

The Future of Indigenous Australia:

Is there a path beyond the free market or welfare dependency?

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In recent times, we have seen a growing public discourse, policy debates, and much media focus on the social problems faced by many remote Indigenous communities. Much blame is sheeted home to excessive welfare dependency. This perspective though, has limited explanatory power in accounting for the complexity of Indigenous marginalisation and disadvantage in Australia today, either in remote or more settled regions.

About 120,000 Indigenous people live in approximately 1,200 discrete communities on the Indigenous estate in remote and very remote Australia. While numerous, these communities are small, averaging only 100 people each. In total, this population represent about 25 per cent of the total Indigenous population, and lives on about 20 per cent of the Australian land mass, or one million square kilometres. This is a statistic of which few Australians seem aware, except those who refer to 'land rich, dirt poor' Aboriginal people (Amanda Vanstone, Press Club speech, February 2005).

These discrete communities are all a product of colonial policies. Most are predominantly Indigenous townships that were the settlements and missions of the assimilation era. Some are remnants of pastoral communities that have migrated to camps in larger mixed townships, and some live at small outstations and homelands whose populations have decentralized from townships. Up until 1972, under the assimilation policy, these populations were under direct state control: since then, such control is largely indirect.

Many of these communities are highly welfare dependent, although this is a relatively recent phenomenon. Until the early 1980s, Aboriginal people were excluded from full access to the mainstream provisions of the Australian state: health, housing, education, and income support. There is much evidence that on any equitable needs-based criteria these people remain relatively neglected, something again that is poorly understood by mainstream Australian society.

So what do we mean by welfare in such contexts? Are we just referring to income support welfare payments or are we referring to the full range of state-funded services that are provided to Australia's income poor: free health care, access to subsidized public housing, free education? Much of the current debate seems to be about the former, with too little about the latter, where neglect—on any needs-based calculation in both recurrent and capital terms—is continuing and arguably escalating.

CDEP:

Community
Development
Employment
Program

For example, can working for the dole under the Community Development Employment Projects (CDEP) scheme—a program introduced to keep Aboriginal people from individual unemployment benefit entitlements in 1977—be considered welfare? In official statistics, CDEP participants are counted as employed because they are working part-time, sometimes full-time, for their welfare entitlements. Using this measure, the unemployment rate in very remote Australia, where most CDEP participants reside, is a low 7 per cent. If CDEP participants are counted as unemployed, then the unemployment rate is as high as 76 per cent.

As George Megalogenis's recent analysis published in the *Australian* ('Revealed: 10 Towns that Don't Work', 22 April 2006) has shown, there are plenty of welfare dependent non-Indigenous towns. Megalogenis ponders why federal politician Senator Amanda Vanstone has not called for these 'unviable communities' to be closed down, focusing only on Indigenous communities?

In 1991, the first discussion paper published by the Centre for Aboriginal Economic Policy Research (CAEPR) was called 'From exclusion to dependence: Aborigines and the welfare state in Australia'. In this paper, Will Sanders and I highlighted that while gaining access to welfare on a nominally equitable basis as Australian citizens had been a long and bitter struggle, getting off welfare and associated dependence might be an equally arduous, if not more difficult, process.

More recently, in 2000, Noel Pearson in *Our Right to Take Responsibility* referred to welfare poison and the debilitating effects of welfare in Cape York, referring more to 'passive' welfare than 'active' CDEP workfare. In the same year, Patrick McClure focused on the problems and costs of welfare for all Australians in the Welfare Reform Inquiry. More recently, UNSW professor Peter Saunders (in *The Poverty Wars* 2005) and his namesake, Peter Saunders from the Centre for Independent Studies (in *Australia's welfare habit and how to kick it* 2004) have broached the subject from very different perspectives: UNSW Saunders argues that not only is poverty a reality in Australia but we need more nuanced research to understand its extent, causes and consequences. CIS Saunders questions whether poverty exists in Australia and wants to eliminate it via compulsion.

There is certainly a long-held view that welfare, if not just short-term, is problematic. And statistics show that it is certainly problematic for Indigenous recipients— those employed are on average better off than those on CDEP, who are in turn better off than the unemployed and those not in the labour force.

There is another set of views that are not based on statistics that see welfare as *the* problem, as the source of community dysfunction, domestic violence and substance abuse. Much of this perspective is anecdotal and sensationalized. Not only does it run the risk of blaming the victims of social exclusion and neglect for their circumstances, but it is also often linked to imported neoconservative ideologies that focus on mutual obligation and shared individual responsibility rather than structural and historical as causes of disadvantage.

The choice between 'market engagement and 'welfare dependence' is a false one. Many Indigenous people currently have little choice but to be on welfare, broadly defined, if they choose to live on the land that they own or in the discrete communities that many have inhabited for decades after being centralized at such communities as a consequence of state policy. Market engagement is not an opportunity for all. At most discrete communities there is very little mainstream labour market opportunity.

In these circumstances, policy makers face four non-exclusive broad choices: maintain the status quo and allow people to continue to live in poverty; force people to move, although where and for what remains unclear; build an economic base at remote communities (something that was recommended by the Miller Inquiry into Aboriginal Employment and Training Programs in 1985); or shift our thinking to a new, different, *fourth* way that focuses on Indigenous livelihoods and the recognition of new forms of property.

In my view, the first two options unacceptable, although some individuals may be open to labour migration. My focus is on the final option. If Australia was a Third World nation, with little state intervention, this 'fourth way' would be relatively straightforward because current best practice development thinking is very livelihoods-focused, participatory, and bottom up. But Australia is not the Third World; it is a rich country with 20 million people and a GNP that is forecast to exceed \$1,000 billion per annum in 2006–2007. And in Australia, the state looms large, especially in remote regions, as Megalogenis's analysis in terms of current source of income (let alone provision of services and infrastructure) has shown.

The rich Australian nation will not commit to systematically meet the backlogs in Indigenous health, education, housing and infrastructure that are growing by the day (as population grows rapidly) and that are the historical legacy of neglect. It is far easier for most Australians to live with the dominant imaginary of a level playing field and the need for tax cuts than the reality of long-term discriminatory neglect—as became very evident in the May federal Budget for 2006–07. And the state refuses to recognize that in many parts of remote Australia there is a need for a fundamentally different form of economy, one that I have labelled the hybrid economy, which includes state, market and customary (or non-market or Indigenous) sectors, not just the free market (often propped up by the state as with subsidies to particular industry groups).

This state myopia is illustrated by a project undertaken in 1979–80, when I resided with a group of Kuninjku people at a small outstation in Arnhem Land. These people harvested wildlife which formed a significant part of their dietary intake. This customary (and non-market) activity was productive, enhanced people's well-being, but also assisted in the management of feral animals. In 2002 and 2003, further research with the same group showed that the harvesting of native wildlife was highly sustainable and remained of significance. Yet the significance of such wildlife harvesting both to the local group and the regional environment was unrecognised.

Another good example of such short-sightedness is the state's response to Indigenous Australians' native title and Torres Strait Treaty rights to harvest turtle and dugong. When a 2004 Recreational and Indigenous Fishing Survey reported high levels of harvest, the immediate reaction of the Minister for the Environment, Senator Ian Campbell and the then Minister for Fisheries and Conservation, Senator Ian Macdonald, was to threaten to close these customary fisheries, overlooking the question of compensation. Little reference was made to numerous other human interventions that impact on these iconic and globally endangered species: boat strikes, by-catch, loss of seagrass beds (possibly linked to global warming), loss of nesting sites for marine turtles and eggs (owing to environmental changes and feral pigs) and so on. Subsequently, a pilot project has been initiated to engage Indigenous people in managing these waters and their resident species. This project is an experiment to provide management and monitoring 'on the cheap' by employing community rangers and harvesters on the work-for-the-dole CDEP scheme.

Meanwhile, in the West Arnhem Land Fire Abatement (WALFA) project, traditional owners are looking to reduce wildfires and the associated generation of greenhouse gases using a combination of Indigenous knowledge and customary regimes with modern equipment. The WALFA project covers a 30,000 sq km region where such fire management will not only generate an estimated 100,000 tonnes of abated carbon emissions per annum, but will also have a positive impact on biodiversity maintenance in an environmentally intact region. For six years the WALFA project sought to get state assistance from the Australian Greenhouse Office with no success, in part because of disagreement about ownership of property rights in tradable carbon that would only matter if Australia signed the Kyoto protocol. In 2006, a multinational corporation agreed to support this project for 17 years even without carbon trade.

WALFA:
West Arnhem Land
Fire Abatement
project

In the tropical savanna and desert areas of northern Australia there are numerous Caring for Country rangering projects, with some located in Indigenous Protected Areas. Such activity is invariably underfunded mainly from short-term allocations of work-for-the-dole CDEP support. Yet there is growing scientific evidence that the Indigenous estate is as biodiversity-significant as the conservation reserves that will become increasingly co-dependent with Indigenous estate for minimising species loss in the face of global warming and continental drying. It would be timely to place state support of the environmental management of the Indigenous estate on a sounder basis.

In spite of this evidence, the state refuses to recognize and support important Indigenous activities that might be customary, or non-market, but that deliver important eco-services. When the state does provide some support it is typically on a piecemeal, ad hoc and minimal basis.

We need a radical policy rethink to realistically assess economic possibilities in regional and remote contexts while listening to the aspirations of Indigenous people—people with local knowledge. We need to invest heavily in anything that is working and making a contribution to Indigenous livelihoods. This may also require a restructuring of welfare to act more as a guaranteed minimum income and so provide incentives for Indigenous people to actively engage in productive activity, rather than such engagement being ignored or even penalised.

We need to equitably apply the notion of 'market instrument' to the delivery of environmental services that are in the national interest. This means that the state should pay for the provision of environmental services on the Indigenous estate—as now occurs on the conservation estate and even on the pastoral estate—for stewardship. Such ideas are commonplace in Europe, but not in Australia. Support for such services provision should be provided on transparently calculated outcomes-based criteria—there is a national interest in environmental management everywhere.

In December 2005, in a speech titled 'Beyond Conspicuous Compassion: Indigenous Australians deserve more than good intentions', Senator Vanstone demeaned Indigenous people living in small remote communities suggesting that their communities were not economically viable, but rather 'cultural museums'. Her policy suggestion was to revisit the failed state project of recentralisation at artificial townships. Two months later, in March 2006, new Minister Mal Brough referred to these townships, from which many Indigenous people had decentralized in the 1970s and 1980s, as 'living hell holes'. While the image invoked is diametrically opposed to that provided by Vanstone, the suggested policy approach remains the same.

The Vanstone approach imagines a future populated by Indigenous lawyers, doctors and plumbers living in remote Australia. The logical corollary of the Vanstone approach would see the depopulation of the Indigenous estate, a shift from an imagined *terra nullius* to an actual *terra vacua* or empty landscape. Such an outcome would be counter to Australia's national interest, Indigenous aspirations, and their human rights to live on the customary lands that they now own under Australian law.

An alternative future would see state support of a livelihoods approach that actively supports and lauds Indigenous participation in eco-services provision and forms of market engagement (such as in the arts) that are not only sustainable but would enhance Indigenous well-being. Such activities would also contribute to biodiversity conservation and environmental management at a time of great climatic uncertainty—uncertainty that is itself arguably linked to the unregulated excesses of the free market system that is now being promulgated as the only development option for Indigenous people.

Indigenous futures in remote Australia must take a path that runs beyond the false binary of the free market (or 'real economy') and welfare dependence. Such a path will recognize the important role of the customary sector and the regional, national and global contributions of enhanced Indigenous activity in biodiversity conservation, species and environmental management, and in carbon abatement and sequestration associated with effective fire management and healthy wooded landscapes. Such a new pathway will perhaps promote a different perception in the national imaginary of the worth of Indigenous people living on country, maintaining the 20 per cent, and expanding, portion of the Australian continent that now constitutes the Indigenous estate. Here, Indigenous Australians as traditional land owners have considerable leverage. Fortunately, the special nature of their relationships to land means that it will be managed in an environmentally sustainable way—for future generations of both Indigenous and non-Indigenous Australians.