

“Remote Economic Rationalism: A Contradiction in Terms”

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Introduction

Over the past month we have seen incredible focus by Governments and the media upon remote area issues, particularly with respect to the Indigenous people of this country. Matters such as customary law, substance abuse, domestic violence, sexual abuse, dysfunctional communities, itinerants – even alleged paedophile rings – have been highlighted throughout Australia, but particularly here in the Northern Territory. Some of the commentary has been well-informed, measured and will assist with eventual solutions. Unfortunately, much of what has been forthcoming could only be described as ill-informed, self-serving and manipulative. Whatever its description, all has an impact on your decision to work as a provider of remote area human services.

To examine this regarding remote economic rationalism, I raise two initial questions:-

A Territory Context of “Remote”

Firstly, what is meant by the term “remote”? Simply, ‘remote’ means to be far apart, out-of-the-way, distant, even secluded. In the Northern Territory context, however, remote is often attached to the term ‘community’, and is invariably used in referring to the many Aboriginal towns and communities which range across the landscape. It is in this context that I shall discuss the term “remote”.

What is “Economic Rationalism”?

Secondly, let’s explore “economic rationalism”. This is an Australian term used in the discussion of [microeconomic](#) policy and is applicable to the economic policy of many governments around the world, in particular during the 1980s and 1990s. The origins of the term, however, are unclear. It seems likely that it arose independently in Australia and was derived from the phrase “economically rational”, used as a favorable description of market-oriented economic policies. Its first appearances in print were in the early 1970s under the [Whitlam](#) government, and it was almost invariably used in a favorable sense until the late 1980s. The now dominant negative use became widespread during the 1990 recession. ⁱ

1) Criticism of economic rationalism

The term "economic rationalism" is commonly used in criticism of [free-market](#) economic policies as amoral or asocial. In this context economic rationalism may be summarised as "the view that commercial activity ... represents a sphere of activity in which moral considerations, beyond the rule of business probity dictated by enlightened self-interest, have no role to play."ⁱⁱ

2) Support of economic rationalism

Supporters of economic rationalism have presented two kinds of responses to criticisms such as these. Some have denied that such criticisms are accurate, claiming that the term merely refers to rational policy formulation based on sound economic analysis, and does not preclude government intervention aimed at correcting [market failure](#), [income redistribution](#) and so on. Others have accepted the accuracy of the description, but have argued that the adoption of radical free-market policies is both inevitable and desirable.ⁱⁱⁱ

Put simply, 'economic rationalism' is a term often used in Australia ... to describe a range of economic policies which aim to reduce the extent of government intervention in the economy and to rely more on markets to organise economic activity. Some of the policies which have come to be associated with 'economic rationalism' include reducing government spending, privatisation and deregulation.^{iv}

Underlying the term is a theory which assumes that people behave in a rational way. This means that they have clearly defined wants and desires, and that they want to maximise their wealth or "utility". In pursuing their goal of 'utility maximisation', people are assumed to behave consistently.^v

Another assumption is also important – that people would have sufficient information to achieve their goal of maximisation. While they may make mistakes at first, they would learn from these mistakes and not repeat them in the long run.

Examining The REAL Statement

The statement which in fact confronts us then, is this:-

The inherent superiority of private enterprise – that is, the reduction of government intervention and a reliance on markets to organise economic activity through privatization – in remote Aboriginal towns and communities of the Northern Territory: A Contradiction in Terms.

From this, the key term of 'private enterprise' emerges for further examination. Being engaged in private enterprise logically assumes that one is an entity (sole trader, partnership or company) organized for commercial purposes – that is, engaged in commerce through the interchange of goods or commodities.

In order to conduct such business, however, there must be a meeting of people to sell and buy those goods or commodities – that is, a market; and, to take it one step further, a MARKET ECONOMY.

What, then, is a ‘market economy’? The *Macquarie Dictionary* defines it as:-

“An economic structure in which the allocation of resources is achieved by the interdependent decisions of persons supplying and demanding those resources rather than by the decisions of a centralized planning agency such as a bureaucracy”.

As a result of that definition, I pose the following questions:-

In our remote Aboriginal towns and communities:-

- 1) Is there an economic structure?
- 2) If there is, what does it look like?
- 3) Assuming that there is, through this structure then, how is the allocation of resources achieved? Is it:-
 - a. By the interdependent decisions of persons supplying and demanding resources; or
 - b. By the decisions of a centralized planning agency such as a bureaucracy.

Before addressing these questions, some background is necessary.

Firstly, cultural – initially through the writings of Professor W. E. H. Stanner. Professor Stanner has commented on the views of Aboriginal society and the dominant culture toward what he termed ‘The Dreaming’ and ‘The Market’ in these terms:-

“We are deeply interested in futurity. We try to foresee, forestall and control it by every means from astrology and saving to investment and insurance: the aborigines are scarcely concerned with it at all; it is not a problem for them. Their ‘future’ differentiates itself only as a kind of extended present, whose principle is to be continuously at one with the past. This is the essence of the set of doctrines I have called The Dreaming.

Our society is organized by specialized functions which cut across groups; theirs on a basis of segmentary groups, often arranged with a geometric symmetry into twos, fours and eights, each having comparable sets of functions. Theirs is a self-regulating society, knowing nothing of our vast apparatus of state instrumentalities for authority, leadership or justice.

Ours is a market-civilization, theirs not. Indeed, there is a sense in which The Dreaming and The Market are mutually exclusive. What is The Market? In its most general sense it is a variable locus in space and time at which values – the values of anything – are re-determined as human needs make themselves felt from time to time. The Dreaming is a set of doctrines about values – the values of everything – which were determined once-and-for-all in the past.

The things of The Market – money, prices, exchange values, saving, the maintenance and building of capital – which so sharply characterize our civilization, are precisely those which the aborigines are least able to grasp and handle. They remain incomprehensible for a long time. And they are among the foremost means of social disintegration and personal demoralization”.^{vi}

In addition to Professor Stanner’s insights, I draw attention to the fact that in many areas of the Territory the practice of ‘exchange of goods’ continues to be carried out between families and clan groups. This practice is about the exchange of goods following the rules of kinship. It involves the male elders of clan and family groups, and works by following set rules and areas of country. However, the exchange is not the same as a ‘contract’.

Importantly, the goods or agreements for this process often have a value more than what they might be thought as useful for. They also have a special task to:-

- create friendship;
- carry out kinship obligations; and
- express the spiritual relationship between people and their totem sites.

This system of exchange underpins today’s view of the world held by many Aboriginal people. While it does not necessarily function today as it has in the past, there are Elders alive who have knowledge and experience of this system of relationship, and this knowledge and experience shapes today’s relationships.

Continuing with our background, an examination of history, albeit a brief one, is required. To do so, I turn by way of example to the theology and policies surrounding the establishment of three (3) Catholic mission stations in the Northern Territory – Santa Teresa, Daly River and Port Keats – as discussed in Fr. Peter Hearn’s thesis, “*A Theology of Mission*”:-

1) Santa Teresa –

At this mission station, it was “not intended to create a large centre of population. Able bodied natives [were to] be encouraged to find work in the area, returning to the mission from time to time. The mission caters mainly for children, aged and infirm and dependents of those who are employed elsewhere”.^{vii}

2) Daly River –

Bishop O’Loughlin, the former bishop of the Darwin diocese from 1949 until his death in 1985, stated at the opening of the Daly River Mission in 1956 that it was not intended to “gather permanently on the station a large section of the adult population. These will continue to obtain gainful employment on the farms and cattle stations”;^{viii} and

3) Port Keats –

Finally, policies of the time determined that the Port Keats mission “is intended to serve as a centre for the spiritual, educational and medical services for the aborigines in the area. ... most families were to continue in employment, or to find employment, if the populations began to build again, on farms or cattle stations in the region ...”^{ix}

Clearly, the mission stations were never intended to become places of settlement for large numbers of Aboriginal people. To the contrary, it was only the occurrence of quite dramatic circumstances that ensured the build up of the population at two of the missions – these being the seven-year drought in Central Australia with respect to Santa Teresa, and massive flooding regarding Daly River – while for Port Keats, poor economic prospects in the Territory and the introduction of equal pay for Aboriginal persons impacted adversely on employment possibilities at outlying cattle stations and farms.

These events, among others, lead to long term settlement at the mission stations, an occurrence that was unintended, most certainly unexpected and unable to be catered for by the missionaries of the time. A planned, resourced and well-implemented policy response by the missionaries and governments alike was not, and is yet to be, forthcoming.

I return now to the questions raised above:-

In our remote Aboriginal towns and communities:-

1) Is there an economic structure?

Yes. In fact, there are at least three, but only two are well-established.

2) If there is an economic structure, what does it look like?

The three economic structures are these:-

- a) The traditional exchange of goods process. By its nature and history, this well-established process is conducted purely internally i.e. it does not interact on a market economy basis with dominant culture personnel and structures;

- b) Private enterprise conducted by incorporated associations and companies. Such enterprise is limited in nature and, overall, does not interact on a large scale with the dominant culture; and
- c) The provision of welfare payments. This economic structure has become the most well-established of all three;

3) Assuming that there is, through this structure then, how is the allocation of resources achieved?

- a. Activities of a private enterprise nature conducted by incorporated associations and companies such as local stores, takeaways, tourist ventures, art centres and the like satisfy the criteria of interdependent decisions of persons supplying and demanding resources. However, the greatest demand for product, especially from the local stores and takeaways, would come from those who are in receipt of welfare payments rather than income from real positions of employment;
- b. The provision of welfare payments falls squarely under the allocation of resources being achieved by the decisions of a centralized planning agency.

I have excluded the traditional exchange of goods process deliberately for two reasons:- firstly, as it is not a commercial contract, the allocation of resources is not achieved by the interdependent decisions of persons supplying and demanding resources; secondly, it cannot be considered as a centralized planning agency making decisions regarding resource allocation.

One could also point to the Community Development & Employment Program (“CDEP”) as an economic structure, however many Aboriginal people do not consider this to provide real jobs, but rather as glorified welfare. It is, therefore, encapsulated in the provision of welfare payments and subject to decisions of a centralized planning agency.

As a result, a ‘market economy’ – that is, an economic structure in which the allocation of dominant culture resources is achieved by interdependent decisions of persons supplying and demanding those resources, rather than by the decisions of a centralized planning agency – does not, in a substantial sense, exist in remote areas. To the extent that it does exist, it is of such small scale as to make no real impact with respect to key areas of infrastructure, education, training and employment. The remote economy in fact consists, on the whole, of welfare payments provided by the Commonwealth Government of Australia – that is, by you, the taxpayer.

Our ‘contradiction in terms’ is now emerging and may be expressed at this point as the question:-

How can private enterprise, and a reliance on markets to organise economic activity in remote Indigenous towns and communities of the Northern Territory, be inherently superior to government intervention when there is little to no private enterprise and the economy is based on the payment of welfare monies?

Port Keats Mission – A Case Study -

What happens when there is:- No market? No local economy which interacts robustly with dominant culture personnel and structures? An economy which is based on the payment of welfare monies?

The Port Keats Mission station, now known more widely by the local name of Wadeye, was initially founded by members of the Missionaries of the Sacred Heart in 1935, and at its current location in 1938. Here over 20 separate clans live as visitors on the lands of one traditional land owning group. As seen above, the mission was “intended to serve as a centre for the spiritual, educational and medical services for the aborigines in the area”. Further, families were to “continue in employment, or to find employment, if the populations began to build again, on farms or cattle stations in the region”.^x

Since its founding, Wadeye has seen a number of eras. These are:-

- 1) **The Mission era – 1935-1967** – this was a period of assimilation through evangelization, where the missionaries took it upon themselves to ensure that the Aboriginal people were able to cope in the modern world. For this to succeed, it was seen that they must have grounding in the Catholic faith. During this period people worked on outlying cattle stations and farms – the private economy. They were also educated in dormitories, learned to read, write and do simple math, and assisted in ensuring that the mission station was self-sufficient;

- 2) **The Self-determination era – 1967-present** – over this time a range of multi-faceted changes were experienced: Aboriginal people were recognised as Australian citizens through Constitutional change; they were entitled to receive equal pay (although this in fact caused job losses and increased dependency on, and in turn the size of, missions); welfare became fully accessible; the *Aboriginal Land Rights (NT) Act 1976 (Cth)* (“ALRA”) was enacted; and the control of missionaries was slowly but surely lifted. It was time to ‘self-determine’.

The separate divisions can be seen as follows:-

1) The Mission era – 1935-1967:-

1935-1938 – first contact, original and current settlement;
1938-1967 – subject to Catholic theology and policy;

2) The Self-determination era – 1967-present:-

1967-present – equal pay;
1967-1978 – changeover from Mission control to an incorporated local council;
1978-1994 – incorporated council;
1994-2003 – searching for another method of governance;
2003-present – Thamarrurr Regional Council.

It has been stated in *The Weekend Australian* recently that, with respect to education specifically, “it is time to draw back the cultural curtain in Aboriginal policy and bring back economics”. Further, “[a]fter three decades of ignoring economics and privileging culture, the chickens have come home to roost”, a specific reference to the various issues facing remote Indigenous communities.^{xi}

So, over the past seventy-one years of the Mission and Self-determination eras, what has the overall impact been in this and other areas at the township of Wadeye? To identify this impact, let’s bring back both economics *and* statistics. Two reports are relevant:-

Firstly, “*A Report to Thamarrurr Regional Council and the Northern Territory Office of Indigenous Policy*”, written in November 2003 by Professor John Taylor of the Centre for Aboriginal Economic Policy Research (“CAEPR”) within the Australian National University (“ANU”) (“the Taylor Report”). This provided baseline profiles for social and economic development planning in the Thamarrurr Region, of which Wadeye is the central township;

Secondly, “*The Opportunity Costs of the Status Quo in the Thamarrurr Region*”, written in February 2005 by John Taylor & Owen Stanley of the Centre for Aboriginal Economic Policy Research, ANU (“the Opportunity Costs Study”).

Looking **firstly** at the 2003 figures of the Taylor Report^{xii}, the following baseline indicators are most relevant:-

- Thamarrurr Population – 2,034 (up from 399 in 1950^{xiii});
- Service Population – 2,260;
- Population Growth – by 2023, the Aboriginal population is projected to increase by 88% (or 4% per annum) to reach a population of 3,833, an increase of 1,800 persons. This means that, within a generation, Wadeye and its associated outstations will have a population greater in size than present day Nhulunbuy.

[M]uch of this growth will occur in the working age groups with the population aged between 15 and 49 years increasing by some 1,338 over the next 20 years;

- ... there are 32 dependents, on average, for each Aboriginal employee in the mainstream labour market;
- 82% of total Aboriginal income [is] attributable to non-employment (welfare) sources compared to only 3% of non-Aboriginal income. If CDEP income is also counted as welfare income owing to its notional link to Newstart Allowance, then the level of Aboriginal welfare dependency rises to 90%;
- ... there is only a very small group of regular [school] attendees totaling 57 in all in 2002 if less than 30 days absence in the year is adopted as the cut off. Accordingly, the vast majority (82%) of enrolled students are frequently absent from school for cumulative periods amounting to more than 50 days in the year.

Thus a situation exists where people have moved from the beginnings of a private economy – outsourced employment services – to the welfare economy. Education and wages are poor, while population numbers, particularly in the working age demographic, are growing rapidly – a key demographic when employment of adults is poor.

Taylor notes that the “economic status of Aboriginal people in the region is largely a function of their continued failure to adequately participate in paid economic activity”.^{xiv} Further, and “from the standpoint of participation in regional economic development, educational achievement is a key prerequisite”.^{xv}

Taylor also poses a searching question:-

Given that base employment in this region in 2003 is a mere 146 places, “what if the target sought [is, by 2023, to] match the rate currently recorded for all Aboriginal people in the Northern Territory? ... this might be seen as moving to ‘normalise’ the situation at Wadeye ... [T]he additional jobs required amount to ... 535 ... - a task in order of magnitude that would seem to be way beyond the capacity of current policy settings”.^{xvi}

The second document, the Opportunity Costs Study^{xvii} based on the Taylor Report, asked what the opportunity cost was – both to governments and the local community – of sustaining the status quo.

The opportunity cost could be calculated as the *full impost* to government of sustaining the status quo of low labour force participation, low employment and occupational status, low income status, low educational participation and outcomes, high housing occupancy rates, high crime and custody rates, and high morbidity and mortality rates, *against* a background of rapidly expanding numbers. Two costs are relevant: costs due to forgone production, and costs due to the remedial actions necessary to compensate for low socioeconomic status as benchmarked against the Northern Territory average.^{xviii}

The following were identified:-

- ... the value of output forgone at Thamarurr amounts to \$43.8 million per annum, while Indigenous employment incomes foregone amount to \$26.3 million per annum;
- [In contrast to the Canadian situation, the] total remedial cost was substantially negative (instead of positive) to the tune of \$4 million, or \$1,944 per Aboriginal resident. ... far less is spent on them per head than is spent on the average Territorian. ... a key factor in this deficit is an apparent gross underspending on education at Thamarurr of some \$3.2 million largely reflecting low levels of school attendance. While funding for those attending schools is marginally higher than the Territory average, the low attendance rate means that for every education dollar spent by governments on the average child of compulsory school age in the Northern Territory, at present \$0.47 is spent on the Thamarurr equivalent;
- ... the total opportunity cost for Thamarurr is estimated to be \$39.8 million per year (\$43.8m minus \$4m).

The Opportunity Costs Study identifies what in the short term appears as savings for government – negative expenditure on remedial costs. However, this is merely a mirage – the longer it takes to remedy the situation, the greater the fiscal response required to address lost output. Additional spending could also improve non-financial aspects of people’s living standard in areas such as health, security and general well-being.

In these circumstances, one would expect that the costs to government of servicing a growing regional township that is relatively sick, poorly housed, disengaged from the education system, on low income or unemployed would be much higher, not lower, than the Northern Territory average. The ‘curtain’ which needs to be drawn back, however, is that of an imbalance in funding with lower than average spending on positive aspects of public policy designed to build capacity and increase output (e.g. infrastructure, education and employment creation), and higher than average spending on negative areas (e.g. criminal justice and unemployment benefits).

Taylor and Stanley then pose a very important question:-

“... does the situation of fiscal imbalance actually serves (sic) to perpetuate the very socioeconomic conditions observed at Thamarurr in the first place?”^{xix}

In my view, the fiscal imbalance has perpetuated the socio-economic conditions present in this region. While there are contributing reasons, the protracted lack of a meaningful fiscal response by Government has ensured that the crucial areas of education and infrastructure are in free-fall. Rather than culture being ‘privileged’ at the expense of economics, both studies are an indicator that economics has failed, and been at the expense of, a particular culture.

The Opportunity Costs Study states that “it is important to recognize that policy options for addressing the situation are not cost neutral – expenditure will need to grow either to compensate for declining socioeconomic status, or in order to enhance it. Whatever the case, a sizeable fiscal response is unavoidable”.^{xx} It concludes by recognizing that the “main way of attacking this problem, both at the regional level and national level, is by investing in job creation and human capital formation. All of this will be costly for government, but the opportunity cost estimates show that there are considerable productivity gains to be had from improving the socioeconomic status of people at Thamarrurr”.^{xxi}

Questions were asked above as to what happens when there is:- No market? No local economy which interacts robustly with dominant culture personnel and structures? An economy which is based on the payment of welfare monies?

The answers are reflected in the two reports provided but, primarily, there is a massive reliance on the welfare economy. How has this occurred? In my view, if there is negative spending in crucial areas such as education and infrastructure, understanding of the operation of dominant culture processes will not occur, private enterprise cannot develop and a local market economy which interacts robustly with dominant culture personnel and structures is an impossibility.

The contradiction in terms has now fully exposed itself, because private enterprise cannot be inherently superior to government intervention when a region is exposed to:-

- A people whom are sick, poorly housed, illiterate, innumerate, disengaged from the education system, on low income, unemployed, and with a sub-standard communications network;
- A failure by governments over a protracted period of time to properly invest in infrastructure, human capital formation and job creation;
- Few truly private enterprises; and
- No local market economy, but rather an economy based on the payment of welfare monies.

The areas of major infrastructure and education are rightly the realm of, and can only be provided on a large scale by, governments. In these regions, The Market will not provide roads; it will not provide subsidized public transport; it will not provide communication networks without assistance; it will not provide school-based education for an entire population. Private enterprise requires infrastructure to be present and personnel with the appropriate skills, confidence and capacity to utilize it. In these remote areas government has failed to provide – it has avoided, for decades, the unavoidable fiscal response.

A Way Forward – Rural Living: Creation of Local Economies

What then, is the way forward? What do you need to consider as a provider of remote area human services? Dr. Rolf Gerritsen, in a paper delivered at the recent Charles Darwin Symposium, appears to share similar views to those of both Taylor and Stanley. After noting that strong population growth and increasing life expectancy would be the case for the Aboriginal people of the Territory whatever the economic scenario, Gerritsen stated that, unless different approaches were adopted, they would “continue to be welfare or income transfer dependent”. Further, “the scale of the problem (conventionally defined ...) is beyond the present capacities of State and Territory governments. A burgeoning Aboriginal population living in poverty will not provide the large domestic market that would drive [internal] capitalist enterprise development”.^{xxii}

Clearly, his view is that the response can only come from the Commonwealth Government of Australia. Why? Because the scale of the problem requires an unavoidable fiscal response, and only the Commonwealth’s coffers are deep enough.

However, what form should this response take? From my experience, the focus must be on decentralization. Once safety through law and order is established, the visiting clan groups that live in Wadeye, for example, must, to the greatest extent possible, be supported to return to their own clan lands. Such a move has, in the past, been described as the ‘outstation’ and ‘homeland’ movement, while more recently as undertaking ‘rural living’^{xxiii} or the creation of ‘satellite suburbs’^{xxiv}. While contrary to views that have been expressed by Minister Mal Brough and Senator Amanda Vanstone, it is fundamental to the future of all Aboriginal people who desire to return to their clan lands and maintain a bi-cultural lifestyle.

I say this because it is something which the people themselves have been saying, and attempting to act upon, for decades. They know it is on their clan lands that they have the ability to exercise authority over that land, take and maintain control of their families, and have the chance to create various business opportunities – local economies. Some have been successful, others have not. As far back as 1976, Fr. Wilson MSC, in observing the emergence of the homeland movement throughout the Territory, saw that Aboriginal people had “started to abandon the large mission and settlement communities, whose unity they saw as something artificial and, if not imposed, at least as necessitated as one of the consequences of the intrusion of white people into their milieu”.^{xxv}

Specifically, and most importantly, he noted that in the view of Aboriginal people “the prerequisite condition for the exercise of autonomy and the enjoyment of peace is ownership of their land or at least unimpeded control of their living space. ... Outside of [one’s own] country one is legally an itinerant without rights”.^{xxvi}

That statement holds as true today as it did in 1976.

The upcoming introduction of new policy in remote areas which will see the lifting of the remote area exemption concerning welfare payments will be a key positive factor in this process of decentralization. I say this because a paradigm shift must occur throughout these areas – areas where it is believed that the dominant culture will always provide, where one will always receive something for nothing – areas where planned dependency has taken a frightening toll. This has to stop, most importantly for the future of the Aboriginal people concerned.

While lifting the remote area exemption is a positive policy change, current and future Federal and Territory Governments must heed the key messages within the Taylor Report and the Opportunity Costs Study. That is, a fiscal response is unavoidable. Major and innovative spending must occur in various areas – the long-term key is education and training; others include infrastructure such as housing, road and communications networks, human capital formation and job creation.

Recently, further change has been signaled. On 31 May 2006, the Indigenous Affairs Minister, Mal Brough, introduced into Federal Parliament a Bill to amend ALRA. The amendments are described as ‘historic’ and, according to the media release^{xxvii}, are about improving opportunities for Indigenous people on community land in the Northern Territory. The objectives of the amendments are stated as being, in order:-

- to improve access to Aboriginal land for development, especially mining;
- to provide for the establishment of "devolved decision making structures"; and
- to improve the socio-economic conditions of NT Aboriginal people.^{xxviii}

Mr. Brough stated that the reforms would “help create future opportunities for Aboriginal people. These amendments allow for 99 year leases which will make it easier for Indigenous people to own a home or establish a business in Aboriginal townships”.^{xxix} A process of normalization of townships would initially be required.

What does this mean? My views are these:-

Primarily, it is about gaining better access to Aboriginal land for development by non-Aboriginal people. Aboriginal communities, and their satellite suburbs in particular, are seen as dysfunctional cultural museums, home to outmoded tradition law which permits and encourages violence, substance abuse and paedophilia. It is also recognized that many towns and communities are home to people whose traditional land is elsewhere, thereby rendering them itinerants.

In order to ‘improve’ this situation, a statutory body or bodies will be created and administered by the NT Government. Such an entity will, through negotiation, obtain 99-year head-leases over entire township areas e.g. Nguiu, Maningrida, etc, thereby taking control of the land in order to ‘normalize’ the township – that is, make them more ‘economically viable’. The entity then has complete power to issue long-term sub-leases to town users without the need to go back to Traditional Owners and Land Councils.

While the terms of the head-lease will be negotiated with the Traditional Owners and Land Councils, a statutory ceiling on the annual rent payable to the Traditional Owners has already been set at five (5%) per cent of the land's value. Further, a fund of only \$15 Million Dollars has been set aside to provide for this rental – taken from the Aboriginal Benefit Account, the funds for which are royalties derived from mines on Aboriginal land.

Some possibilities of what may occur include:-

- a) Provision of a 99-year lease to an Aboriginal person who owns clan land elsewhere in order that they have a block of land in a township. By doing so, they will then be able to own a home or establish a business, with rights to that land as against the traditional owners guaranteed by ALRA and supported by law and order agencies. In short, centralization;
- b) Securing of a 99-year lease by a non-Aboriginal business person within a township to run a tourism operation, clothes shop etc. While no doubt intended to create Aboriginal employment, the sad history in townships and communities is that many non-Aboriginal business people subscribe strongly to the theory of nepotism – there is guaranteed employment and much money to be made, so why not invite the family? In part, this is no doubt due to the fact that the great majority of working age Aboriginal people are illiterate and innumerate, thus unable to fill positions available.

While I understand the background of the changes and the positive intention behind them, each example provided is, currently, a recipe for disaster and social destruction. The underlying basis is the fact that, as Fr. Wilson saw, “the prerequisite condition for [Aboriginal] exercise of autonomy and the enjoyment of peace is ownership of their land or at least unimpeded control of their living space”.^{xxx} Further, current levels of Aboriginal illiteracy and innumeracy mean that very few have the bi-cultural understanding plus the educational, employment and financial capacity to even contemplate owning a home or establishing a business. The opportunities will pass to savvy members of the dominant culture.

What these changes bring, in my view, is further dispossession of the dispossessed, and greater control by others of the economic opportunities so desperately required by Aboriginal people to create a future. The fact that a statutory ceiling for rent payable has already been set at five (5%) per cent, and that payment will be made with their own money, is a clear indication as to the approach being taken. As the objectives indicate, improvement to the socio-economic conditions of NT Aboriginal people comes in a poor third, behind better access for mining and disempowering of the land councils.

Conclusion

This discussion has centred on the correctness or otherwise of the premise that there is a contradiction in the terms of “remote economic rationalism”. Currently, such a statement is indeed contradictory. At the heart of the contradiction are two points:-

Firstly, the cultural difference between Aboriginal society and that of the dominant culture – one based on The Dreaming, the other, The Market. That is not to say that the two are mutually exclusive – in fact, for the future success of Aboriginal people, the two must be able to work together, if only in parallel.

Secondly, private enterprise cannot be inherently superior to government intervention when a region is exposed to:-

- A people whom are sick, poorly housed, illiterate, innumerate, disengaged from the education system, on low income, unemployed, and with a sub-standard communications network;
- A failure by governments over a protracted period of time to properly invest in infrastructure, human capital formation and job creation;
- Few truly private enterprises; and
- No local market economy, but rather an economy based on the payment of welfare monies.

For the dominant culture, the allocation of resources is achieved on a large scale through the market – that is, the interdependent decisions of persons supplying and demanding resources – rather than by the direct decisions of Governments, Territory, State or Federal. In places such as Wadeye, the opposite is the case. It was established merely as a service centre providing employment to outlying farms and cattle stations. As with other such towns and communities, it had no economic base, nor has it subsequently developed a sustainable one other than the receipt of welfare. While there was an historical association with the private economy, now CDEP and social services rule.

A major fiscal response from the Federal Government aimed at infrastructure, education and training, and employment, is unavoidable. However, this must be coordinated with a process of decentralization, allowing Aboriginal people to control their living space through supported satellite suburbs. By doing so, economic rationalism (in a positive sense) could become a reality. Indeed, this must be the aim for Aboriginal people, in order that they are as free as possible from the policy and legislative strictures of dominant culture governments which have no real understanding of or interest in them or their circumstances. However, I do acknowledge the thoughts of economist Professor Quiggan who says that the “social consequences of economic rationalism include a steady erosion of social cohesion as competition and the naked pursuit of self-interest invade social life more and more, with obvious winners and losers”.^{xxxii}

At present, two changes are bearing down:-

- 1) Lifting of the remote area exemption – this is a positive change to the current paradigm, particularly if used in conjunction with the process of decentralization;
- 2) Amendments to ALRA – these are a recipe for disaster and social destruction, for they are aimed at a dominant culture-based principle of creating economically viable Aboriginal communities, rather than improving the socio-economic conditions. The changes seek to achieve this by a process of centralization through Government control of townships, where economic efficiencies with respect to the provision of Government services can be maximized, and private operators – Aboriginal or non-Aboriginal – will be able to undertake business.

Your work as a provider of remote area human services will be within this new regime. The people that you seek to work with and provide service to will be from another culture, speak another language and be subject to inordinate government control on lands many still consider as their own. Their dispossession has had, and will again have, a devastating impact in spiritual, mental, physical and social terms. You will come to know this.

I leave you with this final thought from the Prime Minister, John Howard:-

I don't ask that indigenous people be treated more harshly than the rest of the community, I simply ask that we adhere to the simple [rule] of one law, one people, one nation.^{xxxii}

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