



CENTRE FOR ABORIGINAL ECONOMIC POLICY RESEARCH

Economic Development and Participation for Remote Indigenous Communities: Best Practice, Evident Barriers, and Innovative Solutions in the Hybrid Economy

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My presentation today focuses on remote Indigenous communities of which there are 1,200, with a total population of around 120,000 or 30% of the total estimated Indigenous population. These figures suggest an average community size of only 100—clearly there is a great deal of variation from tiny outstation and pastoral communities to relatively large remote townships that are growing quickly. Most of these communities are in what was called ‘colonial Australia’ by Charles Rowley in 1971. While they are often also termed ‘discrete’ Indigenous communities many of the larger also have non-Indigenous, but often temporary, residents.

My reasons for focusing on these communities, mainly in the NT, WA, Qld and SA, are twofold. First, according to official statistics gathered by the ABS with an Indigenous identifier only since 1971, the socio-economic status of residents of these communities is the lowest of all Australians—a view that I will challenge below. Second, these are the contexts where the issue of economic development looms largest, something that was highlighted by the Miller Committee of Employment and Training in 1985.

What is the economic development issue in these contexts? First and foremost, the perceived problem is an absence of significant market or private sector economies. This explains in part why these discrete communities exist and in part why Indigenous people choose to live at them for mainly non-market reasons—because of continuing links with country. But while orthodox economic theory might suggest that Indigenous residents of such communities should migrate elsewhere to engage with the market economy, it is highly contestable how effectively they would compete for employment, owing to historic legacy. In any case, the liberal democratic Australian nation state enables people to stay in townships created initially by administrative

colonial fiat, on or near traditional lands, and at outstations—and most Indigenous people in remote Australia are choosing to do just that.

Economic development in such contexts is not just about development for enhanced market engagement, high formal employment and high and growing income. Such options rarely exist in these contexts. Rather, development should be viewed as a process that might enhance Indigenous participation with local, regional and national economies. The nature of economic development will be a function of the precise nature of local and regional economies, rather than of the currently prosperous metropolitan economies of south-east Australia successfully engaging with globalisation. There is considerable diversity in the nature and structures of remote and regional opportunities and circumstances.

These local and regional economies are unusual in a First World context. They are what I have termed elsewhere ‘hybrid economies’, with customary (or Aboriginal), market (or private) and state (or public) sectors interacting in different ways. The ‘real’ economy in such situations is the hybrid economy. Arguably, the development problem in such contexts is that there is too much state and not enough market and customary; clearly Indigenous competitive advantage is embedded in the customary, whether in production for use or production for market exchange.

Part of the argument I make here is that over the 30-year period since 1971 these remote economies have been in apparent crisis, according to official statistics, because a crucial element, the customary, has been overlooked and another element, the market, is relatively absent. These are not dual but three-sector economies, but there has been consistent failure to accurately conceptualize remote Indigenous economies in this way.

Let me provide five vignettes to demonstrate the contributions made by elements of the hybrid economy in some contexts. I mainly draw my examples from the tropical savannas, where I have worked over the last 25 years.

1. I first worked in central Arnhem Land with Kuninjku harvesters in 1979–1980. At that time with welfare just arriving, the customary sector accounted for the major part of the local economy, 64% of cash and imputed (at market replacement value) income was generated by the customary; 26% by welfare (the state); and 10% by the sale of art (the market). In recent research undertaken with the same people at the same places in 2002–2003, it is estimated that with full incorporation into income security (CDEP and Family Allowances) these proportions have changed somewhat, now the customary is relatively smaller at 32% and the state larger (at 57%) while the market sector is similar. Nevertheless for an average Kuninjku outstation of 25 people, customary activity generates an estimated \$72,800 worth of food per annum. This is not just activity that generates imputed income, it indirectly generates cash and it enhances people’s diet, nutrition and health status.
2. Let’s examine another customary sector example. The recently completed National Recreational and Indigenous Fishing Survey 2003 showed a remarkable 92% fishing participation rate for the surveyed Indigenous population in north Australia. An estimated 37,300 Indigenous fishers participated in 420,000 fisher days harvesting a total of nearly 3 million fish of many species. This customary activity would have been unrecorded in official labour force or income statistics.

3. The Indigenous visual arts industry is an important example of how productive activity, grounded in the customary, has been modified for the market. It has recently been estimated that the sector is valued at a minimum \$100 million per annum Australia-wide, with most art produced at remote communities. The recently-launched NT Indigenous Arts Strategy notes that this activity is a significant employer and source of cash income in regional and remote communities where opportunities for market engagement are rare. The Strategy also notes that the sector supports a range of positive cultural and social outcomes. It is estimated that 5,000–6,000 arts practitioners in remote communities everywhere engage in visual arts production, yet there is no recognition in official statistics of this high level of participation.
4. In the NT, the Caring for Country and Caring for Sea Country community-based ranger programs are aiming to manage Aboriginal-owned land and sea natural resources sustainably—the terrestrial jurisdiction is currently about 170,000 sq kms and the coastal/intertidal zone totals about 85% of the NT total. About 35 community-based ranger programs are underway, providing activity for about 300 Aboriginal people with funding coming mainly from the CDEP scheme and Natural Heritage Trust. Some community-based rangers are also engaged in additional commercial utilization of wildlife like crocodile eggs and fresh water turtles. Ranger programs focus on the eradication of noxious weeds, especially mimosa, and the management of feral animals and pests, including cane toads, crazy ants, cats, pigs, horses, donkeys and buffalo. An informal network, the North Australia Indigenous Land and Sea Management Alliance (NAISMA), has evolved to integrate activity across the tropical savanna. Some alliances are emerging with AQIS to test feral animals for disease and community-based ranger programs could play an important role in eco-services delivery and in bio-security in remote and under-populated regions. This is a case where the customary is delivering private and public good in a missing market—local, regional and national benefit is generated. The programs are also helping Australia meet its international biodiversity obligations.
5. A final brief example is where the maintenance of customary fire regimes, innovatively mixed with modern technology, is assisting to reduce late dry season wildfires in the Top End. The Arnhem Land Fire Abatement (ALFA) project is generating public benefit by reducing greenhouse gas emissions, abating atmospheric carbon dioxide and by reducing smoke that has negative health impacts on Indigenous and non-Indigenous populations in Darwin. This embryonic project has commercial potential in a possible emerging market, carbon trading, as it seeks to reduce atmospheric carbon by a minimum 300,000 tonnes per annum over a 60,000 sq kms region. The sequestered carbon sink potential of the region will be even greater.

These are but five examples of the workings of the hybrid economy. It is important to enhance each of these contributions because not only do they generate economic development opportunities based on participation, but in many situations they also generate positive spin-off benefits to regions and the nation. What are barriers to expansion and some solutions that governments could consider?

1. How can people be assisted to participate in harvesting in the customary sector? One option is to facilitate outstations residence; another is to assist with appropriate equipment. For example, evidence from recent analysis by Tony

- Griffiths indicates that a hunt with a gun generates \$154 worth of harvested food, a hunt without a gun \$25, or over 6 times less. Policies and programs are needed to enable effective participation in this sector, especially as feral species like pigs and buffalo that need regular culling are increasingly being hunted. The negative, and unintended, impacts of new gun laws on Aboriginal people who hunt as part of a customary lifestyle need urgent consideration.
2. The recent Indigenous fisheries survey indicated that fishing was happening everywhere, but rather than being a cause for celebration this was viewed skeptically as Indigenous fishers endangering protected species (with little hard evidence on species stocks, causation, or sustainable yields). In reality there are real barriers to commercialization of the customary in coastal communities because of regulatory and property rights barriers. Put another way, an Indigenous fisher can catch a barramundi to eat, not to sell in home communities. Some serious consideration needs to be given to how community licences can be extended to allow local harvesting of commercial species for local sale to facilitate local micro-enterprise.
 3. The period 1973–2003 has seen spectacular growth in Indigenous visual arts. Not only do Indigenous arts provide a means for market engagement, but the community-controlled art centre model, originally developed by the Aboriginal Arts Board of the Australia Council in 1973, also has a long and proven track record. Yet in the last decade funding support to the sector has stagnated, even though much quantitative evidence shows very positive ratios in terms of outcomes for dollar inputs. In 2003, both NT and Commonwealth governments developed strategies to enhance infrastructure support to Indigenous arts to facilitate further growth. A *Land Rights News* article in October 2003 was headed ‘It’s raining arts strategies!’—it is important that the fundamentals of past successes, community-controlled mediation of artists with the market, are not overlooked.
 4. Some recent calculations undertaken by a colleague, biological scientist Peter Whitehead, compares the cost of natural resource management (NRM) in Kakadu National Park, a region of 20,000 sq kms, with a nearby region of 10,000 sq kms in central Arnhem Land. He estimates that in Kakadu, a world heritage area, about \$890 is spent in management per sq km (with much obviously spent on dealing with high tourism visitation) compared to between \$60 and \$140 in Arnhem Land. Yet there is no evidence, as a recent ANAO Report noted, that biodiversity conservation outcomes are effectively monitored in Kakadu nor that biodiversity conservation is better than in Arnhem Land—indeed for many migratory species and in relation to fire management these are highly interdependent bio-regions. There is a need to consider equitable funding for NRM outcomes or at the very least to provide recurrent and stable support to community-based ranger programs that generate jobs and positive conservation outcomes. The same case can be made with Indigenous sea rangers and coastal fisheries, refugee and bio-security surveillance.
 5. Over the last three years a consortium made up of a number of savanna stakeholders including local community rangers, the NLC, Tropical Savannas Management Cooperative Research Centre, the Bushfires Council of the NT and major regional Aboriginal organisations have tried to get the ALFA project supported by the Australian Greenhouse Office (AGO) under its Greenhouse

Gas Abatement Program (GGAP). Currently, a private sector stakeholder is looking to invest in this proposal even though only a quasi-market in carbon credits is in place; the AGO is reconsidering the proposal. To operate effectively resources are needed for equipment, wages and infrastructure, especially to access uninhabited regions.

I summarise my findings with five key messages to stakeholders here:

1. I have provided a few examples of what is working. This is not to suggest that other possibilities do not exist especially in market and state sectors that have not been my focus today. Economic diversity suggests that local circumstances require local solutions, solutions that will not be driven from outside and that need to mesh with Indigenous aspirations—this is not an easy proposition for public policy to consider. We need to move beyond thinking in terms of mainstream jobs, training, or CDEP as a transition. Rather we need to afford people the dignity of recognizing their economic contributions. We also need to recognize that many remote development aspirations are likely to be articulated as hybrid economic forms.
2. The power of language must not be overlooked. Honest unambiguous discourse about Indigenous development is needed. Policy should aim to enhance activity and generate income, facilitate development in the hybrid economy. This will not necessarily lead to economic independence, formal statistical equality or even so-called welfare (income security?) reduction. We need to be clear about the massive hurdles faced when seeking to deliver market solutions in very difficult circumstances where the market is largely absent.
3. There is a need to support, celebrate and grow what is working and to focus program effort on all three sectors of local economies, the customary, the market and the state, while recognizing current and potential inter-linkages between these sectors.
4. A mix of the difficulties of remote circumstances and cross-cultural contestations about development suggests that the Commonwealth and States need to work together, not seek to substitute one for the other. There is evidence of such collaboration attempts in the state sector with Indigenous Communities Coordination Pilots; if evaluated as successful and cost effective then consideration should be given to extending this approach to other sectors.
5. And we need to recognize transportability of the hybrid economy model to more settled regions, even to metropolitan contexts. In such situations the customary might currently be a sliver, but it can have important competitive advantage in delivery of goods and services to the market (e.g. in cultural tourism, in fisheries) and to the state (e.g. in fire management in co-managed national parks).

In conclusion, we need creative and innovative solutions to complex development issues. To begin, we need to conceptualise these issues correctly and the hybrid economy model will assist. Using this model it is clear that nowhere are things as ‘under-developed’ as they first appear according to official statistics—many customary contributions are just invisible or unrecognised. This is not to suggest that all is well or that there is room for complacency; rather it is a call to invest in what is working with assurance that appropriate support will generate development outcomes. In the native title era, the customary sector has potential to expand—this is the sector

where many Indigenous people are demonstrating strong aspirations for participation. By looking to maximize participation in all sectors, without getting too caught up in policy rhetoric about economic independence or equality, development outcomes that match Indigenous aspirations with state policy goals, can be achieved.