

# **‘Social Stability and Structural Adjustment’**

**Bennelong Society Sixth Annual Conference**

***Leaving Remote Communities***

**Saturday 2 September 2006**

**Gary Johns, President of the Bennelong Society**

The Bennelong Board struck upon the conference theme ‘Leaving Remote Communities’ for obvious reasons. Aborigines living in remote locations are worse off than their compatriots in town. This does not ignore the town camps experience, or that of urban ghettos. Rather it acknowledges that, in the long run, economics will win in Aboriginal policy.

My theme is social stability and structural adjustment. In the context of leaving remote communities, it means cultural preservation versus adjusting to economic incentives.

In this debate my values are quite clear.

We have learned that man cannot live by culture alone.

We have learned that unemployment benefits do not generate income. They transfer it.

Similarly, royalties, government programs and infrastructure, and land on collective title may not generate income. They transfer it.

Indeed, in the cases of government programs and infrastructure and land, the transfer may in fact destroy social and physical capital.

Moreover, in the hands of Aboriginal corporations and associations, transfers may be distributed in a subjective and sometimes punitive manner and often for conflicting purposes.

The Indigenous Land Corporation for example, has the goals of assisting Aborigines to acquire and manage land ‘in a sustainable way to provide cultural, social, economic or environmental benefits for themselves and future generations’.

These guidelines are almost guaranteed to ensure that land is not purchased for economic benefit. It is doubtful that purchases are subject to rigorous cost-benefit analysis.

If people want the goods and services that a modern economy can provide, they will have to generate an income in order to purchase them. In order to generate an income, they will have to work. If work is not available where they live, they will have to move to find it.

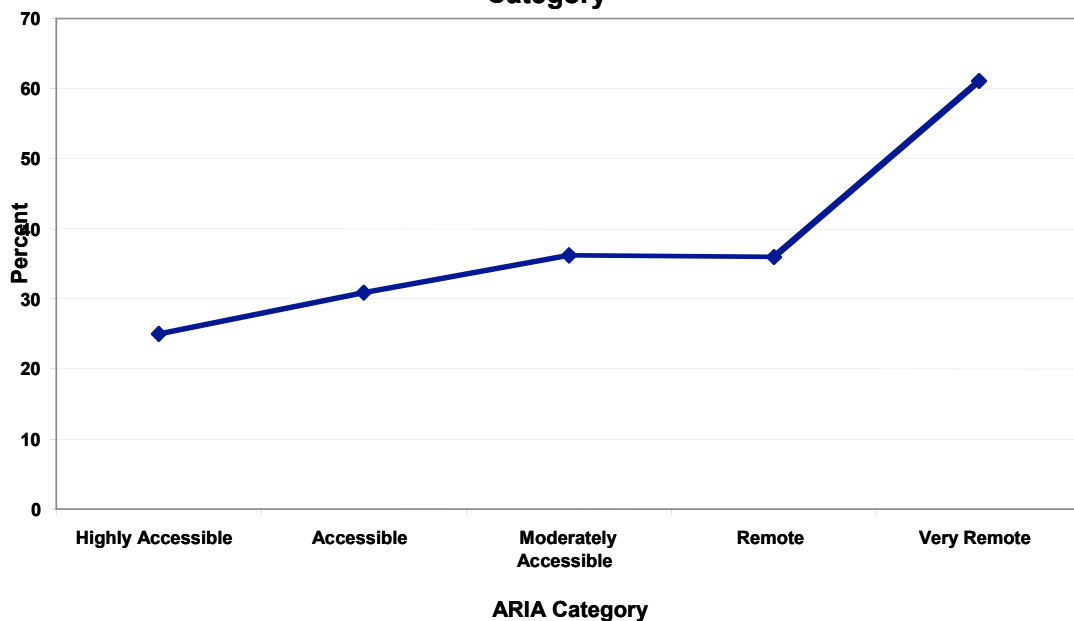
## Lack of Work in Remote Areas

It seems clear that there are not enough jobs in remote communities. Those that are available are not suited to poorly skilled workers.

Unemployment levels in very remote communities approach 70 per cent. The figure understates the position because participation rates are also low.

Unemployment levels in regional centres and cities are nearer 20 per cent and declining, albeit stubbornly.

**Figure 1: Indigenous Unemployment Rate (including CDEP) by ARIA Category**



Source: OIPC submission paper to HoR SCATSIA 2000.

The Department of Employment and Workplace Relations is undertaking an audit of jobs in remote areas in the NT with a view to proving up more opportunities for Aborigines.

We wish them well.

The Desert Knowledge Cooperative Research Centre and the NT, Queensland and WA Governments are also desperately seeking jobs in the desert.

We wish them well also.

Failing those initiatives, however, initiatives that require sufficient jobs to soak up 70 per cent unemployment and overcome the lack of job readiness, people will have to move.

Whether for employment or training, people will have to move.

## Mobility

Moving will not be easy, nor will it be possible for all.

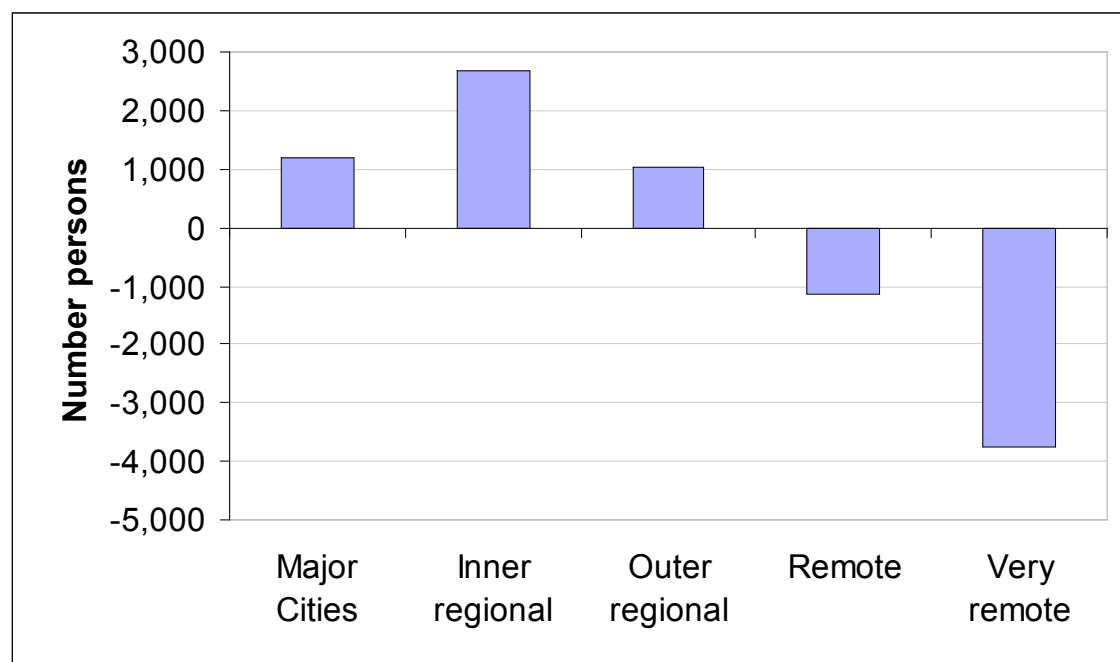
But mobility will be a big part of the structural adjustment story in remote Aboriginal society.

Under policy settings that predate the very recent changes to Remote Area Exemptions and CDEP, Aboriginal people have proved to be mobile.

Under policy settings that generally favour remote area living, research indicates—

- A net loss of the Aboriginal population from remote and very remote areas.<sup>1</sup>
- High levels of circulation in very remote areas, and<sup>2</sup>
- Low Aboriginal mobility compared to non-Aboriginal mobility.<sup>3</sup>

**Figure 2: Net Aboriginal Migration 1996-2001**



Source: Taylor 2006a, Table 6. Migration rates of Indigenous population movement between Remoteness Zones 1996-2001, 38.

Remote and regional Australia is becoming more 'Aboriginal' because the rate of non-Aboriginal out-migration is greater, but nevertheless, Aborigines are leaving very remote and remote Australia.

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<sup>1</sup> Taylor, J. 2006a, Population and Diversity: policy implications of emerging indigenous demographic trends. A report to the ministerial council on Aborigines and Torres Strait Islander Affairs March 2006, 38.

<sup>2</sup> Memmott, P., Long, S. and L. Thomson *Indigenous Mobility in Rural and Remote Australia*. Australian housing and Urban Research Institute March 2006, 2.

<sup>3</sup> Taylor, 2006a, 36-37.

It is argued that the present state of mobility is a result of the—

- Attachment of Aboriginal people in remote areas to customary lands.<sup>4</sup>
- Poor employment prospects of Aborigines because of probable labour market discrimination, and
- Social and cultural factors being more important than economic factors for Aborigines.

There are some difficulties with this received wisdom.

Aboriginal people may be attached to customary lands, but they have no difficulty leaving them often. Aboriginal people circulate well beyond their country, though generally within an identifiable vector for ‘kinship’ or non-work purposes.

Such movement is not particularly surprising given that access to remote areas has increased significantly in recent years with better transport, and pensions and royalty payments being transferable electronically. It is also clear that people move to other places in order to use the resources of kin.<sup>5</sup>

A recent study of the town camps at Alice Springs,<sup>6</sup> and more generally of Aboriginal mobility (circulation) indicate that the short-term mobility behaviour reflects an absence of work, and an absence of the behaviour that enables the individual to get work.

In other words, governments are funding a recreational lifestyle for a leisured class.

The observation above of probable labour market discrimination is misleading.

It uses an emotive and racial basis to override the facts that some Aboriginal workers are not well prepared for the labour market; are not located near jobs; have an incentive to avoid work; and, have some obligations to kin which make it difficult for them to perform in the labour market, even when they are ready, willing and able.

It is also argued that ‘economic incentives to move to buoyant labour markets [are] blunted by the depressed employment prospects for Indigenous people’<sup>7</sup> and that ‘migration or mobility policy is unlikely to be a short-term solution to Indigenous economic development.’<sup>8</sup>

These arguments are well founded, but they are not reasons to suspend all hope in the ability of Aboriginal people to enter the labour market, nor to adjust to the incentives newly in place to seek work.

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<sup>4</sup> Taylor, 2006a, 47.

<sup>5</sup> Foster, D. et al 2005, ‘Population and Mobility in the Town Camps of Alice Springs.’ A report prepared by Tangentyere Council Research Unit., 35-37.

<sup>6</sup> Memmott et al, 2006, 2.

<sup>7</sup> Biddle, N. and B. H. Hunter, 2005, ‘Factors Associated with Internal Migration: a comparison between indigenous and non-indigenous Australians.’ CAEPR *Working Papers* 32/2005, 16.

<sup>8</sup> Biddle and Hunter, 2005, 16.

As for ‘indigenous economic development’ the term implies Aboriginal-specific economic development. But indigenous economic development is a subset of economic development.

Individuals may be more likely to gain skills in non-Aboriginal work environments than in programs, for example, designed to produce Aboriginal entrepreneurs.

The same mind-set appears in the sentiment that ‘the consequences of population change in determining the number, composition and location of clients of the state (should) lie firmly at the heart of public policy deliberation.’<sup>9</sup>

On the contrary, policy must be directed not at locating clients of the state, but on mechanisms that relieve people from the burden of being a client of the state.

Living on benefits, with artificial job programs, and supplementing income by ‘traditional’ pastimes is not a solution to problems of dependence.

Mobility, on the other hand, may be a key to independence. Indeed, despite all of the difficulties encountered by migrants, including prejudice in the labour market, migration has traditionally served the purpose of economic independence.

### **Changed Incentives**

The Australian government has recently changed two key labour market and income support programs—Remote Area Exemptions and the Community Development Employment Program—that, until now have provided an incentive for Aboriginal people to remain in remote settlements.

A possible stimulus to the changes was a frustration at the continuing low levels of engagement by Aboriginal people in the workforce. In the Northern Territory, for example, despite strong growth in output and employment in the last decade, the relative position of Aboriginal people worsened. Indeed, the only growth in Aboriginal employment on the last decade was in CDEP.<sup>10</sup>

The changes to RAE and CDEP (and other changes such as to the NT *Land Rights Act* and intensified programs in literacy and numeracy) may change substantially the incentive to remain in remote locations.

Professor John Altman has expressed concern about the recent turn of events—

Worryingly, while concern is widely expressed ... about the economic viability of outstations, the very basis for their limited dependence—flexible CDEP income support and remote area exemptions in relation to welfare payments—is being dismantled. More viable economic alternatives are not in place ... There is a real danger that in seeking imagined economic independence ... new government policy will reinvent the extreme dependence that many of

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<sup>9</sup> Taylor, J. 2006b, ‘Population and diversity: Policy implications of emerging indigenous demographic trends.’ CAEPR *Discussion Paper* 283/2006, 3.

<sup>10</sup> Taylor, 2006a, 55.

today's outstation residents experienced at townships ... in the 1960s and chose to leave in the 1970s.<sup>11</sup>

Altman's warning must be taken seriously. Not so seriously, however, as to embrace the alternative economy that he envisages—'a future as a successful artist or hunter or land manager ... dependent on Indigenous knowledge and on-country education.'<sup>12</sup>

### **Reciprocation as Structural Adjustment**

People have to adjust to their circumstances in order to survive. We cannot continue to create circumstances that we think are correct. We have to allow people to adjust, not lock them into the past.

Reciprocation and mutual obligation are the forerunners of structural adjustment.

The first experiments in reciprocation, the Shared Responsibility Agreements and Regional Partnership Agreements have been worthwhile in as much as they started the dialogue of changing behaviour. As a practical exercise, however, they may fail because they are structured as collective agreements. Collective agreements in the context of Aboriginal culture will not stick. They are unlikely to change behaviour.

They will be interpreted, as is every other program, as a part of the cargo cult.

The second generation of reciprocation is more powerful. Abolishing Remote Area Exemptions for beneficiaries, abolishing CDEP in all but remote regions, and changing the time that a candidate can remain on CDEP in remote areas will change individuals.

In the next year or so, Aborigines in remote areas will have to begin to look for work or training.

While some shall be granted Disability Support or other such pensions, those judged to be able to work or train shall have to look for opportunities. In all likelihood there would be an enhanced out-migration from remote areas.

Policies aimed at stabilising communities *in situ*—mutual responsibility, alcohol and drug regimes—may lessen the impact of the change drivers such as RAE and CDEP, but the balance between social and economic development on Aboriginal lands and the incentives to search for work and services away from those lands have shifted decisively toward the latter.

As a result, patterns of mobility are likely to become labour-related rather than family- or kin-related.<sup>13</sup>

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<sup>11</sup> Altman, J. 2006. 'In Search of an Outstations Policy for Indigenous Australians.' CAEPR ANU Working Paper 34/2006, 14.

<sup>12</sup> Altman, 2006, 10.

<sup>13</sup> Biddle and Hunter, 2005, 3.

The pattern of shifting from place to place for mainly kin and recreational purposes will begin to break up.

Governments will need to assess the magnitude, characteristics, source and destination of such movement if they are to make good the out-migration.

The challenge for government is to stop funding programs that militate against the migratory solution. The challenge is to manage those who are neither eligible for work nor school, in other words, those who fall outside of the major institutional arrangements for socialisation.

In looking after those who cannot be part of the change-of-behaviour regime, government will have to be careful to not make investments that may inhibit the ongoing migratory trend.

The government has begun to stop supporting a recreational lifestyle in the name of preserving a culture.

The extent to which Aborigines from remote regions will be more akin to refugees than migrants will be a measure of the difficulty of their adjustment to new circumstances.

Fortunately, Australia has vast experience in catering for both.

The hope that outstations and other remote settlements would provide stable environments and meaningful lives is one that appears to be without foundation.

My plea is simple. Please allow economics into Aboriginal policy. Aboriginal people will follow economic incentives—they do so now.