Indigenous community economic development in Northern Australia

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Abstract: There have been numerous enquiries reporting on the economic and social disadvantages of indigenous Australians. Important factors that have worsened the labour market difficulties for indigenous Australians include their relatively rapid population growth, the relatively high proportion of the population in the younger age ranges, and the geographical concentration of much of the population in rural and remote areas. As employment opportunities for indigenous Australians have shrunk, there has been an increased dependence on government services and programmes within many indigenous communities. It is a central argument of this paper that promoting options for sustainable community economic development will improve social indicators of well-being due to the linkage between economic and social outcomes, and while the need to link the economic, social, and ecological imperatives of development have been widely recognised, questions of implementation are matters for central concern. Based upon the findings of case studies of small business development in remote indigenous communities in the north of Australia, as well as overseas, this paper addresses the questions of how ideas of sustainable community development can be best translated into reality.

Keywords: indigenous economic development; cultural differences; strategic management; rural and remote economic development.


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1 Introduction

There have been numerous enquiries reporting on the economic and social disadvantage of indigenous Australians (Royal Commission into Aboriginal Deaths in Custody, 1991; Taylor, 1997; Hunter et al., 2003). A wide range of data relating to social and economic indicators demonstrate that, compared with other Australians, indigenous people throughout Australia suffer from poorer health, live shorter lives, and experience inferior living standards. Indigenous Australians are two to three times more likely to be hospitalised during their lifetime, and three to four times more likely to be hospitalised for respiratory disease and injury. The standardised death rate of indigenous Australians is currently around three times that for nonindigenous Australians (i.e., 18.6 compared with 6.4) (Reeves, 1998).

Indigenous Australians have an unemployment rate that is four times higher than that of the general population. Lack of education and training, job skills, and local employment opportunities are some of the main causes for their lesser participation in the mainstream economy. Their incomes are also significantly lower than other Australians (two-thirds of the national average). The destruction of the previously productive indigenous economic system in Australia has led to the dependence of a number of communities on government services and programmes.

However, while considerable resources have been expended by governments with the objective of promoting indigenous economic and human development, relatively little research has been conducted to address questions such as the nature, characteristics, scale, and type of development arrangements best suited to indigenous communities. This paper seeks to partially redress this deficiency. An aim of the paper will be to examine the main criteria, which need to be utilised in pursuit of economic and human development within remote indigenous communities in Australia.

2 Economic analysis in economic development

As pointed out by Throsby (2001), much of contemporary economics is concerned with questions of efficiency in the processes of production, consumption, and exchange. Much less is concerned with questions of equity and fairness within the operation of economic systems. For example: “As a result, issues such as that of redistributive justice tend to play a secondary role in the thinking of many...professional economists” (Throsby, 2001,p.1). Questions related to efficiency are invariably analysed according to the neoclassical paradigm. The formal mathematical methodologies, which are often used in neoclassical economics may imply that economics as a discipline is not rooted in a
particular cultural context. However, just as it has been pointed out that economics can not be value-free, the particular values and systems of belief inherited or learned by economists are bound to influence perceptions and attitudes, not only in relation to the choice of phenomena to be studied, but also to the methods employed in such studies (Throsby, 2001; Fuller and Parker, 2002). Market equilibrium conditions and the assumptions, which drive such conditions, for example, are often seen as relevant to all circumstances regardless of the historical, social, or cultural context. Utility analysis, believed by some economists to have universal relevance as a theory of value, has been widely attacked. A significant criticism has been that value is largely a result of social determinants and that price determination can only be understood within a social and cultural context. There has, however, been a long interest in the relationship between culture and economic performance in the history of economic thought. Examples include Weber’s analysis of the relationship between the Protestant work ethic and capitalism. In addition, the individualism inherent in Anglo-Saxon culture was discussed by Adam Smith in his recognition of the importance of the division of labour.

Indigenous communities are so different in structure and organisation from the mainstream economy that the behavioural assumptions of neoclassical theory are highly questionable when applied to such communities. For example, there are substantial apparent differences in physical and human resource endowments, per capita levels of income, population size, growth and structure, and the stability and flexibility of political institutions. Differences in physical and human resource endowments are particularly pronounced. The ability of people to develop and apply entrepreneurial and business skills is dependent on these areas. Lower per capita income levels result in lower levels of demand for goods and services. This acts to constrain business development and growth, which further acts to constrain growth in income and employment.

Competitive markets as understood by classical economic theory are often completely absent. However, this may be seen as both acceptable and preferable given the historical, social, and cultural environment of many indigenous communities. For example, firm decision making is likely to vary widely from a simple profit maximising approach as a result of the influence of cultural factors. Employment maximisation or the replacement of nonindigenous employees or managers by local people may be seen as a more important objective. While the neoclassical model may be important in establishing so-called ideal product and factor prices for efficient production, exchange, and resource allocation, the realities of the institutional and political structures within indigenous communities mean that policies based on such an approach are likely to fail.

This suggests the need for new and more informed paradigms to assist indigenous economic and human development. Any reasonable measure of economic development needs also to include changes to social indicators such as nutritional levels, health status, literacy levels, and educational participation, as well as environmental criteria such as air and water quality, and care for the land. This argument also calls for a distinction between economic growth, often analysed in terms of economic parameters in given institutional conditions and economic development, in which changes in economic parameters are accompanied by changes in institutional and political arrangements, in addition to improvements in social indicators of well-being. Multi-disciplinary approaches are likely to prove particularly fruitful when considering questions such as indigenous economic and human development.
3 The importance of cultural differences

Throsby (2001) defines culture in two main ways. The first relates to a broad anthropological or sociological framework, which describes a set of attitudes, beliefs, customs, values, and practices shared by a particular group of people. The second definition is more functional, and relates to certain activities and products (e.g., a painting) connected to the intellectual and artistic aspects of human life. This paper is primarily concerned with the former definition.

There have been a number of problems, which have inhibited the development of commercial and employment opportunities in remote indigenous communities. These problems inevitably result in increased costs of production and reduced business competitiveness. They include remoteness from key suppliers, distance from markets, limited access to management skills and skilled labour, and harsh climatic and physical conditions. In addition, however, there are a number of factors specific to indigenous enterprise which impact upon the conventional objectives of commercial efficiency and profitability. These factors have been categorised by Young (1988) into:

- factors stemming from the culture and customary behaviour of indigenous Australians
- problems which are largely of a historical nature and predominantly the result of decisions taken by nonindigenous people.

With regard to the second point, Young points out that many indigenous ventures were not established as commercial enterprises. Rather, they were mainly training operations designed to provide indigenous people with the necessary skills to compete in the mainstream work force or as employees in semi-skilled operations.

Factors particular to indigenous culture include kinship and reciprocal networks involving the nonmonetary exchange of goods and services. Human-to-land relationships, and the importance of spiritual and ceremonial values and obligations are at certain times likely to be regarded as more important than the need to expend time on activities directed at income generation above that needed for current consumption purposes. This is reinforced by a lack of recognition of the worth and status given to notions of growth, accumulation and acquisition and by an associated belief in the importance of limits to the exploitation of natural resources and the saving of such resources, for the use of future generations, rather than for personal current consumption purposes. There is, therefore, direct opposition to the view that resources should be converted to monetary units (cash) above that required for current consumption. While concepts of investment and saving are regarded as most important, they relate to real resources rather than transformed products or services. Such attitudes conflict directly with the conventional commercial objectives of profit maximisation and the notion that the main criteria that should be applied to the exploitation of resources relates to the degree of efficiency (value of output per unit input within the production process) and effectiveness (degree to which a production target is actually achieved) with which such resources are processed.

As Cawlishaw (1983) points out, differences between indigenous and nonindigenous management regimes and methods of operation within organisations are likely to be due, in large part, to differences in values, attitudes, and priorities between the two cultures.
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Such differences are exacerbated by the wide differences in wealth and access to resources between indigenous and nonindigenous groups and individuals. Thus, European-based cultures are seen in general to value possessions highly and use such possessions as a measure of wealth, as a source of exchange, as a store of value, and as a key means of access to status, power, prestige, and security. The valuation of possessions is seen as an important requirement within the individualistic, private nature of ownership of resources and goods and services within a Western-based market economy. Indigenous Australians often react with embarrassment and pity to nonindigenous displays of ‘qualities’ such as thriftiness and parsimony that are considered vices within their own social group. A determination to fulfil kinship obligations and continue active involvement in spiritual and ceremonial activities does not, as is often assumed by nonindigenous people, reflect a lack of motivation and interest in activities associated with community development.

Nonindigenous Australians tend to value a competitive view of the world as a means of achieving desired outcomes. This results in some individuals and organisations in monopolistic or oligopolistic situations achieving wealth and access to resources far in excess of what may be regarded as a ‘normal return’ in a classical economic sense. Such values provide the rationale for acceptance of far higher levels of inequality in the distribution of income and wealth than would be acceptable in an indigenous community. From either a moral view of the world, or for cultural reasons relating to the principles associated with distribution, obligation, reciprocity, and social and political influence, the high levels of individual inequality apparent within nonindigenous society would lead to a combative response within an indigenous community. An individual who has behaved in such a socially disruptive manner would invite a groundswell of feeling and a sustained verbal and perhaps physical attack.

Largely because of the factors discussed above, nonindigenous Australians within the wider community and within government agencies have been pessimistic of the long-term success of indigenous community economic development (Biernoff, 1985). This contrasts with the optimistic attitudes of most indigenous Australians, who often acknowledge the need for financial and technical support for community development purposes, while maintaining important aspects of their culture, including the importance of kinship and spiritual relationships – particularly the close relationship to the land.

Whereas the significance of factors, like the importance of savings and capital formation, is generally stressed in conventional discussions of economic development, the nature of enterprises and organisational arrangements which create the environment for such phenomena, and the form of management decision making and implementation which guides such organisations, have not received adequate attention from many people attempting to promote indigenous economic development.

4 Sustainable indigenous community economic development

Sustainable development is often defined as development that meets the needs of the present generation without compromising the ability of future generations to meet their needs (Jacobs, 2002). Sustainability originates from a concern with the impact of economic development resulting in environmental degradation on the one hand, and social marginalisation on the other (Bryant, 1999). This interpretation emphasises the importance of reconciling values associated with the ecological, economic, socio-cultural,
and political dimensions of society. It therefore requires an holistic approach to development, which lays down not only economic considerations but also specific environmental, social, and organisational criteria (Loxley, 2002). In this context, finding and constructing a path of sustainable development requires the development of strategies that balance the values and interests associated with ecological, economic, socio-cultural, and political dimensions as well as the achievement of current and intergenerational equity (Bryant, 1999).

McRobie and Ross (1987) see community economic development as a process by which communities can initiate and generate their own solutions to their common economic problems. They see this as important to building long-term community capacity and to foster the integration of economic, social, and environmental objectives. Such a notion of community economic development emphasises local involvement in, and control of, the development process. It gives precedence to community interests over the interests of commercial investors and shareholders that are often, also involved in economic development. Boothroyd and Davis (1991) also distinguish between community economic development and what they term local economic development, the latter of which focuses on local communities but emphasises more narrowly defined economic objectives. It is also characterised by less participation and is ‘dominated by local elites’.

5 Current perspective of economic development

Federal and state Governments have responded to indigenous disadvantage through spending on welfare, and programmes for indigenous Australians. A key economic development programme response has been the Community Development Employment Program (CDEP) and the Indigenous Business Program (IBP) due to the recognition of the linkage between economic and social outcomes. The relatively young indigenous population points to increasing levels of expenditures on these programmes just to sustain the same level of disadvantage (Hunter et al., 2003). The small numbers of indigenous people leaving CDEP programmes to long-term private sector employment has been seen as a weakness of the programme.

Many indigenous people regard CDEP organisations as contributing successfully to their communities. Examples of complex CDEP organisations held in high esteem by members of the community have been documented. They include the Bawinanga Aboriginal Corporation (Altman and Johnson, 2000), Worn Gundidj CDEP (Madden, 2000) and Bungala CDEP (Gray and Thacker, 2000). CDEP workers forfeit their unemployment benefits to work for the organisation, which then pays them their full unemployment benefit provided 20 hours per week is worked. Community members outside of the organisation express their appreciation of the scheme too, and there is a belief – though unsubstantiated by statistics – that social outcomes are improved in areas where there are successful CDEP organisations.

For indigenous Australians to be able to move into private sector jobs, there needs to be jobs available, and they need to be accessible to them (Daly et al., 2002). There are a number of factors that have inhibited the development of commercial and employment opportunities in remote indigenous communities, including the isolation, and low-income levels of community members. Commercial development seems more likely to originate from community members’ initiatives rather than external entrepreneurs capitalising on
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opportunity and providing employment. However, the IBP has seen few projects approved. It is difficult to see how that could be otherwise when projects are approved on a solely economic basis. Gaining the necessary approvals has proved difficult for single projects in remote, undeveloped regions with local communities earning two-thirds of average nonindigenous incomes.

It is the authors’ view that sustainable economic community development is more likely to be effectively accomplished by utilising a community based strategic management perspective, and by relaxing some of the important constraints placed upon government programmes.

6 A strategic management perspective of sustainable indigenous community development

Empirical research conducted in a number of development settings has demonstrated that sustainable economic and human development is most likely to occur when:

- The idea of development is of local, or endogenous, rather than of exogenous construction (Blunt, 1995).
- The delivery of technical assistance from outside the local community is through, or in collaboration with, indigenous organisations, and makes use of indigenous knowledge (Blunt and Warren, 1996).

There is substantial evidence from many different parts of the world that establishes the validity of these propositions. For example, evidence in relation to rural development in the Transkei (McAllister, 1996), indigenous strip weaving organisations among the Yoruba of Nigeria (Wolff and Wahab, 1996), community management in Ghana (Cosway and Anankum, 1996), indigenous enterprise development in remote communities of Northern Australia (Fuller et al., 2003a–b), and Maori community-based sustainable development (Loomis and Mahima, 2003) show that these factors are a necessary prerequisite of indigenous economic and human development in a wide range of indigenous communities.

Economic development in indigenous communities in rural and remote areas of Australia is only likely to be sustainable if the idea of development is of local or endogenous construction. Development is likely to be painful, involving changes to social structures, attitudes and institutions, as well as changes in the pattern of production and consumption of goods and services. Largely because of this, it is important that indigenous individuals and organisations initiate the idea for development, and remain in control of the pace and direction of such change.

Sustainable indigenous community development in rural and remote areas of Australia requires the delivery of technical assistance from outside the local community and should be through, or in collaboration with, indigenous organisations, as well as make use of indigenous knowledge (Blunt and Warren, 1996). Goulet (1971) and Freire (1972) have argued, for example, that development must involve ‘liberation’ from economic, cultural, and political dominance; and Todaro (1994) argues that freedom, involving an increase in the range of choice available to individuals, is an essential element of development. These arguments suggest that sustainable community indigenous economic and human development requires decision making to be
representative of community interests and not dominated by nonindigenous or indigenous interests that are not representative of the community. It is felt by a range of community leaders, both in Australia as well as overseas, that indigenous communities often do not possess the necessary capacity at present to take over all responsibilities necessary to implement the principles associated with sustainable community economic development (Fuller and Parker, 2002; Vodden, 2002). Partnerships with government agencies and other stakeholders, such as businesses operating in the mainstream regional community, may therefore be required (Vodden, 2002, p.60).

Terms used to describe such partnerships include ‘community management’, ‘co-management’, and ‘cooperative management’. Each suggests a different and distinct set of arrangements. For example, the first term suggests that the majority of responsibility and control lies in the hands of the community. The second suggests that all parties share some decision making authority and/or management responsibility in partnership with each other. Cooperative management simply implies some level of communication or cooperation.

Vodden (2002) and Fuller and Parker (2002) have found that a participatory planning process directed at sustainable community economic development requires significant human and financial resources and a spirit of social cooperation and cohesion. These factors are often lacking in indigenous communities both in Australia and elsewhere. This can severely inhibit the planning process. Despite this, indigenous individuals and community organisations are often critical of what they regard as a lack of support with planning as well as a lack of effort by external organisations to involve them in a consultative and participatory process.

In an effort to overcome such difficulties, Fuller and Parker (2002) propose a strategic planning process, which involves the key players and components within a community and results from the mutual engagement of both researchers and the researched.

Goodstein et al. (1993) regard strategic planning as a process by which the guiding members of a group envision its future and develop the necessary procedures to achieve that future. This involves more than simply extrapolating current trends or predicting and anticipating the future. It represents a process through which members of an organisation attempt to create their future, with regard to the realities of their external environment and internal capabilities. This process involves the researchers in close and ongoing consultation with key community decision-makers in the areas of cultural, social, human, and economic and commercial development. Both for the community as a whole and for organisations within the community, the process involves an analysis of respective strengths and weaknesses within the internal environment. In addition, opportunities and threats within the external environment are analysed and assessed. This process is termed ‘SWOT’ analysis. In the light of SWOT analysis, project vision statements leading to key objectives can be developed. This then leads to the development of key strategies aimed at facilitating the ultimate achievement of those objectives.

Such an analysis allows an appraisal of the current situation of an organisation internally and externally, and to its advantage and disadvantage (Fuller and Parker, 2002). It allows an interpretation of an organisation’s current strategic status by the planning process participants. It aims to bring together the complex mix of political, economic, social, cultural, and community factors. It then attempts to juxtapose these factors as a basis for planning in a manner that enables the construction of a vision as well as objectives that are grounded in a clearer appreciation of both opportunities and constraints to further development (Wheelen and Hunger, 2000). Such a SWOT analysis
can use a weighted scoring methodology (Flavel and Williams, 1996) as a basis for assessing the relative significance of particular categories of strength, weakness, opportunity, and threat. This allows a diagnosis of the extent of positive strategic potential inherent in an organisation (or community). It also allows strategies to be targeted to those areas likely to be most promising in terms of capacity building in a manner which minimises and defends against weaknesses and threats, while at the same time maximising available internal strengths and external opportunities.

7 Implementation of a strategic management approach

Vodden (2002) found that the absence of a common vision was a significant barrier to success within the Alert Bay communities she studied. There was a need to involve all local interests in the planning process through two-way communication and consensus building. In order to redress this, public meetings were organised. Participants were then placed in groups to discuss their vision for the future, as well as the strengths, challenges, and steps that should be taken in the areas of health, education, recreation, social services, business, transport, tourism, culture and the environment. This is similar to the approach adopted successfully by Fuller et al. (2003a–b) and Fuller and Parker (2002) in field studies within indigenous remote communities in northern Australia. Vodden (2002, p.67) also emphasises the need to develop a community-wide economic development strategy and to address issues and deficiencies in cooperation, coordination, and integration of relevant organisations — including local and community government organisations. There is much evidence to suggest that the capacity, cooperation, and coordination of community based organisations is also very important for economic and human development in the Australian context (Fuller and Parker, 2002). Indigenous communities in remote communities of northern America, Canada, and Australia, for example, see business opportunities in sectors such as tourism, value-added processing of marine and forest resources, housing, arts and crafts, and servicing of the local community. However, business strategies need to be multi-faceted and include training and human resource development, environmental impacts, and culture and community resource management. Such strategies need to reflect the communities’ commitment to the people and their place. Insufficient attention has been given to this aspect of policy development within Australia.

A very important aspect of implementation from a strategic management perspective is the nature and form of decision making within communities. It is often felt by members of indigenous communities that local decision-makers tend to be more accountable than agency officials as they are closer to their constituents. At the same time, individual community members often point to problems in decision making associated with the difficulty in overcoming conflicts and in reaching consensus within acceptable time frames. In addition, there is perceived to be an absence of expertise and the potential for a lack of accountability and transparency in financial decision making. As a result, it has been argued by some community members that there is a strong need to build improved models of co-management involving an enhanced process of sharing skills between indigenous and nonindigenous people within communities (Fuller and Parker, 2002; Vodden, 2002).
Smith (2002) found that the development of goals and strategies was essential to the planning and development of what is now a successful tourist destination for the Buffalo Point First Nation. The Buffalo Point First Nation is located on the Lake of the Woods park near the US border and provides an excellent location as a tourist destination for both Canadian and US visitors. Because the Buffalo Point First Nation had a relatively low population with little available human and financial resources, the capacity building process, particularly in the areas of planning, management, and financial control had to be undertaken in stages. Careful co-management planning and evaluation arrangements over a number of years were necessary in keeping the development of the tourist resort and in supporting resources on track. In the early 1970s, consulting firms were hired to assist with the development of a tourist plan because of the importance of involving external skills for this planning stage. The plan called for the future development of a golf course, cottages, and a hotel over a 20-year period. The community recognised that main attractions for tourists included the beautiful scenery and the wildlife living on the peninsula. It is important to note the relatively long time horizon for development, which was acknowledged at the start of the project. Often indigenous community leaders are desperate for rapid development given the severe social problems facing their communities. However, successful, sustainable development often needs to be undertaken in stages over a relatively long time period, as the success of each stage is evaluated prior to moving to additional stages.

As the planning process became established and accepted as a valuable process by community members, investors and other parties became interested in participating as partners in the development. The planning process therefore became important as a means of securing community understanding and ownership of the project as well as an important means of attracting joint venture partners to assist with the financing and co-management of the project. Initially, for example, it was difficult to obtain funding for the construction of a road out to the peninsula, but the leasing of land to cottage investors helped to finance the construction of infrastructure and to provide for the development of resort housing at the same time. In the Australian context, there is a similar need to utilise leasing provisions of the Native Title Act and the Northern Territory Aboriginal Land Rights Act to enable the achievement of similar outcomes. Additional funding was obtained from grants from government agencies, bank loans, and employment programmes for community members. This could be done in a similar manner to promote indigenous community economic development in remote communities in Australia.

New ideas and components have been added to the plan over the 20-year horizon as a result of continual evaluation of the vision, goals, and strategies, but the existence of a business plan has enabled the community to keep the key end goals and objectives in sight and to keep focused through periods of political, social, and economic change. The Buffalo Point First Nation has learned that the community must build upon their existing resources and assets in order to accomplish the goals of the project and of the community. However, there is also a strong recognition of the need to use outside expertise to assist both the planning and the successful implementation process (Smith, 2002, p.7).

Vodden (2002, p.72) argues that co-management activities in Alert Bay to date have contributed to a more sustainable fishery by striving to restore and maintain natural capital, speaking out on behalf of future generations, working to make the fishery more participatory, diverse, integrated, responsive, and cooperative, and by linking local and scientific knowledge. These efforts, however, have been limited in their scope and scale and are insufficient to fully address an emerging fishery crisis. Thus, local organisations
are unable to address many issues due to the limited resources they have at their disposal. Despite agreement on the need for regional fisheries management and on many of the components of a regional management system, “a concerted cooperative planning process is needed if this vision is to become a reality” (Vodden, 2002, p. 72).

Many external factors, such as changing economic conditions, as well as federal and state government policies, impact upon indigenous communities and are often beyond the capabilities of indigenous governance structures to address adequately. However, government appears reluctant to support a viable and energetic co-management process. This impacts upon issues such as community control and self-reliance, economic viability of community enterprises, and an equitable sharing of the costs, benefits, and responsibilities of economic and human development. Given the lack of skills and resources bases, indigenous communities cannot be expected to achieve sustainable community economic development objectives by themselves, either in Australia or within indigenous settings overseas. There would appear to be a clear case for a higher degree of involvement for the public sector in co-management arrangements. This is reinforced by the fact that markets within many indigenous communities result in an unequal distribution of available income, are often monopolised, and therefore allocate resources inefficiently. In addition, there are often significant negative externalities associated with many economic activities within indigenous communities. Such market failure provides a powerful economic rationale for intervention to support activities felt necessary to generate external benefits and reduce the impact of external costs. Even given the significant challenges, co-management is seen by many communities to be essential for the survival of the community and its associated ecosystems.

Many remote indigenous communities depend on the outlying land and marine resources for their economic, cultural, physical, mental, and spiritual well-being. Community involvement can make valuable contributions to sustainable community economic development in such business sectors, for example, ecotourism and fishing. These contributions can be increased if there were an improved public commitment to co-management and capacity building.

8 Conclusion

In general, there are two main types of assistance available to indigenous communities within a co-management framework. These may be classified as (1) financial or material and (2) technical (Dudley, 1993). Material assistance to indigenous communities by State, Territory, and Commonwealth governments in Australia has involved the expenditure of many billions of dollars. Financial or material assistance may be preferred by providers, and beneficiaries often argue that they know what they want and what is best, and it is only a question of receiving sufficient cash to ensure the optimum solutions are implemented. However, apart from the need for material assistance, there are important reasons for valuing technical assistance in its own right. The first is the continuous and rapidly changing nature of the problems being faced by indigenous communities. Existing knowledge systems are often unable to deal adequately with such change in either indigenous or nonindigenous communities. Nonindigenous commercial organisations often tend to deal with such rapid change by subcontracting out critical advice and facilitating roles to technical specialists.
Second, improved human development lies not only in the injection of higher levels of finance, but importantly, in the more efficient utilisation of existing resources. While the principle of sustainable community economic development is very important, it is far from easy to implement. It is the view of the authors that while a co-management approach to commercial and noncommercial organisations runs counter to much government policy direction, it resonates well from a practical as well as principled standpoint in much of the Aboriginal community, both internationally and in Australia, in order to achieve a more efficient and effective use of existing resources. While co-management offers substantial potential for achieving improved, as well as faster economic and human development within a range of commercial and community organisations, substantial challenges of an internal and external nature remain for most Aboriginal communities. At the local level, there remains a priority need to build social cohesion and improve education and training processes to enable a wider range of skills as well as build organisational capacity and governance structures.

While there are well established political and economic theories (Samuelson et al., 1975; Baumol et al., 1992) that would indicate a heightened need for a government role within both community economic planning processes and the implementation of economic and human development, there has been much evidence in Australia and overseas of government failure in this area. This failure has led to a lack of trust and confidence in government bureaucracies due to:

- lack of success in assisting with the achievement of commercially sustainable businesses and improved employment outcomes within communities
- lack of success in achieving improved education and skills formation outcomes
- static, and in some cases, declining standards of living within indigenous communities
- continuing problems of low life expectancy caused by high levels of disease and death by trauma.

Such failures in government service delivery appear due to at least three main factors. The first is due to a lack of public sector expertise to assist effectively with the co-management of the complex problems associated with economic and human development within indigenous communities. Governments, for example, often appear to lack the high quality human resources specialising in business and cross-cultural communication and management required within such developing communities. Many indigenous people within communities have become frustrated with this lack of expertise and understanding of their problems. They also see a lack of resolve and interest by government to solve their problems, further compounding these difficulties.

Secondly, government agencies often find it difficult to coordinate successfully across departmental and organisational responsibilities when dealing with questions of economic development that are holistic by nature. Issues involving economic development often require the input of a wide range of departments and authorities. Complicating such matters in countries such as Australia, Canada, and the USA, is the need for input from and across a number of levels of government – e.g., Community, Local, State, and Federal. As pointed out by the Royal Commission into Aboriginal Deaths in Custody (1991) and the Miller (1985) report, there have been substantial deficiencies for some time in the administration of a range of programmes directed at economic and human development in rural and remote Australian indigenous
communities. It is a matter of considerable concern that such deficiencies remain and, in some cases, have actually worsened.

Finally, governmental agencies as well as organisations such as Land Councils have a number of objectives, agendas, and responsibilities which often make it difficult for these organisations to focus on particular areas or cases of community economic and human development. As a result, communities often feel that such bureaucracies do not understand or deal with their grassroots requirements.

It is the view of the authors that, largely because of the above problems, the public sector needs to look for alternative methods of delivery to indigenous communities. Given the failures apparent in public sector service delivery over a relatively long time period, it is necessary that government move to support the development of externally contracted teams from the private sector, universities, and non-profit organisations, to work in partnership with community leaders and organisations in the fields of economic and human development. Such teams should consist of individuals with high-level skills in the fields of business development, government, and cross-cultural communication, as well as technical skills relevant to industries likely to be important to indigenous communities. Examples include industries such as tourism, finance, small-scale pastoral, horticultural, fishing, mining, and the provision of community services. The team also needs to include indigenous members well known and respected by the community of interest. An important aim of the team would be to:

- increase the number and range of indigenous owner-operated and indigenous joint-venture operations within communities in co-management with community leaders and organisations.

- enable the ‘building of bridges’ and the development of legitimacy and trust with indigenous community leaders via the provision of improved advice and technical assistance. This will also enable public sector agencies to become more effectively involved in discharging their responsibilities within indigenous communities.

- provide the necessary leadership and combination of skills required and respected by indigenous people to contribute to the process of facilitating indigenous economic and human development with commercial and noncommercial organisations within the dominant mainstream economy.

References


