Introduction

Raising the living standards of Indigenous Australians, especially in Northern Territory remote communities, is one of the major challenges facing Australia today (Briant 2004:5). There are a large number of people living in communities typified by conditions of poverty, poor health, high crime, alcoholism and other forms of substance abuse. Many have been caught in a destructive cycle of welfare dependency, incarceration and youth suicide, all of which have exacted severe suffering on Aboriginal people and their communities.

Pearson (2000) for example, has pointed to the manner in which welfare payments have placed many Indigenous Australians in a poverty trap such that “passive welfare” has undermined culturally acceptable norms of behaviour and traditional values and relationships within Indigenous communities. Pearson defines passive welfare as transfers from Federal and State budgets to individuals and families, *without reciprocation*.

When you look at the culture of Aboriginal binge drinking you can see how passive welfare has corrupted Aboriginal values of responsibility and sharing, and changed them into exploitation and manipulation. The obligation to share has become the obligation to buy grog when your cheque arrives, and the obligation of non-drinkers to surrender their money to the drinkers. Our traditional value of responsibility has become the responsibility of non-drinkers to feed the drinkers and their children when the money is gone. (Pearson 2000)

Pearson argues that passive welfare has several aspects which constitute a “passive welfare paradigm”. First, passive welfare is not based on reciprocity and there is an absence of mechanisms designed to promote rational and constructive behaviour by either the recipient or the providers. Second, welfare is intimately involved with methods of governance. The welfare mode involves established governing institutions both making decisions, and taking action, on behalf of Indigenous Australians. Thirdly, welfare leads to a particular mentality where people are prepared to accept the economic relationships and methods of governance.

In an article in *The Weekend Australian*, Pearson (cited in Sanders 2009:4) argues that Indigenous affairs in ‘Australia is still divided into two ideological tribes’.

One tribe comprising most indigenous leaders and possibly most indigenous people (but by no means an overwhelming majority) and their progressive supporters hold the view that the absence or insufficient realization or rights is the core of the indigenous predicament in our country.

The other tribe comprises most non-progressive, non-indigenous Australians and their conservative political leaders (including substantial numbers in the Labor party) who hold the view that it is the absence of responsibilities that lies at the core of our people’s malaise.
As pointed out by Sanders (2009), Pearson saw these two ideological tribes as ‘insistent and deafly opposed camps’. Pearson saw the Left as concerned mainly with the ‘rights’ of Indigenous Australians. The Right on the other hand, was concerned more with the issues of ‘responsibility’. These latter views had become more prominent in recent times. This approach has been adopted in recent times within the Northern Territory by Bob Beadman, the Coordinator General of Remote Area Services Delivery (See Beadman 2009, 2010), responsible for ensuring Northern Territory Government Agencies meet their service delivery responsibilities in the areas of Indigenous economic and human development. The view of the Left has been articulated by Professor Jon Altman, Director of the Centre for Aboriginal Economic Policy research at the Australian National University (Altman 2007, 2010).

While more complex categorisations of ideological positions in Australian Indigenous Affairs have been proposed (Sanders 2009), these two positions maintain considerable influence within the field of Indigenous policy formulation in Australia and in the Northern Territory in particular, where nearly thirty per cent of the population is Indigenous. Both positions have arisen primarily in response to a need to address the now extensive body of research that indicates that Australian Indigenous people suffer considerable economic and social disadvantage compared to other Australians.

The sheer size of the socio-economic gap is evident in Table 1, derived from the 2006 Census that compares Indigenous and Non-Indigenous Territorians (Altman 2007:10).

<table>
<thead>
<tr>
<th>Variable</th>
<th>Northern Territory Indigenous</th>
<th>Northern Territory Non-Indigenous</th>
<th>Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate (%) labour force</td>
<td>14.4</td>
<td>2.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Labour force participation rate (% adults)</td>
<td>38.9</td>
<td>78.7</td>
<td>0.5</td>
</tr>
<tr>
<td>Employment to population ratio (% adults)</td>
<td>33.3</td>
<td>76.6</td>
<td>0.4</td>
</tr>
<tr>
<td>Private-sector employment (% adults)</td>
<td>19.2</td>
<td>32.8</td>
<td>0.6</td>
</tr>
<tr>
<td>Median income in $ (Individual)</td>
<td>215</td>
<td>712</td>
<td>0.3</td>
</tr>
<tr>
<td>Median income in $ (Household)</td>
<td>837</td>
<td>1,324</td>
<td>0.6</td>
</tr>
<tr>
<td>Home owner or purchasing (% households)</td>
<td>20.0</td>
<td>56.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Average number of persons per</td>
<td>1.8</td>
<td>1.1</td>
<td>1.6</td>
</tr>
</tbody>
</table>

Table 1. Comparison of key variables: Northern Territory Indigenous versus Northern Territory non Indigenous, 2006.
### Main policy periods in Australian Indigenous Affairs

In the first third of the twentieth century up to 1930s, the dominant policy aim within Australian Indigenous affairs rested on the protection and the guardianship principle (Sanders 2009). This existed particularly in relation to Indigenous people in more remote areas, coming into contact with settler society for first time. This policy was after some time, met by calls for a more positive, optimistic policy directed at Aborigines receiving citizenship and equal rights.

The **Assimilation-Integration era** ran from the 1930s until 1972 (Beadman 2009). While there was a belief that Aborigines needed continued protection from society, there was also an important emphasis on developing the life-skills needed to transition from a nomadic life to a sedentary one. A Protector of Aborigines was appointed and Superintendents were placed in remote communities. People were required to work for the payment of a ‘training allowance’. The approach was aimed at transferring skills and a high priority was placed on education. Indigenous Australians were not allowed to consume alcohol or drugs.

<table>
<thead>
<tr>
<th>Bedroom</th>
<th>Size</th>
<th>Never attended school (% adults)</th>
<th>Completed Year 10 or higher (% adults)</th>
<th>Completed Year 12 (% adults)</th>
<th>Post-school qualification (% adults)</th>
<th>Degree or higher (% adults)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>4.5</td>
<td>8.5</td>
<td>40.2</td>
<td>10.1</td>
<td>13.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td>2.5</td>
<td>0.7</td>
<td>88.7</td>
<td>48.4</td>
<td>52.2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.8</td>
<td>13.0</td>
<td>0.5</td>
<td>0.2</td>
<td>0.3</td>
</tr>
</tbody>
</table>

Source: Altman. 2007

The main purpose of this paper is to examine the central arguments advanced by these two sides of the debate and the implications for public policy decision making and Indigenous people, within the context of the Northern Territory of Australia. As a result, substantial recourse will be made in this paper to the recent work and policy proposals of Beadman (2009; 2010) and to the views of Altman (2007). In addition, the paper points to the urgent need for a major overhaul of the manner in which services are delivered by public and private sector organisations to Indigenous communities in Australia.

In order to grasp some understanding of the central issues it will be necessary to first point to the main policies that have been enunciated in Australian Indigenous Affairs. As pointed out by Sanders (2009:9), it is usual to divide Australian Indigenous Affairs policy history into three periods. These are known as (1) Protection, (2) Assimilation or Integration and (3) Self-determination.
The policy of *Self-determination or Self-management* was introduced with the change of Federal Government in 1972. In an attempt to eliminate potential perceptions of racially motivated policy, ‘training allowances’ were abolished, welfare benefits extended, along with mining royalties and a large increase in grants-in-aid. The Protector and Superintendents of Aboriginal communities were removed and new community councils created and funded to employ community advisers.

These measures were accompanied by a strong repudiation of the previous era as paternalistic. Aboriginal Land Rights legislation was enacted, along with the Racial Discrimination Act, and the Human Rights and Equal Opportunity Commission was established. In addition, the Department of Aboriginal Affairs, Aboriginal Land Fund Commission, Aboriginal Loans Commission, Aboriginal Development Commission, and the Aboriginal and Torres Strait Islander Commission were established. The National Aboriginal Consultative Committee, and the National Aboriginal Conference, were also created as Indigenous advisory forums to the Federal government.

According to Beadman (2009:6), the deterioration of social outcomes began at this point.

Policies during this period were adjusted in minor terms. However, additional funds were appropriated in most financial years with governments appearing to measure their genuine interest in Indigenous Affairs by the level of appropriation rather than by what was actually being achieved. While infrastructure improved over this period, social outcomes deteriorated dramatically. By the 1990’s welfare dependency was intergenerational and entrenched. At this point, the ‘Rights’ Agenda of the Left dominated the debate and effectively controlled the policy agenda in Australian Indigenous Affairs (Beadman 2009:6).

**Welfare to Work - Early 2000’s policy shifts**

An important shift in policy began in 2004 with an acknowledgement of the necessity for mutual obligation principles to accompany welfare payments. This was reflected in the Commonwealth Government’s naming of its suite of policy measures as - ‘Welfare to Work’. In addition, the Northern Territory (NT) Government announced in October 2006, far reaching local government reform, by combining fifty eight Community Government Councils into nine Shire Councils in an attempt to gain economies of scale and cost savings in service delivery and to reduce the patronage and inefficiencies associated with very small scale community based organisations. In the midst of increasing concerns over deteriorating social and economic outcomes in Indigenous communities including concerns over cases of child abuse, the crucial Report, *Little Children are Sacred*, was released.

**Northern Territory Emergency Response**


In rapid order ‘Welfare to Work’ was soon overshadowed by a range of new measures. These included:

- income management
- baby bonus management
- leasing of Aboriginal townships
• sub-leasing land for enterprise development
• phasing out of Community Development Employment Projects
• stronger attempts at alcohol and drug abuse management
• banning pornography
• stronger child protection measures
• addressing school absenteeism
• injection of massive levels of funding to address housing and infrastructure need
• local government reform
• renewed efforts at employment creation
• focused training efforts to get people job ready

This was clearly a strong repudiation of the period of Self- determination and Self-Management. Trudgen (2000), Fuller and Parker (2002), Hughes and Warin (2005) and Fuller, Howard and Buultjens (2005), had been arguing for some time that the policies of self-determination and self-management have not resulted in improved human and economic development for Indigenous communities.

Working Future

In a joint media conference on 20 May 2009, the Chief Minister of the Northern Territory and the then Northern Territory Minister for Indigenous Policy announced ‘Working Future’. This aimed to build on the policies, programs and targets included in National Agreements, and identified twenty growth towns in the Northern Territory, that would be the focus of future human and economic development.

The large injection of Australian Government funds managed under the National Partnership Agreements was targeted at these townships in most areas (including early childhood, education, health, community safety and housing) However, it was not planned that these ‘growth towns’ would receive the benefits of Australian Government funding through the Remote Service Delivery National Partnership Agreement. Thus, the detailed baseline mapping and planning required to build such locations into viable centres was to be a consequence of the priorities of the Northern Territory government’ (Beadman 2009:8).

The Importance of Employment and Training

Beadman (2009:10) is of the view that ‘there is now almost universal acceptance that the well intentioned plans of previous Governments had unforeseen, perverse consequences for the human and economic development of Indigenous Australians, and that change is now desperately needed. Very importantly, he believes that the key to a future where remote communities truly become regional growth centres, with all of the amenities found in similar sized towns elsewhere, will be opening them up to private sector investment and business migration. The leasing of those townships to a Government entity, who can in turn deal in subleases for business, is therefore essential to this exercise.

The key to a future where all residents of those growth centres will truly be able to choose from the full scope of life’s options will come from pre-schooling, educational attainment, vocational training, work, decent lifestyle practices, decent housing, pride
and self esteem. Only then will we begin to see a reversal in the social indicator statistics that depress us all (Beadman 2009:10).

**Employment Opportunities**

Indigenous people in the Territory need jobs. The graph below shows how many jobs this means in the Northern Territory. The graph includes Aboriginal people in urban areas. The situation in remote areas is even more challenging. Lack of immediate action will lead to a further rapid expansion of social and individual costs and human suffering.

![Northern Territory Indigenous Labour Market (2006-2018-2030)](image)

Source: Beadman 2010:30

The 2010-18 cohort of potential Indigenous workers in the Northern Territory is estimated to be 11-16,000 adults and youth, who are either unemployed or not currently participating in the labour force. The compounding effects of such unemployment upon future generations are likely to be significant. If the current school age group sees their parents not working, then the consequent likelihood of them becoming gainfully employed is diminished, and the likelihood of inter-generational welfare dependency is increased. This is supported by international experience (Beadman 2010).

Such high levels of approaching unemployment indicate the need for employment opportunities, as a matter of priority. It is likely that there would be little difference in the costs to government of directly funding employment opportunities compared to having Indigenous people in remote towns, remain unemployed. This is particularly the case, given the increasing social costs associated with Indigenous communities with high welfare dependency. In addition, the escalating welfare and social costs are likely to have substantial budgetary implications and influence the ability of Australia to make choices in other important areas associated with social and economic development.

Beadman (2010) provides examples of a range of existing employment opportunities which appear suitable for Indigenous people in remote towns of the Northern Territory. For example, miners are flown in and out to various Northern Territory mines. Why, he asks? In
some cases there is an Aboriginal community nearby with a number of people on welfare benefits. Some may argue that local people lack skills. Yet in at least one case the adjacent mine has been operating for over forty years, time enough to have bridged the skills gap in several generations of people. We also fly in and out pickers for mangos and grapes from interstate. Backpackers are used as forestry workers on the Tiwi Islands, where large numbers of local Indigenous people remain on welfare – Why does this situation occur?

The Military

There is substantial potential for the military to contribute to Indigenous job creation – particularly for youth, in the Northern Territory. For example, a new Defence Force initiative, the Defence Indigenous Development Program (DIDP) that was trialled in Katherine last year, resulting in 10 graduates. The DIDP has been developed in order to address the needs of northern Australia’s remote Indigenous people. The program provides young Indigenous adults with the education, training, life skills and confidence – and as a result the opportunities – to secure and sustain continuous employment of their choice and to be role models within their communities.

The DIDP is a residential program which is conducted over seven months at Charles Darwin University’s Katherine Rural Campus (KRC), 20 kilometres north of Katherine. Trainees spend approximately four weeks training at a time, followed by a one week break at home in their communities. Some periods of dedicated military training with NORFORCE are conducted from Larrakeyah Barracks in Darwin.

Prospective participants have to meet the following entry requirements:

- be of good character and over the age of 17
- physically and medically fit
- have an education level of NRS Level 3 (Year 8 equivalent), and
- available to attend the course from April to November 2010.

The program curriculum includes:

a. Vocational education and training (VET). The Northern Territory Department of Education and Training (DET) provides the VET component of the DIDP.

Trainees have an opportunity to gain training that will assist their employment prospects such as competencies in land care management, construction and rural operations. DET has engaged Charles Darwin University at KRC to deliver the training. The range of skills provided by these courses can be utilised to optimise employment and other opportunities in local communities.

b. Military Training. Trainees attend the NORFORCE Induction course in May, followed by the Patrolman’s Course in August. By the end of the course DIDP participants are qualified to participate in NORFORCE patrolling activities from 2011.
c. English Literacy and Numeracy and Personal development.

The program provides young Indigenous adults with improved literacy and numeracy as well as mentoring which includes personal development, leadership, self esteem, work-ready skills and cross cultural training.

**Benefits to the Indigenous population**

The DIDP provides remote Indigenous people with the opportunity to improve their skills to gain full time employment either within their community or in mainstream society. The DIDP operates in a supportive environment in a central location suitable to enable the students to maintain cultural, family and social connections. Such a program provides opportunities to close the gap between Indigenous and Non-Indigenous Australians. This program is employment-focused, and it addresses cross cultural issues which are pivotal to the success of any initiative aimed at the Australian Indigenous population. All training through DIDP aims to increase self-confidence and pride in culture and helps develop skills necessary for employment within Defence or the wider civilian community.

It is likely that such a program should be promoted to Indigenous young people as a real option for gaining the skills and the means to make real choices, instead of the tragic drift into welfare for life. This program could also be expanded to cater for the needs of other service organisations, such as Customs, Quarantine and Police and Fire and Emergency Services.

**Economic Development**

Many remote Indigenous communities are deficient in terms of available small enterprises to service their needs. Beadman (2010) refers to this as the ‘enterprise gap’. This is defined as the difference between the number of enterprises a relatively developed community supports compared with those presently operating in an Indigenous community of the same size. While there may be different stages of development, in different communities, the concept of the ‘enterprise gap’ assists identify the enterprise and employment potential of a community. Potential barriers to enterprise development can then be examined. Previous research has identified a number of recurring themes with respect to Indigenous aspirations to commence micro and small enterprises within their communities (Fuller and Parker 2002, Fuller, Howard and Buultjens 2005). These include an interest in consumer goods and services e.g. bakeries, laundromats, furniture retailing, meatworks, community gardens, tourist accommodation and broader industries including environment management, tourism and forestry. Given the data available on township populations and an evaluation of per capita incomes, it is also possible to estimate the potential expenditure on consumer goods and service businesses that could be sustained in each town.

Any economic development strategy concerned with creating employment opportunities within growth towns should also examine those associated with the public sector and associated government expenditure from recurrent funding and direct grants. Opportunities are available in areas additional to the relatively large number of jobs available in education, health, police justice and local government. Governments also need to provide proactive assistance in supporting new private sector business start-ups and assisting attract outside interest and investment in business development. Employment opportunities also exist in larger scale industry developments in proximity to growth towns within the areas of Mining,
Forestry, Fishing and Pastoral development – for example. These areas have the potential to create a relatively large number, as well as a wide range, of employment opportunities within growth towns of the Northern Territory.

There currently exists a relatively large, under-utilised workforce in growth centres of the Northern Territory. If such employment opportunities are to be acted on, it will be essential that people are able to recognise a clear economic advantage to employment, compared with remaining on welfare. This means that the labour force pricing signals have to be consistent and established in a manner designed to encourage, rather than discourage active employment. Education, employment and training need to be recognised as the key, real drivers of change to overcome the extreme poverty and disadvantage currently experienced in remote towns. Where available work and training to the unemployed are declined, the Federal Government must be prepared to ‘breach’ welfare recipients, who decline work and education and training. Unless this is done, the cycle of economic and human destruction of Aboriginal peoples will continue.

The first report of the Coordinator General of Remote Area Services Delivery in the Territory underscored the essential need of working and having a job, as a key requirement for turning around the significant disadvantage suffered by Indigenous people in the Northern Territory (Beadman 2009). Beadman also identified the growing tendency for people to opt out of available work in favour of remaining on welfare. On further examination of the issue, Beadman (2010) has found it is not just jobs that are being declined, but also generous training opportunities provided by governments to get people ‘job ready’. The so-called Participation Failure Reports that result from a refusal by a person on unemployment benefits to attend training are submitted by Job Service Providers to Centrelink, yet there appears to be no, or very few, penalties applied.

According to Beadman, this may be due to the interpretation of a policy tool relating to a ‘Vulnerability Assessment’. This is further discouraging Indigenous people to exercise the available options open to them. Clearly, the current situation, where people can effectively choose to decline training and employment opportunities with no penalty in preference to remaining on welfare, cannot continue.

Beadman (2010:29) is of the view that the Commonwealth Government must address this matter with urgency; otherwise ‘much of the effort going into training and employment programs will be for naught’. Governments cannot build Territory Growth Towns, and close the very large gap in the social and economic status of Indigenous people in the Northern Territory, without the active involvement of Aboriginal people, themselves. According to Beadman, there is a major flow-on effect in communities of a ‘failed work ethic’.

Beadman (2010:29) provides the following example:

- If the requisite ratio of staff to children isn’t reached, then the pre-school or crèche cannot open, or only opens intermittently because of absenteeism.

- Kids consequently don’t get the proper levels of prior learning, now considered by educators as crucial to end achievement

- Teachers and other crucial workers are forced in turn, to skip a day here and there because their child care arrangements fall through
Health clinics are understaffed leading to rapid burn-out and turnaround of nurses

The dialysis machine stays in town, or falls into disuse for want of trained operators.

And the compounding affect goes on and on.

There are then, two crucial policy requirements for Indigenous human and economic development following Beadman. First, the preconditions need to be established for economic development by improving human and physical capital and identifying relevant employment and business opportunities. Second, once employment opportunities are generated, they need to be taken up by Indigenous people in a move from welfare dependency to paid employment. In economic terms, Beadman is very clearly pointing to the consequences for individuals and groups of erroneous labour market pricing signals which seriously disrupt incentives to work. Not only does this occur, however. Such incorrect pricing signals are likely to have serious implications for social and human development and result in large scale individual and social costs.

The Northern Territory Intervention

The arguments of Altman (2007) are likely to be more aligned with the ‘Left’ in the area of Indigenous Affairs and can be seen to be diametrically opposed to those of Pearson and Beadman in a number of areas. Altman is of the view that the Northern Territory intervention started with a very unclear focus. It concentrated on 73 prescribed communities with populations of over 200. The intervention announced on 21 June, 2007, consisted of 11 broad measures, with a twelfth, the abolition of the Community Development Employment Scheme (CDEP), added a month later on 23 July.

Altman is of the view that a number of the measures appear to have no link to the issue of child sex abuse nor possess a coherent logic or consistency. However, they can be clustered into the following three groupings:

1. Those that seek to discipline Indigenous workforce and other social behaviours.

   Evidence for this is provided by government attempts to quarantine welfare incomes, ban alcohol and pornography, and requirements for people to work for the dole.

2. Those that seek to dilute land rights or expand their potential for commercial development

   Altman (2007) argues that the compulsory acquisition of township leases, aimed at speeding opportunities for economic development, will dispossess traditional owners of their land.

3. Those that seek to depoliticize democratic Indigenous organisations and to impose external control over townships

   Evidence of these measures includes abolishing CDEP, and appointing government business managers with significant levels of power and authority.

On 16 August, these measures were enshrined in Australian legislation that overrode the Racial Discrimination Act. Altman (2007:9) points out that when proclaimed on 21 June, 2007, the ‘national emergency’ was about child sex abuse, but very quickly—in July and into August—it came to focus on the broader issues of social and economic dysfunction and what Altman refers to as the ‘normalization’ and ‘mainstreaming’ of Indigenous people.
Problems of Intervention

Altman (2007:10) predicts that moving people from work to welfare, compulsorily acquiring land and providing more education and training without development projects for employment, will prove to be both ineffective and very expensive. He argues that intervention is likely to prove unsuccessful in meeting its goals for two main reasons. However, it is not clear why Altman argues that insufficient employment opportunities exist for Indigenous people within many communities and why efforts cannot be made to further create such opportunities (Fuller, Howard and Buultjens, 2005).

First, the intervention is unrealistic in terms of the extent of resourcing required. On 21 June, 2007, the then Prime Minister declared that the intervention would cost tens of millions of dollars, a view vigorously defended by the then Minister for Finance. By August this had grown to hundreds of millions of dollars, and by September it had reached $1,400 million. Altman’s estimate of the cost is at least $4 billion over 5 years.

Second, the intervention is unworkable because it has not been planned adequately in terms of assessing and differentiating the needs of the 73 prescribed communities. It is also unworkable because it will be dependent on local on-the-ground personnel and organisations that have been alienated by the nature of the intervention. According to Altman (2007:13), the Commonwealth is beginning to ‘walk away’ from the responsibility for implementing the intervention by delegating program delivery to the Northern Territory Government and community based organisations.

In summary, Altman (2007:13) argues:

... on theoretical and comparative historical, national and international grounds the overall approach seems a recipe for disaster. It is neo-paternalist, imposed without consultation, top-down, racist, non-discretionary, disempowering and nowhere implemented in its totality. While some Indigenous people want to cherry pick sensible aspects of the intervention, such as access to adequate housing, schooling and police, the totality of the package is probably far worse than its individual parts.

Conditions for Sustainable Indigenous Development

Altman (2009:15) argues that for sustainable Indigenous development, there are five requirements.

1. At the broadest level, it is imperative to recognise Indigenous diversity and difference.

2. There is a need for partnerships with communities and the establishment of appropriate elected or nominated channels to formally hear Indigenous aspirations.

3. There is a need for realistic local and regional investments to catch up and close the gaps. It must enable local opportunity and take advantage of the richness of the environmentally-intact and biodiversity-rich land holdings owned by many living in remote situations.

4. There is a need to build local intercultural organisations and institutions and capabilities, investing in making imperfect organisations better.
5. There is a need to plan at the local and regional levels for sustainable outcomes at realistic levels that are clear about livelihood possibilities; to undertake some rigorous needs-based analysis; and put some negotiated evaluation frameworks in place.

The Relevance of Labour Market Pricing Signals

As Sen (2000: 27) has questioned, if we were to consider, contrary to what is generally assumed, a case in which the same economic result is brought about by a fully centralized public sector controlled, non-market based system, would that have been just as good an achievement? It is not hard to argue that something would have been missing in such a situation – in particular the freedom of people to act as they like in deciding where to work, what to produce, and what to consume.

Sen (2000:130) points to the importance of the market for determining employment incentives, and ‘the effects that a system of public support may have in discouraging initiative and distorting individual efforts’. According to Sen (2000:130), both the need for fiscal prudence and the importance of incentives – deserve serious attention.

Any pure transfer – the redistribution of income or the free provision of a public service – can potentially have an effect on the incentive system of an economy. For example, it has been argued particularly strongly that generous unemployment insurance can weaken the resolve of the jobless to find employment, and that it has actually done so in Europe.

Given the importance of equity arguments with regard to government welfare arrangements, there will be a difficult tension between fiscal prudence and economic ‘efficiency’ requirements compared with equity considerations, particularly where there is a relatively large amount of expenditure involved. This is certainly the case with Indigenous people in Australia.

Sen (2000:130) argues that ‘Even for free medical care and health services, or free educational facilities, questions can be raised regarding (1) the extent of the need for these services by the recipients and (2) the extent to which the person could have afforded to pay for these services himself (and might have done so in the absence of free public provisioning). Sen further suggests that those who see entitlement to such services as health and education as an inalienable right of citizens would tend to see such questions as wrongheaded and even perhaps as a distressing denial of the normative principles of a contemporary “society”. While such a position may be defensible up to a point, given the limitation of economic resources, there are serious choices involved, which cannot be dismissed on the grounds of some pre-economic “social” principle. The incentive issue has to be addressed because the extent of social support that a society is able to provide must depend on costs and incentives.

The Urgent Need for Policy Changes

Many billions of dollars have been spent in Indigenous communities over recent decades, and yet the problems seem as intractable as ever, and in a number of areas, such as drug abuse, youth suicide, education and employment, - they have actually worsened in a number of communities. Recent past policies have clearly failed Aboriginal people and the wider Australian community. We therefore need to look more closely at the fundamental impediments to human and economic development in Aboriginal communities, and to
construct and deliver policy proposals that target these significant problems far more effectively and efficiently.

In the case of Indigenous Australians able to rely on relatively generous welfare benefits, for example, it is likely that such welfare benefits interfere, in a substantial way, with the freedom to choose amongst available alternatives, with regard for example, to employment, production and consumption decisions. As Sen (2000) points out, this has been the experience of Europe. It has also been the experience in Australia, with regard to other periods and other Non-Indigenous socio-economic groups (Beadman 2004:4).

It is likely to be a rational economic decision not to work if the alternative is to be paid an amount sufficient to meet the basic requirements of life and a little more, which may be regarded as culturally acceptable for consumption purposes. This may particularly be the case where the total resources of a group, received from the social welfare system, can be supplemented in reciprocally based sharing systems, to be ‘pooled’ and drawn upon. However, as pointed out by both Pearson and Beadman, such behaviours are likely to favour the dominant members of the group and lead to expenditure patterns on goods and services that may not be in the interests of all members – for example, expenditure on alcohol and drugs.

Such communal resource arrangements are likely to further inhibit freedom to act and choose and therefore inhibit decision making regarding employment, production and consumption patterns, for example. Further, such interference with market decision making will not lead to individual or social optimums in terms of either utility maximization or efficiency in resource allocation.

As argued by Sen (2000) and Beadman (2010), there is also likely to be a very important fiscal constraint impacting on government policy in such areas. If expenditure within Indigenous Affairs continues to escalate in association with high and increasing social costs in important areas associated with human development, it is not likely that this nation (or any other) will be able to afford the required high levels of future expenditure. The number of people on welfare compared to the number of people working continues to increase, leading amongst other things, to the raising of the eligibility age for the age pension to be extended to sixty seven years.

A little over forty years ago, within many Indigenous communities most of the jobs were done by local Indigenous people (Beadman 2004). While the primary role of today’s Job Service Providers in Indigenous Communities is to place people in Jobs, it is also important that breaches of social security arrangements must be acted upon so that appropriate labour market signals can be sent to potential employees. This in an important social and economic obligation of such government arrangements (Beadman 2010:32). It is likely as Beadman (2004) has commented, that the period of self-determination in Australia, led in fact to a period of attempts at separate development. However it is clear that development must proceed in a shared manner. This is particularly the case in Australia, where the information and knowledge relating to the contemporary options for change lie principally in the hands of Non-Indigenous individuals and organisations. As anthropologist Peter Sutton has noted, there is little logic in remaining outside contemporary social and economic systems for Indigenous Australians (cited in Beadman 2001:11).

This does not mean however, that Indigenous Australians need to relinquish their valued cultural traditions. What is needed is a shared responsibility in development. The individual
and institutional actors of mainstream economic development need to be brought to bear in a manner which assists both Indigenous and Non-Indigenous people. Such mainstream, institutional and market based economic actors have shown themselves to be remarkable adaptable to a range of social and cultural backgrounds.

However, far more needs to be asked of the mainstream institutions and actors that either deliver services to Indigenous people or are involved in market led economic development, with respect to adaptation to and understanding of different cultural requirements and priorities. To this stage, such requirements have been avoided by responsible government agencies and business organisations operating within Indigenous communities.

Thus, Pearson has described the experiences Aboriginal communities are forced to endure when dealing with government bureaucracies (cited in Beadman 2004:32).

The resources and efforts that are consumed in the process of trying to get the Hydra of Government to cooperate, coordinate and deliver are incredible. Excellent expertise, good people, immense resources, valuable time – are wasted on the processes of trying to make Government work against its natural tendency to segregate, factionalise, hoard power and play the bureaucratic power games.

It is now widely recognised that Aboriginal Affairs has been a particular victim of this hopeless system. However, what is not properly recognised is that all of the existing methods of trying to make government efforts holistic have never worked and are not likely to work. We have to stop being fobbed off with the promise that “inter-agency coordination” or “multilateral agreements” between governments are going to produce a change.

Beadman (2004:33) is of the view that effective and efficient service delivery will not occur until effective local and regional organisations take command, determine their own priorities, and ‘tell governments what will be convenient and when.’

However, in addition to this, it is our view that service delivery either from the private or public sectors, to Indigenous people, will need to be supported by a closer degree of cultural integration, understanding and respect between Indigenous and Non-Indigenous peoples. Indigenous people have to be included and become full and respected partners in such developments so that separate development is avoided completely. An important means of encouraging this higher degree of cultural integration is through joint venture partnerships and arrangements.

While correct labour market pricing signals are critical, it is in our view unlikely that the price mechanism will be sufficient to entice people in to employment – by removing the skewing effects of welfare payments – for example. Additional supply side changes will be necessary to influence the determinants of Indigenous labour force participation in a positive manner. These supply side changes will require government service deliverers and private sector firms and organisations to reinvent the way they deal with Indigenous people and Indigenous communities.

This point has been well illustrated by Sen (2000:28), when referring to the debates surrounding slave labour in the United States before abolition. The consumption patterns of slaves compared favourably with those of free agricultural labourers. Slaves’ life expectancy too was, not particularly low (Sen 2000:29) – “nearly identical with the life expectation of
countries as advanced as France and Holland,” and “much longer - [than] life expectations [of] free urban industrial workers in both the United States and Europe.” However, slaves did try to escape and even the attempts, after the abolition of slavery to pay the slaves high wages in gangs, were not successful.

This suggests that there are important determinants associated with the supply of labour, beside higher wages. In our view these are likely to be factors such as freedom in individual and family decision making - particularly regarding long accepted cultural practices and obligations, the need for feelings of well-being, confidence, safety, respect and understanding and inclusiveness. Until Indigenous people have confidence in equal partnerships with Non-Indigenous in the areas of mutual respect and relationship building it is most unlikely that Indigenous people will be prepared to participate in mainstream economic and social activities.

**Conclusions – The need for ‘Two Way Knowledge Engagement’**

It is particularly important when living and working with Indigenous people that knowledge transfer be not seen as ‘one way’ – from Non-Indigenous people to Indigenous people. Rather, Indigenous knowledge has to be sought out and understood, as far as possible and practicable, - by Non-Indigenous people. It is not possible just to work with Indigenous people in a way understood and accepted by Non-Indigenous people – on the basis of maximising economic gain, - independent of family and cultural understandings and obligations, for example. There are Non-Indigenous that may not be either interested, or capable, of such involvement. If so, it is our view they should not be involved in areas of business or service delivery to Indigenous individuals or communities.

Unfortunately, it is likely that such individuals and organisations have dominated larger scale service delivery in many Indigenous communities, up to this point. This is not to acknowledge that there have been some wonderfully effective, dedicated, ethical individuals who have tried against almost all odds, to contribute to an improved life for Indigenous people in the Northern Territory.

Indigenous knowledge consists of the critical areas of spiritual understandings, relationships to the land, relationships to other living species, and vitally important family and kinship relationships. These factors are likely to be highly intertwined and have a major influence on attitudes to consumption, employment, savings, investment and accumulation. It does not seem possible to us, that significant progress will be made in the areas of service delivery unless a far more informed understanding of such complex social, cultural and economic issues is acquired by those responsible for service delivery in the fields of health, education and economic development, - for example.

In our view it is necessary that Indigenous people be seen as more than ‘clients’ by public and private deliverers of goods and services. Those that deal with Indigenous communities should be chosen because they are interested in Indigenous people and have empathy and a willingness to learn and understand Indigenous values, cultural practices and understandings. They need to be prepared to build long-term relationships. Very importantly, they need to be capable of understanding how existing mainstream systems and practices can be adapted and changed to accommodate Indigenous behaviours and priorities.

As Beadman (2009:10) has noted, the building of infrastructure is the *easy part* of the current development effort within Northern Territory Growth Towns [emphasis added].
rebuilding of pride and self-worth is far more difficult and important. A very important part of a person’s pride and self-worth is likely to be associated with learning and employment.

Agencies and Organisations will need to be aware that ‘engagement’ means far more than consultation. It requires far more skill and involvement to seek and acquire Indigenous knowledge and far more intelligence to identify when and how to apply alternative knowledge systems, to the economic and human development challenges that now confront us – than has been expended by private and public sector agencies, to date. As Beadman (2010:11) states, it requires ‘intellectual and physical engagement in a shared responsibility to turn the social tragedy around.’ [Emphasis added]. It is not clear why the same effort, concern and accommodation is not shown by government and private sector organisations when they deal with Indigenous communities, compared with when they deal with organisations and individuals from other countries. In such situations there is often a demonstrated ability to show high levels of empathy and understanding, while at the same time maintaining a market and outcomes perspective.

Far more needs to be demanded of service deliverers and those with a responsibility to interact with Indigenous communities to facilitate an understanding of the implications of ‘modernity’. There needs to be a heightened preparedness to be involved in ‘two –way’ cultural understandings, shared knowledge and communication,- across the range of employment, sporting, social and cultural activities regarded as important by both Indigenous and Non-Indigenous Australians.

The task requires far more organisational and individual intellectual commitment, interest, involvement and understanding - than public or private sector organisations have been prepared to acknowledge and commit,- to this point in time.

References


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