

**Sustainable development options on Aboriginal land:
The hybrid economy in the twenty-first century**

J.C. Altman

No. 226/2001

ISSN 1036-1774

ISBN 0 7315 5601 1

Professor Jon Altman is the Director of the Centre for Aboriginal Economic Policy Research at the Australian National University.

Table of contents

Abbreviations and acronyms	iv
Summary	v
Acknowledgments	vi
Introduction	1
The people and the country	2
The hybrid economy	4
The market	4
The state	4
The customary economy	5
Linkages and interdependencies	5
Development dilemmas	6
Sustainability issues	7
Future development options	8
Conclusion	9
Notes	11
References	12

Abbreviations and acronyms

ABS	Australian Bureau of Statistics
AGO	Australian Greenhouse Office
AIAS	Australian Institute of Aboriginal Studies
ANU	The Australian National University
ARC	Australian Research Council
BAC	Bawinanga Aboriginal Corporation
CAEPR	Centre for Aboriginal Economic Policy Research
CDEP	Community Development Employment Project
CGC	Commonwealth Grants Commission
CSIRO	Commonwealth Scientific Research and Industrial Organisation
DFACS	Department of Family and Community Services
MAC	Maningrida Arts and Culture
NTU	Northern Territory University

Summary

This discussion paper is a brief summary of a number of intellectual endeavours undertaken in 2001. First and foremost, it is an attempt to progress a research collaboration between the author—a social scientist based at the Centre for Aboriginal Economic Policy Research—and a number of biological scientists based at the Australian Research Council ARC Key Centre for Tropical Wildlife Management at the Northern Territory University. It is hoped that it also further progresses our joint collaboration with an Indigenous organisation, the Bawinanga Aboriginal Corporation in central Arnhem Land. The broad aim of this wider collaboration is to generate creative ideas about new development futures for Aboriginal people living on Aboriginal land.

The paper seeks to broaden the notion of the economy and development to include the customary economy. A number of other issues are discussed in the process, some in a very cursory and exploratory way. These include the debate about Indigenous development encapsulated in extreme ideological positions taken by so-called ‘progressives’ and ‘conservatives’, as well as more conventional debates about the shortcomings of notions of development that are embedded in the market mentality and have limited analytical capacity for considering cross-cultural and sustainability issues. There is a linked debate about land rights and native title and whether the restitution of property rights (in land and species) to Indigenous groups will have a positive (or negative) future development impact.

The paper begins by outlining the economic development problem that is faced by Indigenous people living on Aboriginal land in remote and regional Australia. It then describes the hybrid economy, made up of market, state and customary components, that is a distinctive feature of such situations, and argues that a big part of the development problem is that this type of economy is poorly understood—by politicians, policy makers and Indigenous people and their representative organisations alike. Consequently, important Indigenous contributions remain unquantified and unrecognised in mainstream calculations of economic worth. This shortcoming is generated in large measure by inadequate analytical approaches that fail to ask how development based on market engagement be delivered to communities that are extremely remote from markets, in both locational and cultural terms.

A proper understanding of the hybrid economy requires a hybrid analytical and intellectual framework that combines science, social sciences and Indigenous knowledge systems. The paper argues for such a framework, and concludes by providing a few examples of how this different approach might enhance greater sustainable development on Aboriginal land in the twenty-first century.

Acknowledgments

This discussion paper has benefited from a great deal of collaboration. An early version was presented as 'Development dilemmas for Indigenous Australians in remote regions: Exploration of sustainable options in a hybrid economy for the 21st Century', on 18 July 2001 at the Northern Territory University's ARC Key Centre for Tropical Wildlife Management. I would like to thank many participants at that seminar for their input, but especially my research collaborators Peter Whitehead and Tony Griffiths.

My research on the customary economy is based on a long collaboration with people in the Maningrida region and the Bawinanga Aboriginal Corporation (BAC) that began in 1979. I would like to thank all my eastern Kuninjku research collaborators for inducting me into the customary economy and David Bond, Ian Munro and Fiona Salmon from BAC, and all the Djelk community rangers, for their assistance over the years. I have also been fortunate to have enjoyed productive collaborations with the Northern Land Council, and especially Peter Cooke of its Caring for Country Unit. I would like to thank my social sciences colleagues at CAEPR for discussing the ideas in his paper with me, and my science colleagues at the NTU for collaborations that have, I hope, helped to reduce entrenched disciplinary barriers between science and social science. For specific comments on an earlier draft I thank Melinda Hinkson, Mike Dillon and Peter Whitehead.

This version of the paper was presented at the Australian Institute of Aboriginal and Torres Strait Islander Studies Conference *The Power of Knowledge and the Resonance of Tradition* in a session entitled 'Beyond native title: Self government on Aboriginal lands—Economic independence and commercial development', in September 2001. The high level of interest in the paper, both at the conference and subsequently, encouraged me to publish it quickly, after taking into account further very challenging comments from readers, especially Lesley Head and Dan Gillespie, and also Peter Whitehead and Tony Griffiths.

Finally, I thank Frances Morphy for her editorial comments, Wendy Forster for assistance with the layout of the paper.

Introduction

At the start of the twenty-first century we have seen the emergence of a new and very provocative discourse on Indigenous affairs policy. The popular media have allocated labels to two ideological camps: the ‘progressives’ who support an amalgam of Indigenous citizenship rights and special rights, and the ‘conservatives’ who believe that the way forward is through a more thorough incorporation of Indigenous people into the mainstream.¹ Two recent books depict the extremes of these contrasting positions: Folds’ (2001) *Crossed Purposes* and Sandall’s (2001) *The Culture Cult*. Sandall accuses the progressives of giving too much weight to history, and of dishonestly ‘romanticising the primitive’ and facilitating the exclusion of Indigenous people from the benefits of modernity. The policy implication of his position is assimilation. Folds, on the other hand, provides a markedly different polemic of informed cultural relativism based on long-term residence in a Pintubi community. His position recognises lived reality, cultural difference and Pintubi choice. The policy implication of Folds’ position, however, is arguably the continuation of the status quo.

In this exploratory discussion paper I set out to challenge the ideological positions of both ‘progressives’ and ‘conservatives’, and of conventional economic thinking in general. I begin by outlining the economic development problem that is faced by Indigenous people living on Aboriginal land in remote and regional Australia. I then describe the nature of the hybrid economy, made up of market, state and customary components, that is a distinctive feature of such situations. Part of the development problem is that this type of economy is poorly understood—by politicians, policy makers and Indigenous people and their representative organisations alike. Consequently, important Indigenous economic contributions remain unquantified and unrecognised in mainstream calculations.

Part of the problem is generated by inadequate intellectual approaches to development dilemmas on Aboriginal land which are encapsulated in the false question: how can development based on market engagement be delivered to communities that are remote? Part of the answer, I will argue, is to question the premise upon which it is based, which is that the only type of economy worth the name is the market economy. In arguing for the existence and validity of the hybrid economy I will suggest that it can only be properly understood through a hybrid intellectual framework that combines science, social sciences and Indigenous knowledge systems. I will end by providing a few examples of how this different approach might enhance greater sustainable development on Aboriginal land in the twenty-first century: I will not, at this juncture, discuss in any great detail the many statutory, institutional and cultural barriers to such development that will need to be overcome.

This discussion paper is intentionally broad in scope and somewhat polemical because it is my view that such an approach is needed if we are to break the shackles of the very dominant market mentality that continues to pervade mainstream thinking. Such a mentality, I contend, is at best inadequate and

at worst inhibits creative possibilities for people who have very tenuous links to the market.

The people and the country

It is difficult to say just how many people live on Aboriginal-owned land. One recent estimate from 1999 suggests a total figure of about 110,000, with perhaps one in ten being non-Indigenous residents (Australian Bureau of Statistics (ABS) 2000). The Indigenous population of these lands accounted for about 25 per cent of the total Indigenous population at that time. It is significant that historical analysis over the last four censuses, 1981 to 1996, indicates that this population has grown significantly. More importantly, some recent preliminary population projections undertaken by Taylor and Bell (2001) in relation to a number of remote mining regions forecast rapid future growth. The Indigenous population of these selected regions is conservatively estimated to grow by 10,000 from 24,000, at a rate of 2 per cent per annum, between 1996 and 2016.

As this population grows, it is likely that the Aboriginal-owned land base will also grow. For example, recent research by Pollack (2001) indicates that the Indigenous share of the national estate comprised 14.2 per cent of Australia in 1993, 15.1 per cent by 1996, and between 16 per cent and 18 per cent in 2000. Such growth is a result of claims processes incorporated in land rights and native title laws, as well as the purchasing activity of the Indigenous Land Corporation. At the same time, native title property rights have also received enhanced statutory recognition, most significantly in the *Yanner v Eaton* High Court decision on customary use rights over wildlife.

The economic development problem for Indigenous people resident on Aboriginal land can briefly be described in the following terms: compared to the wider Australian norm, incomes are low and there is heavy dependence on the state as a source of income. At times this situation is depicted in terms of poverty and excessive welfare dependency: recently there has been a tendency for welfare reformers, for example McClure (2000), and Indigenous spokespeople such as Pearson (2000) to attribute many problems in Indigenous communities to these features.²

Reliance on the state can be explained by the relative absence of commercially viable enterprises in these remote localities. The market (or the private sector) is at best small, at worst non-existent, and consequently the state looms relatively large as provider of welfare and services. Had the populations of many of these regions been entirely non-Indigenous it is highly likely that today they would be even more sparsely populated, or even uninhabited. Conversely, if the land now occupied was not of marginal commercial value, it is unlikely that it would be Aboriginal-owned, because most restitution of land since the 1970s has been predicated on it being unalienated Crown land, which has been historically of limited commercial value.

History plays a major part in explaining the current situation and the following factors are of critical importance:

- colonisation encroached on much land that is now Aboriginal-owned (and its inhabitants) relatively late; this was partly due to geographic isolation and partly to the low commercial worth of the land;
- subsequent land rights legislation, and more recently native title laws have returned significant areas to inalienable, but communal, title; and
- the incorporation of the Indigenous people in these remote areas into the Australian state as full citizens also occurred only recently, leaving a negative legacy, in mainstream terms, of low education status, low health status, and so on, but conversely a positive legacy in terms of robustness of cultural identity and continuity of customary economic practice.

There are myriad other factors that explain contemporary development problems, many of which have been well-researched.

- Distinct Indigenous practice results in very different family formations from the Australian norm: families are generally larger, dependency ratios are higher, there is a far higher rate of population mobility (generally within fixed regions). Kin-based relations of production often limit individual and household economic incentive and accumulation.
- Property rights in land and resources have statutory and customary manifestations that are only loosely correlated; these property rights may not be equitably distributed, especially in situations when market development occurs.
- Social capital that might be well adapted to Indigenous prerogatives is robust, as is evident in continuities in customary laws and practices. But it is poorly adapted or is adapting only slowly to the market. This creates governance problems and associated political instability when market opportunities, such as major resource developments, occur.

There are other factors that are less well researched that also play a role in development.

- While there is a tendency to define communities as Indigenous, all but the smallest have powerful non-Indigenous sectors. Management of most remote communities is in the hands of non-Indigenous people who not only have a pivotal role in the market and state sectors of the economy, but who also define how these markets will operate and articulate with the customary sector.
- While there is currently a high degree of 'churning' of the non-Indigenous population, there is no indication that this component of the population will decline in the future. Indeed if the mixed family formation evidenced in other parts of Australia is indicative (Gray 1997), it is possible that this component of the population will increase throughout the twenty-first century.

The hybrid economy

The hybrid economy framework used here is intended as an analytical construct for the assessment of the particularities of any one situation and the linkages between the market, the state and the customary components of the economy. These linkages can be complex and are simplified significantly here. I begin with a description of each sector.

The market

The market can best be conceptualised as the productive private sector; it is always evident, but often more in a consumptive than a productive manifestation. In its productive form the market is often very small and might include the retail sector, the arts industry, commercial wildlife harvesting, local entrepreneurial activity and, in some situations, articulation with the mining and tourism sectors.

While there has been considerable debate recently about the emerging impacts of globalisation on the market in regional Australia (see Gray & Lawrence 2001) in reality the Indigenous economy has felt limited impact because there is so little market engagement. This does not mean, however, that Indigenous communities are not subject to globalisation: in some situations international impacts on arts, tourism and mining have direct and indirect ramifications for Indigenous stakeholders.³

The state

The state is present on Aboriginal land in many manifestations—as it is everywhere—as service provider to citizens, as provider of the welfare safety net, as law enforcer, and as regulator. In many Indigenous situations the state as provider looms relatively large because the productive market is relatively small and the customary economy is largely ignored in analysis. There are arguments to suggest that given the extent of relative need, the state should in fact play a greater role in many Indigenous communities (Commonwealth Grants Commission (CGC) 2001).⁴ Others argue that excessive state intervention, especially in the delivery of ‘passive welfare’ is often the cause of social problems: it is not that there is too little state support, it is just of the wrong form (Pearson 2000).⁵

While the evidence suggests that more of the state might be needed in the short-term, the political economy of Australian federalism and the relative absence of the productive market in remote areas often results in regional neglect. From the late twentieth century, governments have increasingly tried to corporatise and privatise state service provision, or else cost-shift onto that part of the corporate sector operating under the new rubric of ‘corporate citizenship’. Recent welfare reform based on McClure recommendations (McClure 2000) and auspiced by the government’s 2001–02 package *Australians Working Together* (Commonwealth of Australia 2001) seeks to establish mutual obligation relationships between

communities and welfare beneficiaries, a potentially fraught new form of cost-shifting from government to citizens.

The customary economy

The customary economy is made up of a range of productive activities that occur outside the market and that are based on cultural continuities: hunting, gathering and fishing occur within the customary economy, but so too do a range of other activities like land and habitat management, species management and the maintenance of biodiversity. A distinctive feature of the customary economy is that it is not monetised; consequently, its value has remained either unquantified or unrecognised in mainstream terms. Researchers, as a general rule, have ignored the value of the customary economy for a variety of reasons, but mainly because it is very difficult to quantify, especially on a regional scale.⁶ Case study material suggests that the customary economy can have significant economic value, especially in the tropical savannas and wetlands.⁷ The monetary value of the customary economy is most clearly evident when its products are marketed and attract a dollar value, as with the sale of Indigenous art. Even in such contexts there are indications of under-valuation.⁸

Linkages and interdependencies

In reality, there are invariably linkages and interdependencies between these three conceptual sectors: that is the nature of hybridity. Four cross-cutting cleavages are noteworthy.

- Market, state and customary—as evidenced, for example, in the marketing of arts via art centres that are state-supported, but are also dependent on their operating profits. Similar hybridity is evident in the commercial utilisation of wildlife and in cultural tourism enterprises, indeed in most activity that is underwritten to some extent by the state.
- Market and state—as in commercial enterprises that are underwritten by the state, be it by the Community Development Employment Project (CDEP) scheme or through direct state enterprise support.
- Market and customary—as in joint ventures that might not be predicated on any state support, but which require customary involvement.
- State and customary—as in customary activities that are underwritten by state support, usually in the form of income support from the CDEP scheme or welfare.

Regional interdependencies are also significant, but are rarely highlighted. An example is the significant attraction to international tourism of species biodiversity in Kakadu National Park; much of this is linked to habitat conservation not just in Kakadu, but also in abutting Aboriginal land in western Arnhem Land. A positive spin-off benefit for Australian tourism is generated on Aboriginal land, but is largely unrecognised, except by biological scientists, and is neither quantified nor remunerated.⁹

Development dilemmas

The fundamental development dilemma faced by most Indigenous communities located on Aboriginal land is how to grow the hybrid economy. In many situations it is possible that, population growth aside, the level of state intervention has peaked and the key development issue is how to expand the productive market and customary sectors. Development dilemmas abound: I focus on just four.

First, given that many members of Indigenous communities on Aboriginal land aspire to maintain a degree of physical distancing from the wider global economy (Levitus 2001), the extent of engagement with the market will vary enormously. While the members of each community will make decisions about the tradeoff between engagement and isolation, it is important that the implications of any new business opportunity, especially in high social contact industries like tourism, are understood. Distinctions between direct and indirect engagements with the market will be important: there is a significant difference between producing art for sale at controlled outlets and high levels of tourist visitation onto one's land (see Altman 1989).

A second dilemma is the establishment of appropriate recognition of the contribution of the customary economy to Indigenous households and communities and to the wider society. Such a contribution can be of direct benefit to Indigenous economic wellbeing, for example in the returns from wildlife harvesting. But indirectly, external benefits are also generated for regions and the nation, for example by the positive impacts of such harvesting on the maintenance of species biodiversity. Another example is the use of fire for land management and maintenance of floral biodiversity (Russell-Smith et al. 1998; Yibarbuk et al. 2001). Of secondary significance, but still noteworthy, is the unrecognised contribution of Indigenous people to nation-building: roads, airstrips and other infrastructure developed over time with minimal state support represent a growing investment in the remotest regions. The development dilemma here is how to ensure that Indigenous people are remunerated for the spill-over benefits they generate for regions and the nation, while also ensuring that recognition of the previously unrecognised does not result in cost-shifting and the jeopardisation of state support for households. And while those who profit should theoretically underwrite the provision of economic activity with spin-off benefit, there is clearly what economists call an 'information problem' here and no opportunity to trade between providers and beneficiaries.

The third dilemma is the difficult issue of governance. There is a belated recognition of the need to invest in community capacity-building and institutional strengthening that will ensure political stability (critical to investor confidence) and the equitable distribution of income. This is reflected in new programs like pilot Community Participation Agreements (Commonwealth of Australia 2001; see also Smith 2001). A dilemma here is the tension between customary law, that gives primacy to traditional land owners, and commercial law, that gives primacy to sound business practice and investor interests.

A fourth and associated issue is how to structure community and economic governance in a manner that recognises the intercultural nature of many Indigenous communities and the heavy reliance of many organisations on non-Indigenous staff. It is likely that enhanced engagement with the market will increase rather than decrease the extent of such reliance, and there will be a need for governance structures that protect the interests of Indigenous stakeholders, especially in joint ventures. There is clearly a tension here between the rhetoric of Indigenous self-sufficiency and the reality of interdependence—another form of hybridity. Considerable attention needs to be given to the issue of how Indigenous interests might gain access to non-Indigenous staff of high quality: how do communities ensure excellence in staff recruitment, how do staff stay abreast of the latest developments when residing in isolated situations, and how do communities ensure that they curtail staff influence? Is there a need for larger regional structures with critical mass that might attract more highly skilled people, provide them with a career structure, and encourage outward-looking and productive relationships with universities and the private sector.¹⁰

Sustainability issues

The plethora of possibilities within the hybrid economy suggest that a diversity of approaches will be needed to assess sustainability—be it in the market, state or customary sectors, or any combination thereof. Some recent research in which I have participated indicates the benefits that accrue from a collaboration between scientists, social scientists and Indigenous stakeholders. Such collaboration is unprecedented, but it is an important and necessary, if not sufficient, precursor to ensure sustainability of enterprise. Two examples are provided below.

- Maningrida Arts and Culture (MAC) in central Arnhem Land sells over 1,000 carved wood sculptures per annum, but there has been limited research on the sustainability of species harvested, and no assessment of the limits to sustainable production. In 2000, a project undertaken by the ARC Key Centre for Tropical Wildlife Management in collaboration with MAC and the regional Djelk community rangers investigated the impact of the industry on one softwood species, *Bombax ceiba*, and found that production levels were currently sustainable because 80 per cent of harvested stems regenerated (Philips 2001). A collaborative project is now under way between MAC, Djelk community rangers, and academic researchers from the Northern Territory University and the Australian National University to assess the impact of the carved wood industry on all species and to estimate sustainable production limits.
- In the same region, a study called the Bawinanga Sustainable Use Project is under way, involving the same set of stakeholders and local Indigenous experts. It is estimating the stocks and sustainable yield of a number of wildlife species including wallabies, saltwater goannas and mud mussels (BAC 2000, 2001; Griffiths 2000). The aims of this research are to variably assess the limits to wallaby utilisation in the customary sector, the impact of

cane toad infestation on goanna populations, and the potential to harvest mud mussels for both customary and commercial purposes. Another project being undertaken here is a commercial and biological assessment of the potential of small-scale plant harvesting enterprises (see Whitehead et al. 2001). Nearby in Kakadu National Park, a project sponsored by Environment Australia is just beginning to look at feral animal management, and options for undertaking management through customary and commercial use rather than through expensive and probably futile attempts at eradication.

Lessons from the past suggest that no one approach is sufficient on its own to truly assess sustainability. There is a need for a hybrid approach that combines scientific assessment of biological sustainability, social-scientific assessment of commercial and social viability, and Indigenous expert assessment of cultural practice. Just as with the various combinations between market, state and customary sectors of the economy, so a variety of approaches combining science, social sciences and Indigenous expertise is needed to provide holistic and realistic assessments of sustainability and viability.¹¹

Future development options

The economic futures for Indigenous people living on Aboriginal lands have to be different from the situations obtaining in the immediate past, otherwise it is likely that remote area and rural enclaves of poverty and dependence will not only remain, but will increase in number and size with population growth. This is not the occasion to examine future options in any great detail, but rather an opportunity to elucidate some broad views. I begin with some observations.

- There will be enormous variability in the nature of the hybrid economy, in how people address development dilemmas, and in the thoroughness of their approaches to ensure sustainability.
- Accurate information will be needed if strategic decisions are to be made regarding which of the market, the state and the customary sectors should be given growth emphasis. Targeted support under Community Participation Agreements (despite the program's unfortunate mutual obligation and welfare overtones) could assist provision of such information at the community level.
- Overall reliance on the state, so called 'welfare dependence', will not decline, because there are structural and other impediments that will limit the overall growth of the market in the remote regions where Indigenous people live on Aboriginal land. However, there is a strong moral, political and economic argument for using a different nomenclature for such state support. It should be defined as regional fiscal subvention (in much the same way as that provided to other parts of regional Australia) and targeted to situations where previously unrecognised productive activity has spin-off benefits to industries and regions beyond the Indigenous estate.

In the twenty-first century it will be necessary to combine elements of what has been and is successful with new opportunities, some of which are currently unimagined. Development will require greater Indigenous engagement with the market; a greater Indigenous uptake of opportunities provided by the state; and an enhanced participation, in an ecologically-sustainable manner, of the customary.

The future potential value of the Indigenous land base and the future rights of Indigenous people in species should not be underestimated. If current research by the Cooperative Research Centre for the Sustainable Development of Tropical Savannas is indicative (see Tropical Savannas CRC 2000), much of the Indigenous-owned estate is relatively environmentally undegraded and species biodiversity remains high, and these features will be increasingly valued both by Australia and by the world at large in the future. There is real possibility that a conservation role will be increasingly recognised as a contribution of the hybrid economy, occurring at equivalent or lower public cost than mainstream conservation projects in national parks. Such an approach, that sees the state underwriting Indigenous sustainable use (and the associated maintenance of species biodiversity), is already partially evident in support for Indigenous Protected Areas. If the state sees the value of conserving the biodiversity of Aboriginal-owned land, then the apparently high cost of underwriting remote outstations or community ranger stations (that might have a secondary commercial role in cultural tourism or wildlife resource exploitation) begins to make economic sense: the cost/benefit trade-off fundamentally alters.¹²

New industries will emerge or develop from their currently embryonic state. An early twenty-first-century example is the Arnhem Land Fire Abatement Project currently under consideration by the Australian Greenhouse Office (AGO) under its Round 2 Greenhouse Gas Abatement Program. This project is a collaboration between the Bushfires Council of the Northern Territory, CSIRO Sustainable Ecosystems, the Northern Land Council, a number of other Indigenous regional and community organisations, and the University of California. This project aims to deliver 300,000 tonnes of measured carbon abatement per annum that will be commercially tradeable under the Kyoto Protocol from 2008. The project will generate important employment and training opportunities in the customary sector for Indigenous people living on their lands. However, there is a very worrying unresolved question: whether property rights in tradeable carbon credits in the 2008–12 period will be vested with Aboriginal land owners or the Commonwealth.¹³ Another new possibility is linked to the carbon sink potential of the Aboriginal estate that again might be tradeable in the future.

Conclusion

I began this discussion paper by outlining an emergent discourse about Indigenous development. I end by especially challenging the polemics of one group—‘the conservatives’—which argues that there is no economic future for

Indigenous people residing on their remote lands. For these commentators the future for Indigenous Australians lies in modernity, urbanisation, a full embrace of the market, and ultimately, assimilation. In the process I also demonstrate how Indigenous development has important links to broader development debates in Australia, particularly those about sustainability and environmental issues.

A critical flaw in the conservatives' position is that it is unconnected to statistical demographic reality: indications are that the Indigenous population of much of remote and regional Australia, where the expanding Indigenous estate is located, will increase. In my fundamentally different prognosis, I argue that there are real sustainable development options on Aboriginal land. An initial problem must be overcome: both policy makers and Indigenous stakeholders are using the wrong conceptual framework for understanding the nature of the economy in these regions. The choice is not limited just to the market and welfare economy. There is a tendency by all to ignore the customary sector in the modern hybrid economy and this sector's direct and indirect linkages and important commercial potentialities.

The realisation of development possibilities will not occur automatically or quickly, and the broad challenges, many based on a deeply-entrenched historical legacy, are great. The key immediate challenges are threefold.

- The first is to understand the nature of the economy, plan for sustainability, and nurture the hybrid economy in ways that mesh with Indigenous values.
- The second is to shift the political debate to ensure a recognition of customary contributions provided by Indigenous people to regional and national economies and industries, and ensure appropriate financial underwriting by those who benefit.
- Finally, market opportunities in many remote localities are rare, so when new opportunities arise they must be quickly harnessed by Indigenous interests. It is imperative that newly emerging property rights (e.g. in tradeable carbon credits) are commercially realised, not alienated as in the past.

The challenges to utilise the expanding Aboriginal estate so as to provide economic opportunities to its growing Indigenous population are significant. Recent research clearly indicates that there are regional opportunities for both development and conservation embedded in the customary economy, but realism also suggests that the state as provider will loom large in most situations for many years. The form and design of institutional structures within the Indigenous realm will be crucial in determining whether new regional opportunities are fully realised for the benefit of Indigenous people. It is also important to consider the transportability of best practice across regions. But there can be little doubt that development opportunity in the hybrid economy, enhanced by a hybrid approach focused on sustainability, will be of great significance in the twenty-first century.

Notes

1. While popular media coverage of such issues characteristically waxes and wanes, the extent of such coverage in 2001 does warrant reference. See e.g. the series 'What matters most' in *The Australian* in April and May 2001 and Nicolas Rothwell's concluding article 'At the dawn of a brand new day', *The Australian*, 5–6 May 2001.
2. It is important to make the point, when first using the term 'Indigenous community' that very few with populations exceeding 50 persons have Indigenous-only populations even when they are located on Aboriginal-owned land. Most community populations are mixed and it is not unusual for 10% of a community population to be non-Indigenous. The socioeconomic status and economic power of the non-Indigenous component of any 'Indigenous' community is far greater, in proportion to its size, than that of the Indigenous component.
3. The longer-term impacts of globalisation, especially of new communications technology, on the economy and social fabric of remote Indigenous communities awaits thorough investigation.
4. The final report of the CGC's Indigenous Funding Inquiry was completed in April 2001 but was not made publicly available till October.
5. Interestingly, at times the state takes on the role of regulator, for example when people want to commercially harvest new species and applications for commercial trials are rejected on health, safety or other grounds.
6. There are some issues embedded in this that are very important but which I cannot address in detail in this paper. First, it is hard enough to aggregate case studies using fine-grained scientific and cultural data from discrete relatively environmentally homogeneous environments like Arnhem Land, let alone incorporate in addition studies of Aboriginal land that is in more arid zones or that is more environmentally degraded. Second, there are ecological debates about the relative productivity of different environments. The biological-human ecology questions concern the factors that maintain some form of bounded equilibrium. This is a very complex issue that will be influenced by demography, history, forms of wildlife and change, regulatory regimes, cultural practices, and so on.
7. See e.g. work by Altman (1987) and Vardon (2001), and much work in progress by the NTU's ARC Key Centre for Tropical Wildlife Management (Griffiths 2000; Griffiths et al. 2000; Whitehead et al. 2001).
8. See e.g. ABS (2001) which values Indigenous commercial art sales in 1999–2000 at \$36m, a likely under-enumeration owing to a focus on only 31 Indigenous art centres and a failure to identify Indigenous interests in, or ownership of, commercial galleries.
9. It is interesting to contrast the reluctance to quantify spin-off benefits with the rush to quantify costs associated with invasions of exotic pests like the cane toad into tropical Australia. The state underwrites farmers when their productive capacity is impaired by drought or flood, weeds or locusts, but there is clear reluctance to quantify or compensate Indigenous people when the productive base of the customary economy is impaired. The recent incursion of cane toads into tropical savannas and wetlands will lead to the poisoning of freshwater crocodiles, long-necked turtles, goannas and carnivorous birdlife—species integral to the customary economy. There is no hint of state intervention to compensate poor Indigenous people for the lost productive capacity of the customary economy.

10. The Balkanu Cape York Aboriginal Development Corporation, based in Cairns but with a service focus on Cape York Peninsula, is an illustrative example of how such regional development and recruitment organisations might be structured.
11. Such issues are part of a broader challenge to mainstream economics and its faith in the market and the price mechanism (which often ignores the long-term, the intangible and the environmental, let alone the cross-cultural). The challenge to ensure sustainability has not thus far been particularly taken up in Australia.
12. An unpublished document 'Community Ranger and Land Management Groups, Top End' compiled by Peter Cooke and dated September 2001 indicates that there are currently 24 such groups at various stages of development in the region of the Northern Land Council. These groups receive highly variable levels of support from a wide variety of programs, ranging from the Indigenous Protected Areas program, to Landcare to National Heritage Trust, to the CDEP scheme.
13. In my view, there is a strong case for full property rights in tradeable carbon to be vested with Indigenous participants in the Arnhem Land Fire Abatement Project. Otherwise there would be limited incentive for Indigenous people to participate in the project after 2008, when AGO funding would cease. If the Commonwealth wanted to veto trade in the carbon to assist national abatement targets, then Indigenous interests could be provided with an equivalent of the value of carbon abatement (currently estimated at ranging from \$2–\$30 per tonne), quarantined for use on future abatement. There are existing precedents under the *Aboriginal Land Rights (Northern Territory) Act 1976* for payment of mining royalty equivalents.

References

- Altman, J.C. 1987. *Hunter-Gatherers Today: An Aboriginal Economy in North Australia*, AIAS, Canberra.
- 1989. 'Tourism dilemmas for Aboriginal Australians', *Annals of Tourism Research*, 16 (4): 456–76.
- Australian Bureau of Statistics (ABS) 2000. *Housing and Infrastructure in Aboriginal and Torres Strait Islander Communities*, Cat. no. 4710.0, ABS, Canberra.
- 2001. *Commercial Art Galleries Australia: 1999–2000*, Cat. no. 8651.0, ABS, Canberra.
- Bawinanga Aboriginal Corporation (BAC) 2000. *Annual Report 1999–2000*, BAC, Maningrida, NT.
- 2001. *Annual Report 2000–2001*, BAC, Maningrida, NT.
- Commonwealth Grants Commission (CGC) 2001. *Report on Indigenous Funding 2001*, CGC, Canberra.
- Commonwealth of Australia 2001. *Australians Working Together: Helping People to Move Forward*, DFACS, Canberra.
- Folds, R. 2001. *Crossed Purposes: The Pintupi and Australia's Indigenous Policy*, University of New South Wales Press, Sydney.
- Gray, A. 1997. 'Growth of the Aboriginal and Torres Strait Islander population, 1991–2001 and beyond', *CAEPR Discussion Paper No. 150*, CAEPR, ANU, Canberra.
- Gray, I. and Lawrence, G. 2001. *A Future for Regional Australia: Escaping Global Misfortune*, Cambridge University Press, Melbourne.

- Griffiths, T. 2000. Sustainability of Wildlife Use for Subsistence in the Maningrida Region, Progress report to National Heritage Trust, ARC Key Centre for Tropical Wildlife Management, NTU, Darwin.
- Griffiths, T., Bowman, D., Cowie, I. and Fensham, R. 2000. *Vegetation of the Maningrida Region, North-Central Arnhem Land*, Technical Report No.1, ARC Key Centre for Tropical Wildlife Management, NTU, Darwin.
- Levitus, R. 2001. Aboriginal Development and Self Determination: Policy, Distancing and Articulation, Unpublished manuscript, CAEPR, ANU, Canberra.
- McClure, P. 2000. *Participation Support for a More Equitable Society: Final Report of the Reference Group on Welfare Reform, July 2000*, DFACS, Canberra.
- Pearson, N. 2000. *Our Right to Take Responsibility*, Noel Pearson and Associates, Cairns.
- Philips, A.E. 2001. Aboriginal Artefact Production in the Maningrida Region: Harvest Sustainability and Pest Control in the Carving Wood Industry, Master of Tropical Environmental Management thesis, NTU, Darwin.
- Pollack, D.P. 2001. 'Indigenous land in Australia: A quantitative assessment of Indigenous landholdings in Australia', *CAEPR Discussion Paper No. 222*, CAEPR, ANU, Canberra.
- Russell-Smith, J., Ryan, P. G., Klessa, D., Waight, G. and Harwood, R. 1998. 'Fire regimes, fire-sensitive vegetation and fire management of the sandstone Arnhem Plateau, monsoonal northern Australia', *Journal of Applied Ecology*, 35: 829–46.
- Sandall, R. 2001. *The Culture Cult: Designer Tribalism and Other Essays*, Westview Press, Boulder, Co.
- Smith, D.E. 2001. 'Community Participation Agreements: A model for welfare reform from community-based research', *CAEPR Discussion Paper No. 223*, CAEPR, ANU, Canberra.
- Taylor, J. and Bell, M. 2001. Implementing Regional Agreements: Aboriginal Population Projections in Rio Tinto Mine Hinterlands 1996–2016, Report to Rio Tinto Ltd, CAEPR, ANU, Canberra.
- Tropical Savannas CRC 2000. *Annual Report 1999–2000*, Cooperative Research Centre for the Sustainable Development of Tropical Savannas, CRC Australia, Darwin [<http://savanna.ntu.edu.au>].
- Whitehead, P., Gorman, J., Griffiths, A.J. and Wightman, G. 2001. Feasibility of Local Small-Scale Commercial Native Plant Harvests for Indigenous Communities, Report compiled for the ARC Key Centre for Tropical Wildlife Management, NTU, Darwin.
- Vardon, M. 2001. 'Aboriginal wildlife use in the Top End of the Northern Territory', Paper presented at the *Veterinary Conservation Biology: Wildlife Health and Management in Australasia* conference, 2–5 July 2001, Taronga Park Zoo, Sydney.
- Yibarbuk, D.M., Whitehead, P.J., Russell-Smith, J., Jackson, D., Godjuwa, C., Fisher, A., Cooke, P., Choquenot, D. and Bowman, D.J.M.S. 2001. 'Fire ecology and Aboriginal land management in central Arnhem Land, northern Australia: A tradition of ecosystem management', *Journal of Biogeography*, 28: 325–44.

Centre for Aboriginal Economic Policy Research Publications

For information on earlier CAEPR Discussion Papers and Research Monographs please contact:

Publication Sale, Centre for Aboriginal Economic Policy Research, The Australian National University, Canberra, ACT, 0200, Telephone: 02-6125 8211, Facsimile: 02-6125 2789. Information on CAEPR, and abstracts or summaries of all CAEPR print publications and those published electronically, can be found at the following WWW address: <http://online.anu.edu.au/caepr/>

MONOGRAPH SERIES

5. *The Relative Economic Status of Indigenous Australians, 1986-91*, J. Taylor, 1993.
6. *Regional Change in the Economic Status of Indigenous Australians, 1986-91*, J. Taylor, 1993.
7. *Mabo and Native Title: Origins and Institutional Implications*, W. Sanders (ed.), 1994.
8. *The Housing Need of Indigenous Australians, 1991*, R. Jones, 1994.
9. *Indigenous Australians in the Economy: Abstracts of Research, 1993-94*, L.M. Roach and H.J. Bek, 1995.
10. *Native Title: Emerging Issues for Research, Policy and Practice*, J. Finlayson and D.E. Smith (eds), 1995.
11. *The 1994 National Aboriginal and Torres Strait Islander Survey: Findings and Future Prospects*, J.C. Altman and J. Taylor (eds), 1996.
12. *Fighting Over Country: Anthropological Perspectives*, D.E. Smith and J.D. Finlayson (eds), 1997.
13. *Connections in Native Title: Genealogies, Kinship and Groups*, J.D. Finlayson, B. Rigsby and H.J. Bek (eds), 1999.
14. *Land Rights at Risk? Evaluations of the Reeves Report*, J.C. Altman, F. Morphy and T. Rowse (eds), 1999.
15. *Unemployment Payments, the Activity Test and Indigenous Australians: Understanding Breach Rates*, W. Sanders, 1999.
16. *Why Only One in Three? The Complex Reasons for Low Indigenous School Retention*, R.G. Schwab, 1999.
17. *Indigenous Families and the Welfare System: Two Community Case Studies*, D.E. Smith (ed.), 1999.
18. *Ngukurr at the Millennium: A Baseline Profile for Social Impact Planning in South East Arnhem Land*, J. Taylor, J. Bern and K.A. Senior, 2000.
19. *Aboriginal Nutrition and the Nyirranggulung Health Strategy in Jawoyn Country*, J. Taylor and N. Westbury, 2000.
20. *The Indigenous Welfare Economy and the CDEP Scheme*, F. Morphy and W. Sanders (eds), 2001.

RECENT DISCUSSION PAPER SERIES

- 200/2000** *Industrial relations in workplaces employing Indigenous Australians*, B.H. Hunter and A.E. Hawke.
- 201/2000** *A comparative analysis of the industrial relations experiences of Indigenous and other Australian workers*, B.H. Hunter and A.E. Hawke.
- 202/2000** *The reform agenda for vocational education and training: Implications for Indigenous Australians*, S. Campbell.
- 203/2000** *Surveying mobile populations: Lessons from recent longitudinal surveys of Indigenous Australians*, B.H. Hunter and D.E. Smith.
- 204/2000** *Social exclusion, social capital, and Indigenous Australians: Measuring the social costs of unemployment*, B.H. Hunter.
- 205/2000** *Job-searching and careers: Young Torres Strait Islanders, 1999*, W.S. Arthur and J. David-Petero.
- 206/2000** *Career aspirations and orientation to work: Young Torres Strait Islanders, 1999*, W.S. Arthur and J. David-Petero.
- 207/2000** *Education, training and careers: Young Torres Strait Islanders, 1999*, W.S. Arthur and J. David-Petero.
- 208/2000** *A case study of the Bungala CDEP: Economic and social impacts*, M.C. Gray and E. Thacker.
- 209/2000** *The CDEP in town and country Arnhem Land: Bawinanga Aboriginal Corporation*, J.C. Altman and V. Johnson.
- 210/2000** *'If it wasn't for CDEP': A case study of Worn Gundidj CDEP, Victoria*, R. Madden.
- 211/2001** *Anangu population dynamics and future growth in Uluru-Kata Tjuta National Park*, J. Taylor.
- 212/2001** *Indigenous Australians and the rules of the social security system: Universalism, appropriateness and justice*, W. Sanders.
- 213/2001** *Is welfare dependency 'welfare poison'? An assessment of Noel Pearson's proposals for Aboriginal welfare reform*, D.F. Martin.
- 214/2001** *Indigenous data from the ABS Labour Force Survey: What can they tell us?* J. Taylor and B.H. Hunter.
- 215/2001** *Autonomy rights in Torres Strait: From whom, for whom, for or over what?* W.G. Sanders and W.S. Arthur.
- 216/2001** *Indigenous families and the welfare system: The Kuranda community case study, Stage Two*, R. Henry and A. Daly.
- 217/2001** *Indigenous families and the welfare system: The Yuendumu community case study, Stage Two*, Y. Musharbash.
- 218/2001** *Giving credit where it's due: The delivery of banking and financial services to Indigenous Australians in rural and remote areas*, S. McDonnell and N. Westbury.

- 219/2001** *Implications of developments in telecommunications for Indigenous people in remote and rural Australia*, A. Daly.
- 220/2001** *Indigenous autonomy in Australia: Some concepts, issues and examples*, W.S. Arthur.
- 221/2001** *Indigenous land in Australia: A quantitative assessment of Indigenous landholdings in 2000*, D.P. Pollack.
- 222/2001** *Valuing native title: Aboriginal, statutory and policy discourses about compensation*, D.E. Smith.
- 223/2001** *Community Participation Agreements: A model for welfare reform from community-based research*, D.E. Smith.
- 224/2001** *A regional CDEP for four remote communities? Papunya, Ikuntji, Watiyawanu and Walungurru*, W. Sanders.
- 225/2001** *Building Indigenous learning communities*, R.G. Schwab and D. Sutherland.
- 226/2001** *Sustainable development options on Aboriginal land: The hybrid economy in the twenty-first century*, J.C. Altman.

WORKING PAPER SERIES

Available at no cost on WWW at <http://online.anu.edu.au/caepr/>

- 1/1999** *Three nations, not one: Indigenous and other Australian poverty*, B.H. Hunter.
- 2/1999** *Further investigations into Indigenous labour supply: What discourages discouraged workers?* B.H. Hunter and M.C. Gray.
- 3/1999** *Dealing with alcohol in Alice Springs: An assessment of policy options and recommendations for action*, M. Brady and D.F. Martin.
- 4/1999** *Aboriginal people in the Kakadu region: Social indicators for impact assessment*, J. Taylor.
- 5/1999** *Reforming the Northern Territory Land Rights Act's financial framework into a more logical and more workable model*, J.C. Altman and D.P. Pollack.
- 6/2000** *Governance and service delivery for remote Aboriginal communities in the Northern Territory: Challenges and opportunities*, N. Westbury and W. Sanders.
- 7/2000** *What's in it for Koories? Barwon Darling Alliance Credit Union and the delivery of financial and banking services in north-west New South Wales*, N. Westbury.
- 8/2000** *The relative social and economic status of Indigenous people in Bourke, Brewarrina and Walgett*, K. Ross and J. Taylor.
- 9/2001** *Indigenous communities and business: Three perspectives, 1998–2000*, J.C. Altman.