterprising region, losing entrepreneurial, creative or skilled people to more attractive regions. This goes some way to accounting for the numbers of children who are bussed out of the Latrobe Valley on a daily basis to schools in places such as Warragul and Sale. These schools, it is believed, will engender a more active and entrepreneurial set of characteristics in contrast to what is taken to be the prevailing Valley mentality.

The images of the Valley, both old and new are believed not only to deter inward investment but also to account for a perceived lack of entrepreneurialism in the locality. Therefore as the focus of regional development has shifted from exogenous to endogenous growth the target for blame for lack of success has remained the same, the local working population. All that has changed is the characterisation by others of the Latrobe working class from being mindless militants to feckless and dysfunctional, or indeed both.

6. CONCLUSION

Returning to our original point about there being no 'essential' place, we can begin to see how places become ascribed with (contested and changing) identities but also how places form a basis by which people form their own identity. Even places started from scratch, as new industrial spaces, eventually become meaningful places in which people live and learn as well as work (Hudson, 2001, p. 263). Places that became closed communities (or at least viewed as such) developed deep attachment on behalf of residents as we saw in

the case of Yallourn, and in many monoindustrial areas this developed out of necessity. It was a way of coping with a 'from scratch' community that relied in many cases on bringing most of the new labour force from other areas, if not other countries.

The places themselves might be open and porous but the inhabitants increasingly defined them as closed. Defining a shared interest in a place as against other areas (but not necessarily with the dominant employer, try though they might) was a way to cope with the exigencies of life and the whims of a dominant employer (Hudson, 2001, p. 265). The identities constructed, although specific, were viewed as timeless giving a sense of cohesion and stability to new communities. However this collective construction of place did not emerge overnight, nor was it without its divisions and contradictions, and all these elements were reflected in the organisations and institutions that the communities constructed for themselves.

However as these communities came under threat, the conditions that created the new disempowering and almost wholly negative image of the region paradoxically also created the conditions that allowed for the emergence of a degree of agreement that the 'old' image remained a problem. Thus in 2003 a Memorandum of Understanding was signed by a number of federal, State, local government, private sector and trade union bodies in the Latrobe Valley pledging cooperation and support for the actions of the Latrobe Investment Facilitation Committee and coordination of activities to encourage inward investment. This could be taken as a great example of a New Regionalism type institution emerging in a region doing it tough. However our analysis would suggest that this alliance to promote an attack on the 'old' Latrobe image is a product of the conditions that have also created the 'new' and equally unwanted and unwarranted image. They are therefore likely to be temporary as well as concealing the contradictory nature of images of locality. This does not suggest a new form of workplace based trust contributing to a New Regionalism, rather local desperation driving alliances based on vague notions of shared concern.

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