



CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH

Monitoring ‘practical’ reconciliation: Evidence from the reconciliation decade, 1991–2001

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The objectives of the Centre for Aboriginal Economic Policy Research (CAEPR) at the Australian National University (ANU) are to contribute to better outcomes for Indigenous Australians by independently monitoring changes in their socio-economic status; by informing constructive debate; and by influencing policy formation. This background paper sets out to do all three of these things with respect to evident changes in Indigenous socio-economic status over a ten-year period, 1991 to 2001.

This decade is auspicious for a number of reasons, not just because it was the last of the 20th century. First, the period loosely matched the reconciliation decade that began in 1991 and ended on 31 December 2000 (Sanders 2002). Significantly, in August of 1991, 1996 and 2001, the Australian Bureau of Statistics (ABS) conducted five-yearly censuses that are still the only comprehensive means to assess changes in Indigenous socio-economic status over time and to compare the relative socio-economic status of Indigenous and other Australians.

Second, the Howard Government came to office in 1996 with a social conservative policy platform that was intended to indicate a marked break from the 'progressive' ALP policies. A key Indigenous public policy debate since 1996 has focused on whether the reconciliation process since 1991 has seen too much focus on symbolic reconciliation—on Indigenous rights, stolen generations, deaths in custody and the invalid alienation of land and resources—and too little focus on practical reconciliation—on improving the health, housing, education and employment of Indigenous Australians. The policy shift had a strong ideological foundation. The new Howard Government articulated a view, echoed in the popular media, that the Keating Government had given too much emphasis to 'symbolic' reconciliation at the expense of practical outcomes. The new government was going to redress this imbalance by giving greater emphasis to 'practical' reconciliation, focusing on the key areas of health, housing, education and employment. This seems to be a defining difference between the pre- and post-1996 change in national government.

Third, for the first time ever there has been a relatively close correlation between the five-yearly census and political cycles. The change in government shortly before 1996 Census data was collected means that the data should reflect the Labor legacy rather than the effect of early policy initiatives of the new government. That is, the four-month period between the election of the Howard Government and the collection of census data was too short for new policy to have had any measurable effect. The existence of various types of policy lags (i.e. recognition lags, decision lags, implementation lags, and the 'take-effect' lags) means that the last inter-censal period was uncontestedly the policy domain of the Howard Government.

With the availability of 2001 Census data since late 2002, there is possibility for a statistical analysis of the performance of the first five years of Howard Governments, and a comparison with the preceding five years of Hawke and then Keating. However, it would be naive to assume that the year 1996 marks a complete disjuncture between the 'symbolic' and the 'practical', or between the 'progressives' and the 'conservatives'. This is clearly not the case, as many pre-1996 institutions in Indigenous affairs such as the Community Development Employment Projects (CDEP) scheme and indeed ATSIC (until 1 July 2003) have in fact grown or remained relatively unchanged under the Howard Governments. Further, the global economy has not been identical in both periods; and there have been lead times in both changing and introducing new policy approaches. But our analysis does take the view that scrutinising change between 1991 and 1996, then between 1996 and 2001 and finally over the decade 1991 to 2001, is both instructive and informative. It will also provide important background to a second prognostic paper that seeks to predict future socio-economic status.

It is important to emphasise that although CAEPR endeavours to independently monitor Indigenous socio-economic status, at a national level we do so entirely dependent on official statistics collected by the ABS, not by us. Furthermore, CAEPR analyses ABS statistics despite shortcomings in the census approach that are discussed below. Official census data have increasingly been used to track both absolute and relative change in Indigenous socio-economic status at a national level. Census information has also been used since 1991 to make population projections and associated predictions about the divergence between Indigenous and non-Indigenous employment status.

In this background paper we aim to answer an apparently straightforward question that is rarely asked: how do the outcomes in the period 1991–96, represented by the Federal government and many conservative commentators as a period when symbolic reconciliation was too dominant, compare with those in the period 1996–2001 when a change in government saw a greater policy focus on practical reconciliation.

Data sources, difficulties and caveats

Using the census as a data source has shortcomings, it is a blunt instrument that has not been designed to track changes in socio-economic status over time. Indeed, the main reason that it generates social statistics about Indigenous people is as a by-product created by the introduction of an Indigenous identifier into the census in 1971.

There are four broad difficulties inherent in using census information to track changes in absolute and relative Indigenous socio-economic

status that can be characterised as practical, methodological, compositional and conceptual. They are briefly summarised as follows.

First, there are practical problems in defining who is Indigenous and what is the size of the Indigenous population. Even over the relatively short period being examined here, the census estimated that the Indigenous resident population had increased from 265,000 in 1991, to 352,000 in 1996, to 460,000 in 2001. This growth was at a rate of 6.6 per annum in the first five-year period, and 6.1 per cent per annum in the second five years. It is now well recognised by demographers that such population growth is not only naturally based, it has two additional components, changed identification and inter-marriage, with offspring of ethnically-mixed couples highly likely to identify as Indigenous (Taylor 1997).

Second, it is seldom acknowledged officially that under the Indigenous Enumeration Strategy methodology administered by the ABS there are in fact two distinct Indigenous populations, those who complete their own census forms and those, mainly in rural and remote regions, who have Special Indigenous forms filled out on their behalf (Martin et al. 2002). In 1996, it was estimated that 20 per cent of Indigenous population fell into the latter category (Altman & Gray 2000).

Third, the issue of family and household composition is also important. There is growing evidence that a significant proportion of Indigenous people in couple relationships have a partner who is non-Indigenous. As noted above, this is a partial illuminator of fast Indigenous population growth because offspring of such mixed ethnicity couples are often identified by parents (and then self-identify) as Indigenous. In measuring socio-economic status changes, the high proportion of mixed couples creates difficulties that have been noted in the literature (see e.g. O'Reilly 1994).

Finally, there are conceptual difficulties in adopting normative criteria like social indicators from the census in cross-cultural situations. This is an issue that has been alluded to since census data was first used for comparing Indigenous and non-Indigenous socio-economic status (Altman & Nieuwenhuysen 1979). There is now clear policy recognition of the cultural heterogeneity of the Indigenous population Australia-wide. In some situations, standard social indicators have meaning, in others they are close to meaningless (Morphy 2002)—social indicators reflect the values of the dominant society (Altman 2001).

Monitoring practical reconciliation: choice of variables

Monitoring practical reconciliation using census data is very appropriate because in a number of speeches the Prime Minister has highlighted health, housing, education and employment equality (or moves in that

direction) between Indigenous and other Australians as the hallmark of his government's approach (see <http://www.pm.gov.au>).

Two comments need to be made about using census information to monitor such moves. First, in so far as social scientists have undertaken policy-oriented and applied research that has measured Indigenous socio-economic disadvantage using social indicators since first available in 1971, in today's parlance they have always been measuring and commenting on the success of 'practical' reconciliation. Second, while as noted above governments always try and distance themselves from their predecessors, it is unclear how conceptually different Howard's 'practical reconciliation' is from the Hawke Government's 'statistical equality', the hallmark of the Aboriginal Employment Development Policy (AEDP) launched in 1987 (Australian Government 1987).

Our approach focuses on five sets of variables, employment, income, housing, education and health. We have included income even though it is rarely mentioned as a measure of practical reconciliation, because it is probably the most important summary statistic of economic well-being. In choosing these variables, we make no comment about their relationship, although obviously in many situations they are linked, and we do not attempt to combine them into any index of socio-economic disadvantage, preferring to use the 'raw' census data.

Employment

We have chosen five variables to measure employment outcomes including, the unemployment rate, the employment-population ratio and the labour force participation rate, all standard measures of employment status. A key factor that impacts on employment is the CDEP scheme, an Indigenous work-for-the-dole scheme where participants should be enumerated as employed in the census (see Morphy & Sanders 2001). It is quite clear that all CDEP participants are not enumerated as employed in the census (especially in non-special enumeration regions), but it is also likely that they are not counted as unemployed (Altman & Gray 2000). It is noteworthy that at the 2001 Census there were 30,474 Indigenous CDEP participants—this is a very significant institution in the lives of working-age Indigenous Australians.

While there is now a mainstream work-for-the-dole scheme, it is not directly analogous to the CDEP scheme because it is unlikely systematically coded as employment in the census. Two extra variables were included to control for the influence of the CDEP scheme: the proportion of adults who are either in private sector or full-time jobs. Both effectively exclude the influence of the scheme, and consequently

are relatively easy to compare the results for the Indigenous and non-Indigenous Australians.

Income

To measure income status, we select two census-based variables, median adult income for Indigenous and non-Indigenous individuals (independent of families, households or dependents) and median income for Indigenous and non-Indigenous households bearing in mind that Indigenous households often have non-Indigenous members. Income has several shortcomings as a measure, especially the usual focus on cash income, hence ignoring non-cash components that may include returns from customary economic activity, employer superannuation contributions, and other non-pecuniary benefits available to wage and salary earners. There is also evidence that in remote regions census collectors do not fully enumerate income from non-standard sources like royalty payments or cash earned from sale of art (Morphy 2002). Income is sensitive to changes in the price level so all dollars for the period 1991–2001 are expressed in constant 2001 levels.

Housing

Two variables that are used to measure housing status, involve establishing whether the home is owned or being purchased, and the number of persons in the household. Home ownership is important in Australia because in the absence of any official statistical collections on wealth, home ownership is an important proxy of accumulated savings and command over resources (i.e. wealth). A problem with home ownership is that not only do many Indigenous people reside in public housing, but in some situations on Indigenous-owned land, individual home ownership (in a property rights sense) is either not possible or there is no real estate market. Similarly, size of household is generally taken as a measure of over-crowding and poverty, but large household size can also reflect a cultural preference for large extended families.

Education

Educational status is measured by four variables, two that reflect the negative measures that captures the historical legacy of disadvantage, 'did not go to school' and 'left school aged less than 15 years'; and two that reflect positive measures, 'currently attending a tertiary institution' and 'holding a post-school qualification'. Educational status is clearly influenced by location of residence, in many rural and remote situations there are neither secondary schools nor tertiary education institutions. Education is a very important determinant of employment outcomes except again in remote contexts where labour markets may be small or non-existent.

Health

Health status is broadly measured by three variables, life expectancy at birth differentiated by gender and the proportion of the population aged over 55 years. The focus in these measures of health status is on mortality, rather than morbidity which is equally important but for which historic comparative data, at a national level, is unavailable.

Analysis and findings

Our analysis compares the two periods, 1991–96 and then 1996–2001, with a greater emphasis on the second five years because contemporary policy developments make such a focus more pertinent; the analysis uses 1991 as the base for measuring socio-economic change. All the caveats on the quality of data and its applicability cross-culturally might suggest that the analysis has limited validity and this would be so if we only relied on absolute figures. However, the focus is on a twin approach that first assesses absolute change for the Indigenous population only, and then assesses change in Indigenous/non-Indigenous ratios, over time. The analysis also mixes negative and positive social indicators—for example, the unemployment rate is a negative measure and the employment-population ratio is a positive measure. One would look for improvement to be reflected in a downward trend in the ‘negative measures’ and an upward trend in the ‘positive measures’. Socio-economic improvement requires negative measure ratios to shift (from >1) towards one and positive measure ratios to shift (from < 1) towards one.

The Hawke/Keating years, 1991–1996

Table 1 documents the change in social indicators during the Hawke and Keating years between 1991 and 1996, and considers these as a measure of performance in terms of reducing the material disadvantage of Indigenous Australians in income, housing, education, health and labour force status.

On labour force status, the social indicators in both absolute and relative terms improved for Indigenous people for three of five indicators. The relative improvement for Indigenous employment correlated with the trend for the rest of the population. One area where the absolute move for Indigenous people was negative was in labour force participation, which declined, but this decline was again consistent with broader patterns, and overall there was no relative change.

Table 1. Synoptic view of socio-economic differences between Indigenous and non-Indigenous Australians, 1991–1996.

	1991	1991	1991	1996	1996	1996
Social indicator	Indig (1)	Non-Indig. (2)	Ratio (1)/(2)	Indig. (4)	Non-Indig. (5)	Ratio (4)/(5)
Employment						
Labour force participation (% adults)	53.5	63.2	0.85	52.7	62.0	0.85
Unemployment rate (% of labour force)	30.8	11.4	2.71	22.7	9.0	2.52
Employment rate (% adults)	37.1	55.8	0.66	40.7	56.4	0.72
Employed private sector (% adults) *	21.9	42.7	0.51	21.6	46.3	0.47
Employed full-time (% adults) a *	22.9	40.7	0.56	23.1	39.3	0.59
Income (in 2001 \$)						
Median income, adults (p.w.)	263.7	375.8	0.70	211.7	325.3	0.65
Median income, families (p.w.)	564.9	848.6	0.67	559.2	813.2	0.69
Housing^b						
Home owner or purchasing (%)	27.9	67.0	0.42	32.5	72.7	0.45
Household size	4.0	2.9	1.38	3.6	2.7	1.33
Education						
Did not go to school (% adults) ^c	5.4	1.0	5.40	3.1	0.7	4.43
Left school aged <15 years (% adults)	54.0	39.2	1.38	44.2	35.7	1.24
Currently attending tertiary institution aged 15–24 years (% Youth)	11.6	23.2	0.50	13.8	25.0	0.55
Post-school qualification (% adults)	8.2	27.3	0.30	23.6	40.2	0.59
Health						
Male life expectancy at birth (years) ^d	57.0	74.4	0.77	57.0	75.0	0.76
Female life expectancy at birth (years) ^d	63.8	80.4	0.79	64.0	81.0	0.79
Population age over 55 years (% adults)	6.2	18.7	0.33	6.3	20.4	0.31

Notes: a. Estimated for people working more than 35 hours per week and aged between 15 and 64.

b. Based on household level data. Indigenous households are defined as those in which at least one resident aged over 15 is Indigenous.

c. 1991 data from ATSIC (1994).

d. 1991 based on Gray (1997). Non-Indigenous life expectancy is based on data for the total Australian population.

Source: Most 1996 estimates are derived from Altman (Altman 2001). An asterisk denotes that estimates based on authors' calculations in all years. Unless otherwise indicated, 1991 estimates based on authors' calculations.

Turning to income, the median income of both Indigenous adults and families declined in absolute terms (adjusted for 2001 price levels) between 1991 and 1996, a surprising outcome that probably reflected

the rapid expansion of the CDEP scheme (Hunter 2002). In relative terms though this absolute change had mixed outcomes—relative income for individuals got worse, but relative income for families improved.

The situation for housing was positive in both absolute and relative terms, the number of Indigenous home owners or purchases increased, and household size, used here as a proxy for crowding (but also a possible measure of fertility decline) also declined.

The most important indicator of future prospects is education. The government's performance here was statistically all positive: the proportion of adults (aged 15 and over) who have never gone to school and who left school aged less than 15 years declined both absolutely and relatively; and the numbers at tertiary institutions and with post-school qualifications increased.

Very mixed outcomes were evident in the area of health outcomes, although this area probably has the longest lag between policy implementation and eventual outcome—health is often affected crucially by early childhood and even in-utero experiences (Barker 1994). Census findings illustrate that life expectancy at birth is still much lower for Indigenous males and females, being about 20 years less than that of their non-Indigenous counterparts. While there was absolute improvement for female life expectancy at birth and in the proportion of the population aged over 55 years, in relative terms both life expectancy and aged population declined vis-à-vis the general population.

The Howard years 1996–2001

Table 2 documents subsequent shifts in social indicators for the period 1996–2001 as a measure of the performance of the Howard Government in reducing the material disadvantage of Indigenous Australians.

Labour force status declined for Indigenous people relative to the rest of the population for four of the five indicators. The relative decline for Indigenous employment and participation was against the trend for the rest of the population. The overall Indigenous employment ratio fell marginally despite a 2.5 percentage point increase in the non-Indigenous employment-population ratio. Similarly, at a time when non-Indigenous labour force participation increased by 1.4 percentage points, Indigenous participation actually fell. Unemployment rates fell by less for the Indigenous population than for other Australians, despite rapid economic growth over the five year period and the growth of the CDEP scheme. There is little evidence of trickle down improving Indigenous economic participation and reducing the significance of non-employment income. Given that low skilled workers are often the first to lose work in economic downturn, the lack of improvement is a bad

omen, especially if there is any significant deterioration in the Australian and international economies in the near future.

Private sector employment grew, possibly as a result of the success of the Indigenous Employment Policy (IEP) with its explicit goals of enhancing private sector employment. The IEP generated 12,000 jobs for Indigenous people since its inception in 1998 with about 9,000 of these jobs being in the private sector.

The recent trend towards privatisation of public services may mean that many of the apparently new jobs are merely old public sector jobs that have been 're-badged'. In addition to limiting the effect of CDEP scheme on the analysis, the variable for full-time employment is included to control for any artificial changes in the composition of employment. On this score, the Howard Government fares less favourably with full-time employment declining in both absolute and relative terms.

In terms of income, the median income of Indigenous adults was relatively low in 1996, a situation that became worse by 2001. Incomes for Indigenous individuals increased on average in the last inter-censal period but by far less than for other Australians. The net result was that the relative income status of Indigenous individuals fell from 0.65 to 0.59.

The median income of Indigenous families fared a little better compared to other Australian families, principally as a result of larger Indigenous families, and a reformed set of family concessions (including beneficial tax arrangements) that tend to increase the relative income of large families with many young children. Whatever was driving changes in median family income, it increased substantially for both Indigenous and non-Indigenous families with larger increases for the former resulting in a small improvement in relativities between Indigenous and non-Indigenous outcomes from 0.69 to 0.72.

Table 2. Synoptic view of socio-economic differences between Indigenous and non-Indigenous Australians, 1996–2001.

	1996	1996	1996	2001	2001	2001
Social indicator	Indig (1)	Non- Indig. (2)	Ratio (1)/(2)	Indig. (4)	Non- Indig. (5)	Ratio (4)/(5)
Employment						
Labour force participation (% adults)	52.7	62.0	0.85	52.1	63.4	0.82
Unemployment rate (% of labour force)	22.7	9.0	2.52	20.0	7.2	2.78
Total employment rate (% adults)	40.7	56.4	0.72	40.4	58.9	0.69
Employed private sector (% adults) *	21.6	46.3	0.47	23.0	48.5	0.48
Employed full-time (% adults) a *	23.1	39.3	0.59	22.2	38.8	0.57
Income (in 2001 \$)						
Median income, adults (p.w.)	211.7	325.3	0.65	226.2	381.1	0.59
Median income, families (p.w.)	559.2	813.2	0.69	628.8	872.7	0.72
Housing ^b						
Home owner or purchasing (%)	32.5	72.7	0.45	33.4	72.7	0.46
Household size	3.6	2.7	1.33	3.4	2.6	1.31
Education						
Did not go to school (% adults)	3.1	0.7	4.43	3.2	1.0	3.20
Left school aged <15 years (% adults) ^c	44.2	35.7	1.24	33.4	18.0	1.86
Currently attending tertiary institution aged 15–24 years (% Youth)	13.8	25.0	0.55	11.6	26.2	0.44
Post-school qualification (% adults)	23.6	40.2	0.59	27.9	44.7	0.62
Health						
Male life expectancy at birth (years) ^d	57.0	75.0	0.76	57.0	76.0	0.75
Female life expectancy at birth (years)	64.0	81.0	0.79	65.0	82.0	0.79
Population age over 55 years (% adults)	6.3	20.4	0.31	6.7	22.0	0.30

Notes: a. Full-time employment defined as people working more than 35 hours per week.

b. Based on household level data. Indigenous households are defined as those in which at least one resident aged over 15 is Indigenous.

c. The 1996 question on age left school changed and the analogous question in 2001 measures the highest level of schooling completed. Assume that 1996 variable is equivalent to leaving school before Year 10.

d. 2001 estimates based on Kinfu and Taylor (2002).

Source: Most 1996 estimates are derived from Altman (Altman 2001). An asterisk denotes that estimates based on authors' calculations in all years. Unless otherwise indicated, 2001 estimates based on authors calculations

In terms of housing, the proportion of Indigenous households who are home owners increased by almost one percentage point, and is now over one third for the first time. In contrast, home ownership among other Australians remained unchanged. Therefore, Indigenous home ownership improved in both absolute and relative terms, albeit marginally. Another positive sign is that, while the size of Indigenous households continues to be much larger than that of other Australians, there was some evidence of a minor convergence in household size.

In education, the proportion of adults (aged 15 and over) who have never gone to school actually increased for both the Indigenous and non-Indigenous populations. This result is surprising. However, the increases were small for both populations and the extremely low numbers in this category for the non-Indigenous community meant that the situation appeared to improve in relative terms for Indigenous people.

A more robust indicator of education might be our proxy for early school leavers, that is, whether a person left before they were aged 15 years of age. Notwithstanding the difficulties in inter-temporal comparisons arising from the changes to the underlying census question (see note in Table 2), the incidence of leaving school early fell by much more for the non-Indigenous population, leading to substantial reduction in the relative educational attainment of Indigenous adults.

The proportion of Indigenous youth currently attending a tertiary education institution is around half that of other Australians. It is an indictment of current education policy, that there was a large decline in the ratio of Indigenous to non-Indigenous outcomes between 1996 to 2001 (0.55 to 0.44 for the respective censuses). When the Howard government first indicated it was considering changes to ABSTUDY, a number of researchers suggested the changes were likely to have a negative impact on Indigenous participation in education (Schwab & Campbell 1997; Stanley & Hansen 1998). However, given that the changes to the ABSTUDY scheme were implemented in January 2000, only nineteen months before the 2001 Census, there are probably other reasons for the apparent withdrawal of Indigenous youth from tertiary education. Whatever the reason, future prospects for improved socio-economic outcomes for the Indigenous population are not good when attendance of Indigenous youth at tertiary institutions fell by 2.2 percentage points. At the same time, the slight increase in attendance for other Australian youth (by 1.2 percentage points) means that the ratio of Indigenous to non-Indigenous outcomes fell markedly from 0.55 to 0.44 in the last inter-censal period.

Note that we have focussed on the proportion of youth attending tertiary education because that is a leading indicator for what will happen to educational attainment in the near future. The use of age-specific rates

for education is justified on the grounds that educational attendance is strongly correlated with the early stages of the lifecycle; The comparison of educational attendance over all age groups would probably be misleading as the Indigenous population is disproportionately young. Therefore, Indigenous trends may be more volatile than non-Indigenous trends that would be dominated by mature people who may feel they were too 'old' to go 'back to school'. While it is true that older Indigenous people are more likely to be studying relative to their non-Indigenous counterparts, the observation of a relative decline is robust to inclusion of people over 25 years of age (Hunter & Schwab 2003).

On the positive side, there was a minor improvement in the proportion of Indigenous adults with post-school qualifications in both relative and absolute terms. A note of caution is struck in Hunter and Schwab (2003) who show that the majority of the improvement in incidence of Indigenous qualifications is due to the expansion of basic qualifications. Consequently, the type of qualifications being attained may only have limited impact on future employment outcomes. Nonetheless, even on its own terms the government is failing in the education arena.

It is probably not surprising that there has been no further clear improvement in Indigenous health given our previous comment about the lag between policy implementation and the eventual outcome. The upshot of census findings is that life expectancy at birth remains much lower for Indigenous males and females, being about 20 years less than that of their non-Indigenous counterparts. Furthermore, relative life expectancy worsened in the last inter-censal period as a result of improvements in non-Indigenous outcomes. It is noteworthy that life expectancy for Indigenous males remains stagnant at 57 years. The substantial inertia in Indigenous health is confirmed by the stability of the low proportion of the Indigenous population in the older age groups.

Comparing 'symbolic' and 'practical' reconciliation

In Table 3, we provide a 'score card' comparing both relative and absolute change in Indigenous socio-economic status during the two periods under consideration. Our cautionary comments about data quality and their contestable meanings have made us equally cautious in interpreting change—we focus only on broad movements, positive, negative or unchanged, in the 8 selected variables and not on the extent of changes which readers are at liberty to calculate for themselves.

The use of a score is problematic because the variables selected in Tables 1 and 2 are somewhat arbitrary, and should not necessarily be given equal weighting. For example, some variables measure similar things and to include all of them would give undue weight to certain aspects of practical reconciliation. In an attempt to avoid the lack of independence of some variables, a select group of variables are

identified that do not duplicate information in other variables (e.g. female life expectancy is omitted because it attempts to measure a similar thing to male life expectancy). The following 'score card' only includes 2 variables from the main dimensions of practical reconciliation so that it provides a balanced representation of recent trends.

Several variables are left out because they are difficult to compare over time, and consequently may be misleading. For example, total employment and unemployment are omitted because the growth of the CDEP scheme could drive the results. The variable, left school before 15, is problematic because of the change to the relevant question in the 2001 Census. While private sector employment is not included in Table 3 because recent privatisations mean that many private sector jobs have been 'created' at the expense of public sector jobs, rather than being a true indication of additional jobs for Indigenous workers (also see discussion in Appendix A). Note that the overall score in Table 3 is only broadly indicative of aggregation of improvement or decline in the variables.

Table 3 indicated that in the period 1991–1996, absolute well-being improved for six variables, declined for three and remained the same for one. In the period 1996–2001, absolute well being also improved for six variables, declined for three and remained the same for one, an identical scorecard.

The issue of relative well-being is of greater significance. On one hand, the 1990s was a decade of general prosperity, and the period 1996–2001 one of unparalleled national growth in the post-war era. On the other hand, practical reconciliation is as much about reducing relative disparities as about absolutes. Here there is some divergence of performance between the two periods under consideration.

Table 3 indicated that in the period 1991–1996, relative well-being improved for six variables, declined for three and remained static for one. In the period 1996–2001 relative well being improved for four variables and declined for six, a surprisingly poor scorecard that suggests that Indigenous people have not shared in national economic growth to the same extent as other Australians.

Over the entire reconciliation decade 1991–2001, there was absolute improvement for five variables, a decline for three, and no change in two. So talk of policy failure in absolute terms for this decade is probably misplaced.

Table 3. A summary of direction of absolute (Indigenous people in successive census) and relative (ratios of Indigenous/non-Indigenous indicators) inter-censal change, 1991–2001.

Indicator	1991–1996		1996–2001		1991–2001	
	Absolute change	Relative change	Absolute change	Relative change	Absolute change	Relative change
Labour force status						
Labour force participation	–	0	–	–	–	–
Full-time jobs	+	+	–	–	–	+
Income (in 2001 \$)						
Median income, adults	–	–	+	–	–	–
Median income, families	–	+	+	+	+	+
Housing						
Home owner or purchasing	+	+	+	+	+	+
Household size	+	+	+	+	+	+
Education						
Currently attending tertiary institution aged 15–24 years	+	+	–	–	0	–
Post-school qualification	+	+	+	+	+	+
Health						
Male life expectancy at birth	0	–	0	–	0	–
Population age over 55 years	+	–	+	–	+	–
Score (net pluses out of 10 variables)^a	3	3	3	-2	2	0

Note: A zero indicates that there were no differences between the numbers reported for the respective censuses in Tables 1 and 2 (i.e. there was no difference to the second significant digit).

However, in relative terms the story has been a little different. In the period 1991–2001, there was relative improvement in five variables, and a relative decline in five variables. Of particular concern was relative decline over the period in educational and health status. In terms of

reconciliation, if this is interpreted in relative and 'practical' socio-economic terms, there is less reconciliation in 2001 than in 1996. Equally worrying areas of improvements evident to 1996 have been eroded over the period 1996–2001.

Discussion: Limitations to policy approaches based solely on practical reconciliation

Prime Minister John Howard has been quoted as saying: 'Progress has been made in practical reconciliation in closing the gaps... There are still big gaps and disadvantage but we have still made progress in the areas of mortality, high school retention, TAFE enrolments, and some progress in literacy' (quoted in Sutton 2001). The analysis above illustrates that the data does not bear out this claim, especially during the first two terms of Howard's government. The main gains for Indigenous Australians have been in small increases in home ownership and post-secondary qualifications. Unfortunately, none of the gains are unambiguous. For example, enthusiasm about improvements in educational qualifications must be tempered by the knowledge that retention rates and participation rates of Indigenous youth in tertiary education appear to have faltered.

The term 'practical' reconciliation implies that it is relatively straightforward to address Indigenous disadvantage. However, the multifaceted and historically ingrained nature of this disadvantage means that addressing deficits in particular social indicators might not be amenable to easy solutions. Even Pearson was prompted to point out the limitations of the approach, 'The problems that we are talking about are not simply 'practical' problems that can be solved with good intentions and sufficient funding' (Pearson 2000).

Another important point, missed by advocates of practical reconciliation, is that physical and psycho-emotional needs must be satisfied simultaneously. One of the major problems with the practical reconciliation agenda is that it fails to recognise that many of the practical outcomes highlighted are driven, directly and indirectly, by social, cultural and spiritual needs. The current policy agenda ignores the interdependencies between many of the dimensions of Indigenous disadvantage, particularly how social and historical factors can influence contemporary Indigenous practical outcomes.

The emphasis on 'practical reconciliation' stands in opposition to a rights-based approach, and in particular to recognition of rights that may arise from the unique position of Indigenous peoples as the original owners and occupiers of the land and its resources. Thus, while, in the Government's view, special measures can be implemented to overcome disadvantage, they are not to be seen as providing any rights additional to or different from those available to other Australians (see Aboriginal

and Torres Strait Islander Social Justice Commissioner 2001; Commonwealth of Australia 2002: 17). Jonas has pointed out that the emphasis on practical reconciliation has been used to remove the rights discourse from matters involved with Indigenous disadvantage:

In brief the problem with this approach is the simplistic, arbitrary and extremely artificial division it creates between measures which are described as practical as opposed to symbolic (Aboriginal and Torres Strait Islander Social Justice Commissioner 2001: 23).

The importance of the inter-related dimensions of cultural, social and economic domains is the subject of much research (Borland & Hunter 2000; Folds 2001; Hunter 1999; Hunter 2000). For example, social alienation feeds into substance abuse, which leads to crime, which affects education and hence employment. One weakness of the approach of practical reconciliation is that it tends to implicitly discount subtle interactions between the various dimensions of Indigenous disadvantage—sometimes termed the social exclusion of Indigenous people.

The discounting of the historical nature of Indigenous disadvantage is particularly problematic. Social problems often have their genesis long ago in appropriate parenting—something that was denied the stolen generation by government fiat. Note that this is not merely a symbolic issue. For example, being a member of the stolen generation has an impact on the rates of Indigenous arrest and consequently employment and education, especially lifelong learning (Borland & Hunter 2000; Hunter & Schwab 1998). Administrative policies that were implemented over 30 years ago can affect the lives of Indigenous people today. The main ‘impracticality’ of practical reconciliation is that it ignores the things that continue to divide Indigenous Australians from the rest of the community. That is, even if we discount issues of social justice, so called ‘symbolism’ is important because it probably will have real effects on people’s behaviour.

Similarly economic problems have their genesis long ago with the alienation of land and resource rights. While in recent years, land rights and native title laws have seen the return of much land to indigenous Australians, there has been little restitution of commercially-valuable property rights in resources (Altman 2002). While such restitution is based on a rights framework—so-called symbolic reconciliation—there is no doubt that it would have a significant impact on the socio-economic status of Indigenous Australians. Conversely, to the extent that practical reconciliation is associated with socio-economic equality, this will not be possible without an equality in the ownership of resource rights.

Another impediment to effective policy for Indigenous Australians is that current policies still fail to take into account the recent large increases in the number of Indigenous youth entering the workforce (Taylor & Altman 1997; Taylor & Hunter 1998). It is also possible that educational participation is faltering because insufficient resources are allocated to deal with these increasing numbers of prospective students.

While the growing numbers of Indigenous youth is a significant issue for employment and education policy, this demographic process is not endless. Current population projections mean that the size of the Indigenous cohorts of youth entering the working age population may decline after 2011. However, it is manifestly obvious that current government policy has failed to take into account the challenge of increasing numbers of Indigenous youth, especially in the education and employment areas. This means there is a need for far greater investment in such areas if practical reconciliation is to be achieved.

The importance of education of females has been identified as crucial for reducing the size of Indigenous families which is itself a key dynamic in the ongoing under-development of Indigenous people. Research by Caldwell in Third World development contexts revealed that even very modest increases in education experience for a mother increases the survival and health of their children (Caldwell 1994: 14–5). Caldwell suggests that this increase in positive health outcomes results from a range of factors including the implementation of simple knowledge, increased confidence in dealing with the modern world (particularly health practitioners), and some shifts in family power structures whereby the woman increases her control over health choices for children. A similar link has been established for Indigenous Australians (Gray 1988).

Obviously reconciliation between Indigenous and non-Indigenous Australians is not conditional on the achievement of equality of living standards across the two populations. True reconciliation requires a dialogue between equals whereby each party comes to accept the diverse aspiration and beliefs of the others. This in turn strays once again into the realm of the symbolic.

Conclusion

The Howard Government is highly critical of past performance in Indigenous policy and it is now timely to evaluate its efforts. Practical reconciliation forms the rhetorical basis for much of the Indigenous policy initiatives of the current Government. Despite the policy rhetoric of three Howard governments, there is no statistical evidence that their policies and programs are delivering better outcomes for Indigenous Australians, at the national level, than those of their political predecessors. This intractability is worrying in part because it is evident

during a time when Australian macro-economy is growing rapidly. This suggests that problems are deeply entrenched—is not just a matter of choosing between practical and symbolic reconciliation. There are other pressing issues—levels of investment, targeting resources to the most needy, and delivering in whole-of-governments ways that will make a difference. A major problem for both Indigenous Australians and the nation is that other research suggests that the situation is likely to get worse, rather than better, over the next decade (Hunter, Kinfu & Taylor 2003).

One obvious point to make is that national trends in socio-economic indicators can hide substantial geographic variation (see Appendix A). For example, the national decline in private sector employment between 1991 and 1996 is driven entirely by the relatively large decline in the opportunities for Indigenous people to find such employment in non-urban areas. The national increases in Indigenous private sector employment during the last intercensal period occurred despite a small decline in non-urban areas, but much was program driven.

The geographic dimension of social indicators illustrates that it is difficult to ensure that statistical equality can ever be achieved for all groups of Indigenous people. The improvement in outcomes nominated by the proponents of practical reconciliation depends on local context facing Indigenous people. The diversity within Indigenous Australia and structural barriers such as local labour market conditions, access to programs, infrastructure and ‘citizenship entitlements’, all have important implications for both absolute and relative socio-economic status. If true reconciliation is to be achieved, then it must face the multiplicity of circumstances facing Indigenous Australians, and adjust the goals accordingly.

Appendix A: The geographic dimension of ‘practical’ reconciliation: a historical trends in private sector employment by sections of state

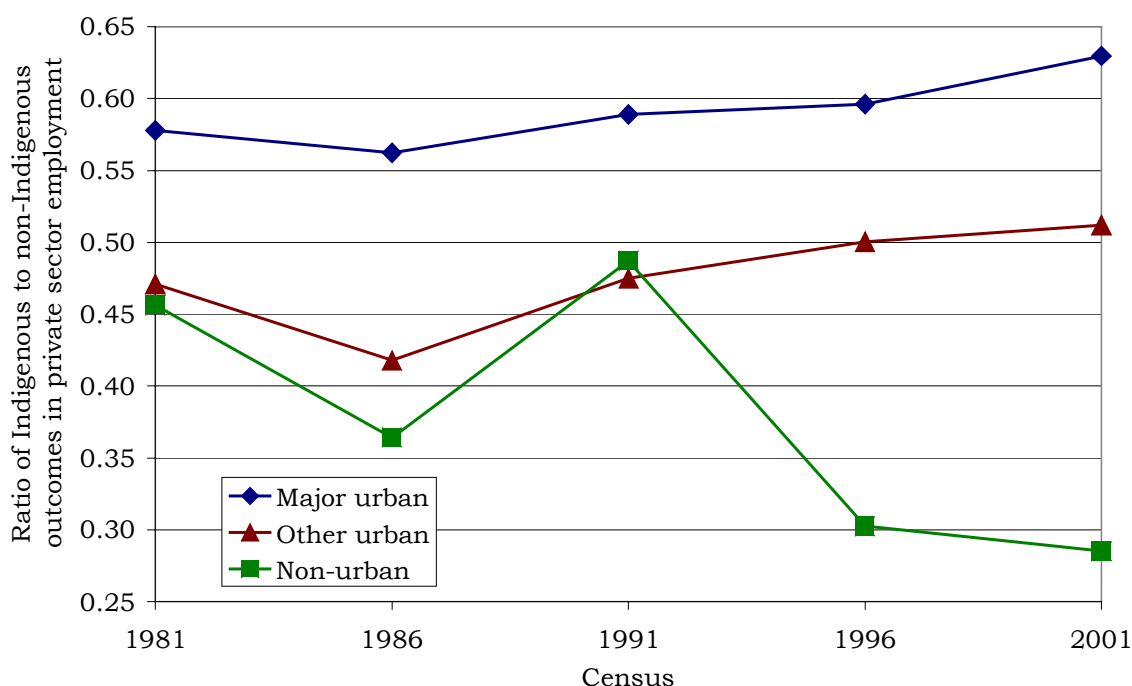
This Appendix provides a tentative exploration of a geographic dimension of ‘practical’ reconciliation using census data on the trends of private sector and full-time employment between 1981 and 2001. As noted in the body of the paper, the rise of the CDEP scheme since 1977 complicates the analysis of changes in Indigenous labour force status vis-à-vis other Australians. Rather than focus on an indicator that could be influenced by the CDEP scheme, which has no direct historical analogy in mainstream labour market programs, we will focus on private sector employment and full-time employment as both effectively exclude CDEP employment.

Figures 1 and 2 plot changes in private sector employment and full-time employment by section of state between 1981 and 2001. In relative terms, private sector employment has improved consistently in urban areas since 1986 with outcomes in 2001 exceeding those of earlier censuses. However, relative outcomes in non-urban areas have been more variable, and indeed declined substantially since 1991; although the decline was relatively small for the last intercensal period. The variability of Indigenous private sector employment may result from the small numbers participating in that sector, especially in non-urban areas.

Major urban areas appear to have a greater proportion of Indigenous workers in the private sector relative to other areas—probably because such areas are closer to larger labour markets that generate a wider variety of jobs, including low-skilled jobs that Indigenous job seekers with limited education will have a realistic chance of securing.

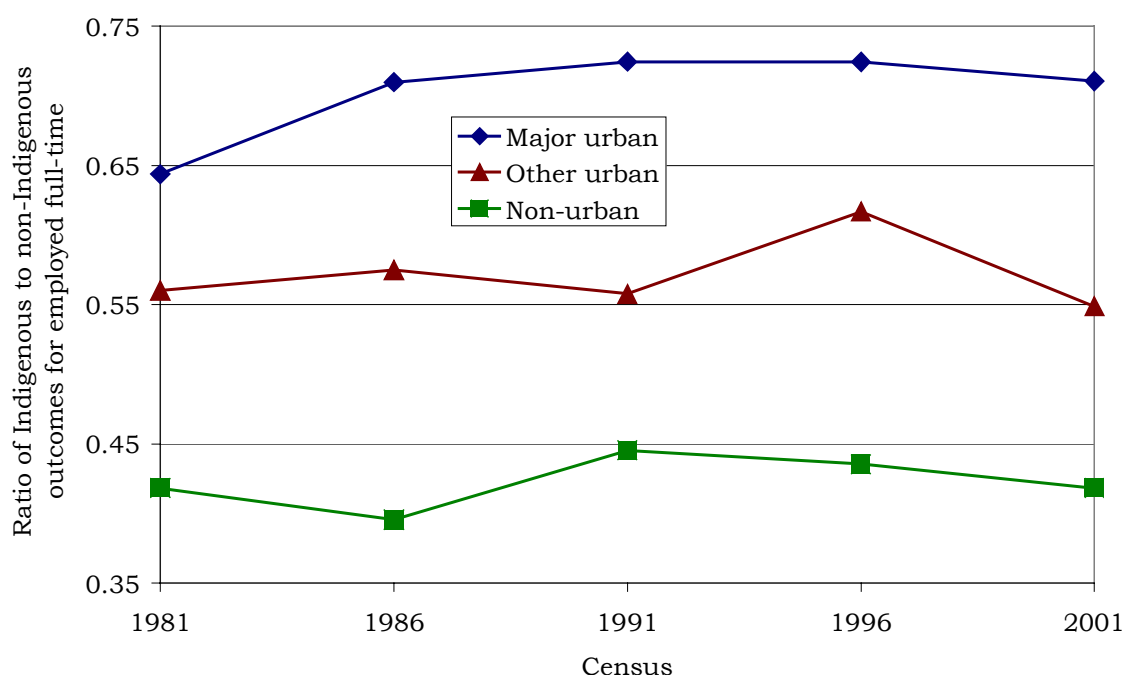
While private sector employment effectively excludes CDEP jobs, so does an analysis of full-time jobs. That is, few CDEP jobs require that employees work for more than 35 hours per week. The benefit of using full-time employment as an indicator is that it includes one of the major sources of Indigenous employment, the public sector.

Figure 1. Ratio of Indigenous and non-Indigenous outcomes in private sector employment by section of state, 1981–2001



As with the private sector employment, urban areas, especially major urban areas, have a relatively good record in generating full-time jobs for Indigenous Australians, probably for similar reasons. However, Figure 2 demonstrates that the relative record of Indigenous employment in full-time jobs is quite stable since 1981 with virtually no change since 1986. If anything, the reconciliation decade is one of particularly poor performance in relative outcomes for such jobs. As a consequence, one should not get too excited about the relatively good performance in private sector as it appears that there may be some substitution between the public sector jobs and private sector employment opportunity. If this is occurring as a result of privatisation, then it is difficult to argue that improvements in Indigenous private sector participation is a move towards practical reconciliation. It is more plausible that there has been a ‘shuffling of the deck’ with public sector employment losses being offset by Indigenous gains in the private sector. Notwithstanding such difficulties in interpretation of the results, some credit should go the IEP which ‘generated’ 9,000 or so jobs in the private sector. To the extent that the IEP is responsible for the last intercensal period’s good performance in the private sector, it must be acknowledged that policy appears not to have arrested the decline in private sector employment in non-urban areas.

Figure 2. Ratio of Indigenous and non-Indigenous outcomes in full-time employment by section of state, 1981–2001



The obvious point to make is that national trends in socio-economic indicators can hide substantial geographic variation. The national decline in private sector employment between 1991 and 1996 is driven entirely by the relatively large decline in the opportunities for Indigenous people to find such employment in non-urban areas. The national increases in Indigenous private sector employment during the last intercensal period occurred despite a small decline in non-urban areas.

For full-time employment, the national improvement during the Hawke/Keating period appears to be driven by the opportunities for Indigenous people in urban areas outside the major cities. However, the decline in Indigenous full-time employment in the last intercensal period was relatively uniform in the three sections of state.

The message of this appendix is that it is difficult to ensure that statistical equality will ever be achieved for all groups of Indigenous people. The improvement in outcomes nominated by the proponents of practical reconciliation depends on local context facing Indigenous people. Structural barriers such as local labour market conditions, access to programs, infrastructure and 'citizenship entitlements' can have important effects on both absolute and relative socio-economic status.

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