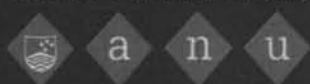


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Centre for
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Discussion Paper



**Compensating indigenous Australian
'losers': a community-oriented approach
from the Aboriginal social policy arena**

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SERIES NOTE

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- identify and analyse the factors affecting Aboriginal and Torres Strait Islander participation in the labour force; and
- assist in the development of government strategies aimed at raising the level of Aboriginal and Torres Strait Islander participation in the labour market.

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ABSTRACT

The extent to which social policy should foster economic adaptation and compensate the 'losers' from economic forces is of growing concern to policy makers in the 1990s. From an Aboriginal policy perspective this concern is familiar. The recent endemic levels of unemployment experienced by the non-Aboriginal population have been a long-term experience for indigenous Australians. The paper explores an approach from the Aboriginal affairs social policy arena - the Community Development Employment Projects (CDEP) scheme - and considers both its ability to compensate disadvantaged indigenous Australians and its applicability in the wider community.

The concept of indigenous 'losers' is critically examined in the light of the considerable cultural, economic and geographic variation within the Aboriginal population itself. The current level of indigenous disadvantage also reflects complex historical processes. The CDEP scheme is a community-oriented approach which offers a potentially radical economic adaptation; the most significant being the 'Aboriginalisation' of work and a high degree of local control over setting employment outcomes and work schedules. However, the paper argues that the longer-term employment and income improvement outcomes from the scheme are far from clear. The CDEP scheme does not appear to be particularly effective in reducing poverty and in some regions it may perpetuate an employment enclave for the disadvantaged. Finally, it remains unclear whether the scheme has the capacity to compensate especially disadvantaged individuals at the community level, or to move unemployed indigenous Australians towards equality with other Australians. The scheme appears to suit the particular circumstances of many indigenous Australians, but any moves to introduce the scheme more widely would need to proceed cautiously.

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Foreword

In response to a call for papers for the 1993 National Social Policy Conference with the theme 'Theory and Practice in Australian Social Policy: Rethinking the Fundamentals', academics at the Centre for Aboriginal Economic Policy Research, Australian National University, submitted three inter-related abstracts with the following titles:

- i 'Indigenous Australians and social policy: rethinking the fundamentals' (J.C. Altman and W.G. Sanders);
- ii 'The role of the Aboriginal and Torres Strait Islander Commission in social policy towards indigenous Australians' (J.C. Altman and D.E. Smith); and
- iii 'Work and welfare for indigenous Australians' (A.E. Daly and A.E. Hawke).

It was anticipated that all three papers would be earmarked for a special session on Aboriginal and Torres Strait Islander issues convened in recognition of the 1993 United Nations International Year of the World's Indigenous People. However, the conference organisers only slotted the first proposal into this session; the second was included in the stream 'Social Policy and the Economy', and the third in the stream 'Work and Welfare'.

The section 'Social Policy and the Economy' sought papers that examined how social policy should be aimed at fostering economic adaptation and the extent to which it should be concerned with compensating the 'losers' from market forces. To streamline our proposed paper to the session theme, Diane Smith and I changed its title to 'Compensating indigenous Australian 'losers': a community oriented approach from the Aboriginal social policy arena' and focused the paper's content primarily on the Community Development Employment Projects (CDEP) scheme. A version of this paper has been submitted for inclusion in the conference proceedings, but it is also published as a CAEPR discussion paper to make it available immediately to an audience focusing on Aboriginal and Torres Strait Islander social policy.

Jon Altman
Series Editor
September 1993

How should social policy foster economic adaptation, and to what extent should it be concerned with compensating the 'losers' from market forces? These questions are of growing concern to policy makers in the 1990s. From an Aboriginal policy perspective, this concern is familiar. The recent endemic levels of unemployment experienced by the non-Aboriginal population have been a long-term experience for indigenous Australians. The key aim of this paper is to explore an approach from the Aboriginal affairs social policy arena and consider both its ability to compensate indigenous Australian losers and, more speculatively, its potentially wider applicability to all Australian losers. The approach examined is encompassed in the Community Development Employment Projects (CDEP) scheme, a community-oriented program sometimes referred to as a 'work-for-the dole' scheme. This depiction originates from the fact that under the CDEP scheme communities receive a block grant roughly equivalent to the welfare entitlements of community members. However, additional payments in the form of on-costs and resources for the purchase of capital equipment are also provided. Currently, nearly 22,000 indigenous Australians residing at over 200 localities participate in the scheme. Participation almost invariably means part-time employment, as the resources available to each participating community do not allow the creation of full-time jobs. In the 1992-93 financial year, the Aboriginal and Torres Strait Islander Commission (ATSIC) allocated some \$235 million to the scheme, with about 75 per cent of this amount consisting of notional offsets against the welfare entitlements of participants.

The novel feature of the CDEP scheme is that it is a community-focused labour market program which has no equivalent in mainstream social policy. An examination of the scheme provides an opportunity to highlight, in an exploratory manner, some of the difficulties that mainstream policy might experience in any attempts to centrally target policies and programs at economic losers, be they the long-term unemployed or those in regions that have excessively borne the brunt of the structural adjustments associated with the current recession. The potential applicability of the CDEP scheme is of special interest in the aftermath of two recent policy initiatives: a renewed federal concern with regional adjustment and regional development.¹

Defining indigenous 'losers'

Defining losers is never easy, especially with a regionally dispersed and culturally heterogeneous population. In this paper, we define indigenous losers as the unemployed, especially the long-term unemployed (that is, those unemployed for 12 months or over). Some recent data on indigenous Australians in this category for the period 1983-90 is provided by Junankar and Kapuscinski (1991: 39) and more recently by Daly and Hawke (1993).

Both demonstrate that long-term unemployment is significantly higher for indigenous Australians than for the rest of the population. However, a focus on the long-term unemployed excludes participants in the CDEP scheme, many of whom would have been classified as being long-term unemployed if it were not for part-time employment opportunities created by the scheme.

Table 1. Unemployment rates and mean individual incomes of the indigenous and total populations, 1971-91.

	1971	1976	1981	1986	1991
Unemployment rate					
Indigenous Australians	9.3	17.8	24.6	35.3	30.8
Total population	1.7	4.4	5.9	9.2	11.7
Ratio Aboriginal to total population	5.5	4.0	4.2	3.8	2.6
Mean individual income					
Indigenous Australians	na	\$3,276	\$4,634	\$8,017	\$11,491
Total population	na	\$5,025	\$8,130	\$12,251	\$17,614
Ratio indigenous to total population	na	0.65	0.57	0.65	0.65

Source: Tesfaghiorghis and Altman (1991); 1991 Census data.

There are some important similarities and differences between the experiences of Australians in general during the past two years and the experiences of indigenous Australians over the past twenty years. This is the case especially for Australians in those rural and remote regions who have experienced regional recession. Indeed, it could be argued that the entire Aboriginal affairs policy debate over the last two decades has focused on Aboriginal people as losers, if not from market forces then certainly from colonialism (in settled regions) and as a result of their residence beyond the economic frontier (in the most remote parts). Perhaps the clearest and most cogent argument that presented Aboriginal people, as a group, as losers was contained in the *Aboriginal Employment Development Policy Statement* (Australian Government 1987) which defined Aboriginal socioeconomic disadvantage in terms of employment, income and welfare dependency. Table 1 clearly demonstrates that as a racially-defined group indigenous Australians are economically disadvantaged when compared to the total population. It is interesting to note that while trends over time are not the concern of this paper, there

has been some broad convergence in indigenous and total Australian unemployment rates; the same has not occurred with mean individual income.

Aboriginal economic disadvantage is a product of historical, locational, demographic and cultural factors, but it is also due to structural change that has perhaps been ameliorated and masked by the nature and extent of government intervention. A recent analysis of the inter-relationship between macroeconomic factors and the employment status of indigenous Australians (Altman and Daly 1992a; Taylor 1992) indicates structural factors at work: there are some sectors of the economy, like agriculture, where Aboriginal employment has actually declined in absolute terms between 1971 and 1986 despite a doubling of the population.

Caveat

The above presentation of indigenous Australians as 'losers' in socioeconomic terms has gained considerable currency in the aftermath of the Royal Commission into Aboriginal Deaths in Custody. However, this picture needs to be heavily qualified on two counts. First, disadvantaged Aboriginal and Torres Strait Islander people cannot be categorised as a homogeneous indigenous underclass. The level of current disadvantage is not simply the product of recent recessionary processes which are further restricting an already tenuous position in the labour force. Current levels of indigenous disadvantage reflect the historical process of their marginalisation from the mainstream economy. This process took place (and continues to occur) at different times, in a diversity of circumstances and with varied impacts.

One of the fundamental divisions highlighted by a number of researchers and made apparent by census data is that between remote and rural Aboriginal communities, and urban and metropolitan areas. This broad division had its intellectual antecedents in the analytical distinction made by Rowley (1971) between colonial and settled Australia. In the former, it is locational disadvantage and cultural difference that marginalise indigenous Australians in mainstream terms, although in some situations land rights and access to subsistence resources reduce the extent of disadvantage (see Altman and Allen 1992). In settled and urban areas, economic disadvantage is a legacy of the colonial encounter and the exclusion of indigenous Australians from citizenship entitlements and the provisions of the welfare state. This broad distinction has decreased significantly with time, owing to migration and especially urbanisation. Nevertheless, analyses of social indicators at the State, section-of-State, and regional levels show a significant degree of variability in the extent of indigenous socioeconomic disadvantage (Teshfaghiorghis 1991, 1992). Second, not all indigenous people are losers in the mainstream market economy and some individuals who may be classified as disadvantaged

according to official statistical measures, perceive themselves quite differently. For example, case study evidence reveals that recycling employment and the 'intermittent worker effect' may be active choices for some indigenous people, rather than the product of economic exclusion (Smith 1991). Culturally-determined choices to reside in remote locations where the labour market is virtually non-existent and to pursue lifestyles more oriented to Aboriginal and Torres Strait Islander priorities also have an impact on the extent to which people can choose to participate in mainstream employment. Some make an active choice to participate in the informal economy, with cash income supplements coming from welfare. With these significant cultural qualifications, we focus on disadvantage with respect to those individuals who participate in the mainstream labour force as enumerated by census statistics.

The CDEP scheme: a community-oriented approach

The CDEP scheme was first established on a pilot basis in 1977 by the Fraser Government. Its early history has been described in some detail by Sanders (1988) and its more recent development, especially after the launch of the Aboriginal Employment Development Policy (AEDP), by Altman and Sanders (1991). Initially the scheme targeted Aboriginal and Torres Strait Islander communities in remote regions where very restricted, or non-existent, mainstream labour markets were the norm. The scheme was introduced at a time when the award wage economy and associated rights to unemployment benefits was new to remote Aboriginal communities. While there has been considerable debate in the literature about the exact objectives of the scheme, it is increasingly recognised that it has multiple objectives, including community infrastructure development, income support, employment creation, enterprise development, and social and cultural objectives (see CDEP Working Party 1990; Altman and Sanders 1991; Deloitte Touche Tohmatsu 1993). Since the launch of the AEDP in 1987, the scheme has been increasingly regarded as a labour market program under the umbrella of the AEDP. Consequently, it is regarded in policy terms as a potential contributor to the AEDP goals of employment and income equality between indigenous and other Australians by the year 2000.

While the CDEP scheme is not an ATSIC initiative, it has been expanded and vigorously pursued in the aftermath of the Royal Commission into Aboriginal Deaths in Custody (Commonwealth of Australia 1991) which strongly advocated expansion of the scheme, especially into rural and urban areas that have been disproportionately affected by the recent recession. The CDEP scheme represents a potentially radical economic adaptation in many respects, but carries a burden of great expectations from both government and indigenous Australians. It is ATSIC's largest

program, and its expansion in recent years, attesting primarily to its popularity among indigenous Australians, is demonstrated in Table 2.

As outlined by ATSIC, the current objectives of the CDEP scheme are to provide employment opportunities for indigenous people in locations where there are limited alternatives, to reduce indigenous dependence on welfare benefits and improve 'elements of their social, cultural or economic life which enhance self-management' (Commonwealth of Australia 1992: 59). Certainly the program has wide appeal, especially now that it is not limited to discrete communities, but is also available on a project basis. A total of 200 communities or organisations participated in the scheme in 1992-93 providing employment opportunities for nearly 22,000 people, or nearly 15 per cent of the Aboriginal and Torres Strait Islander population of working age.

Table 2. CDEP scheme participants, expenditure and proportion of Aboriginal affairs portfolio expenditure, 1976-77 to 1992-93.

Year	Participating communities	Participants (workers)	CDEP scheme expenditure (\$ million)	CDEP as per cent of Aboriginal affairs portfolio expenditure
1976-77	1	100	0.1	0.1
1977-78	10	500	2.0	1.6
1978-79	12	800	2.9	2.1
1979-80	17	700	3.8	2.7
1980-81	18	1,300	6.9	4.3
1981-82	18	1,300	7.0	4.1
1982-83	18	1,300	7.4	3.7
1983-84	32	1,700	14.2	5.8
1984-85	33	2,900	23.5	8.3
1985-86	38	4,000	27.2	9.2
1986-87	63	6,000	39.5	11.9
1987-88	92	7,600	65.5	17.4
1988-89	129	10,800	98.8	22.0
1989-90	166	13,800	133.2	25.0
1990-91	169	18,266	194.1	35.8
1991-92	185	20,000	205.0	34.7
1992-93 (est.)	200	22,000	234.6	32.0

Source: Altman and Sanders (1991); Economic Initiatives Branch, ATSIC.

Table 3. Employment and non-employment income of Aboriginal individuals aged 15 years and over, 1986 and 1991.

Labour force status	Number	Mean income	Total income (\$ million)	Per cent of total
1986				
Employed	40,642	\$13,726	\$557.85	58.2
(CDEP component)	(4,000)	(\$5,650)	(\$22.60)	(2.4)
Unemployed	21,467	\$6,883	\$147.76	15.4
NILF	54,321	\$4,388	\$238.36	24.9
Not stated	3,189	\$4,580	\$14.61	1.5
Total	119,619	\$8,015	\$958.75	100.0
1991				
Employed	54,464	\$16,757	\$912.65	56.7
(CDEP component)	(18,072)	(\$8,123)	(\$146.80)	(9.1)
Unemployed	23,014	\$8,342	\$191.98	11.9
NILF	60,640	\$8,021	\$486.39	30.2
Not stated	1,892	\$9,564	\$18.10	1.1
Total	140,010	\$11,491	\$1,608.85	100.0

Source: 1991 and 1986 Census data. Data in brackets are estimates from the Department of Aboriginal Affairs (DAA), then ATSIC, administrative data sets reported in Annual Reports. Note that estimated mean income of CDEP participants is notional, assuming no additional non-CDEP income.

Table 4. Growth in CDEP scheme participation and change in unemployment rates, by State, 1986-91.

	CDEP participants			Unemployment rate		
	1986 ^a	1991 ^a	% change	1986	1991	% change
NSW	0	1,530	+ve	40	36	-10
Vic.	0	109	+ve	24	27	+13
NT	720	4,146	+576	35	26	-25
Qld	1,405	7,010	+499	34	27	-21
SA	1,090	1,622	+49	35	28	-20
WA	1,803	3,996	+122	39	36	-8
Tas.	0	0	na	21	26	+24
ACT	0	0	na	15	20	+25
Total	5,018	18,473	+368	35	30	-14

a. At 30 June.

Source: ATSIC administrative databases on CDEP participants, Economic Initiatives Branch, ATSIC; special tables, Statistics Section, Strategic Development Unit, ATSIC.

The scheme's most radical aspect is that it allows for an 'Aboriginalisation' of work: participating communities are able to define the work context, with the result that employment includes clothing manufacture, cabinet making, provision of essential services, market gardening, arts and crafts production, rabbit eradication, emu farming, maintenance of sacred and other sites, firewood collection and canoe building. (A far wider range of activities is outlined by Deloitte Touche Tohmatsu 1993.) There is a high degree of local control over setting employment outcomes and work schedules. However, this decentralised authority over the management of the scheme has resulted, according to one commentator, in 'senior administrative anxiety' (Rowse 1993: 270). There is a clear tension present in the scheme between local indigenous management and nationally-established economic objectives, accountability and program evaluation.

Macro-impacts

At the same time, longer-term employment and income improvement outcomes from the scheme are far from clear. While expansion of the CDEP scheme certainly provides a means to reduce unemployment rates as officially defined in the five-yearly census, it does not appear to be particularly effective in reducing poverty. Altman and Smith (1993) argue that, in fact, there might be inverse and unintended trade-offs between AEDP goals: in particular, reduced welfare dependency in the current economic climate may hamper the goal of income equality by locking CDEP participants into ongoing low-paid employment in areas where there is little chance of any alternative full-time employment. There is no evidence to suggest that CDEP employment leads to better employment chances outside of the scheme. Rather, it may be that the scheme perpetuates an employment enclave for the disadvantaged. This is demonstrated notionally in Table 3, and more thoroughly by Taylor's (1993) analysis of socioeconomic status by section-of-State in the Northern Territory. Perhaps it is this that is causing 'administrative anxiety', although it may also be of anxiety to policy makers genuinely concerned with the poverty that seems to be perpetuated by the scheme and its vulnerability to adverse commentary from those who believe that Aboriginal economic disadvantage cannot be compensated with specially targeted programs that potentially maintain marginalisation in the longer term (Brunton 1993).

The overall impact of the CDEP scheme is demonstrated in simplified aggregate terms in Tables 3 and 4. Table 3 shows that growth at the national level in CDEP participants almost matched growth in numbers employed. However, this statement must be heavily qualified, because it is impossible to tell from census data whether CDEP participants are categorised as employed, unemployed or not in the labour force (see Altman and Daly 1992b). It can be safely assumed though that a significant proportion of CDEP scheme participants, especially so-called 'workers' are classified as part-time employed (see Taylor 1993). Tables 3 and 4 together

demonstrate that at the State level there is a close correlation between the increase in CDEP participation and a reduction in officially defined unemployment rates. However, it will be necessary to disaggregate to assess the community-based impact of the scheme on employment and income levels.

Micro-impacts

The macro-impacts of the CDEP scheme must be differentiated from its micro-impacts at the community level. In particular, it remains unclear if the scheme has the capacity to compensate especially disadvantaged individuals at the community level. While there is currently no rigorous research available to address this issue, concern has been raised in the literature that community politics may result in some sectional interests, like women, receiving less than their welfare entitlements under the CDEP scheme mechanism, owing to the devolution of control over resource distribution to community councils (CDEP Working Party 1990; Altman and Sanders 1991). Certainly the scheme's guidelines do not provide specific direction to target those most in need. For example, recent analysis by Taylor (1993) in the Northern Territory raises the possibility that some indigenous Australians who were in mainstream employment may have shifted to part-time CDEP scheme employment. A major problem facing any attempt to assess micro-impacts of the scheme is that quantitative data are not available: indigenous Australians are not separately identified in the monthly Labour Force Survey, and it is likely that many CDEP participants are not identified in the census as being in part-time employment (see Altman and Daly 1992b; Taylor 1993). Furthermore, such formal surveys would be incapable of capturing the qualitative 'community development' repercussions of the scheme. Detailed case studies are needed.

It is clear that the CDEP scheme is the wrong program mechanism if its major economic policy objective is to move individuals off welfare (actual or notional) and into the mainstream labour market. A standard measure used to evaluate the performance of labour market programs is the employment status of individuals after a period of participation (see Daly 1993). In such a context the CDEP scheme has been unsuccessful. This is evidenced by the fact that despite the scheme's operation in some communities since 1977, no community has chosen, or been required, to move off the scheme due to the successful creation of mainstream employment opportunities. Unfortunately, there are no accurate data available on whether individuals at these communities have moved into mainstream jobs. While the census does not allow tracking of individuals over time, administrative data suggest that participant numbers at communities are expanding. The apparent failure of the scheme in 'creating' mainstream employment is hardly surprising given the remoteness of many participating communities from labour markets; and it

is not reasonable, perhaps, to expect it to be able to create a mainstream labour market. Nevertheless, the apparent lack of connection between CDEP and the mainstream labour market leaves the scheme vulnerable to the criticism that it constitutes an endless direct job creation program and that it provides no incentive to individual participants to seek full-time employment.

Another criterion for evaluating labour market program outcomes is changed income status. The CDEP scheme has some potential to operate as a guaranteed minimum income scheme, and, in such circumstances, to provide an opportunity to supplement incomes (in cash or in kind) beyond the ceilings set by welfare equivalent entitlements. This would occur, for example, in situations where the hours available after completion of CDEP community-oriented work were devoted to artefact manufacture, subsistence activities or commercial 'community' fishing (Altman and Taylor 1989). There is little evidence, however, that the CDEP scheme is facilitating such informal productive activities in situations where they were not already undertaken under a welfare support regime. Indeed, the major identified micro-impacts of the scheme at 21 case study communities visited in association with the Deloitte Touche Tohmatsu (1993) consultancy were primarily in the areas of essential services and housing. It appears that unlike welfare regimes, the CDEP scheme does provide an organisational umbrella under which 'socially useful' work is undertaken. Even so, this very positive feature of the scheme has potential negative repercussions, linked to substitution, that will be outlined below.

CDEP scheme issues

There is little doubt that the CDEP scheme has proven popular with many indigenous Australian communities, that it enables a greater degree of local control and management, and has the flexibility to respond to culturally-based priorities and choices. In these aspects it represents an important economic adaptation within the Aboriginal affairs program and policy arena. It has the potential to represent a fundamentally different direction in program strategy if it can survive. This survival will require policy consideration of the following and other issues.

To continue, the scheme must demonstrate that it is not locking individual participants into income levels that are little different from welfare entitlements. To ensure this, ATSIC might need to consider modifying the scheme to differentiate those participants who are merely seeking income support from those who are structurally unemployed and seeking an option to increase income by using the scheme as a stepping-stone to mainstream employment. In some situations, this is linked to the issue of training: to provide effective means to facilitate entry into mainstream employment,

where it exists, the scheme should be streamlined with training. However, as Kerr (1992: 122) notes, such training has to be vocationally oriented, especially in urban and rural contexts.

A second complex issue that needs to be addressed is whether participation in the CDEP scheme is, in fact, employment, usually of a part-time nature, or welfare support. This distinction obviously needs to be reflected in the way CDEP scheme participants are classified in official surveys like the five-yearly census. But it also has ramifications in terms of the entitlements of CDEP scheme participants to full award conditions, an issue raised by the union movement but never actively pursued (Smith 1990; Altman and Hawke 1993).

The key issue and challenge for ATSIC in administering the scheme is linked to the vexed problem of substitution. This occurs at a number of levels. The CDEP scheme itself is a form of substitution funding because ATSIC is replacing participants' welfare entitlements with equivalent block grants paid to participating communities. According to Deloitte Touche Tohmatsu (1993) one of the most positive features of the scheme is that CDEP workers are involved in the construction and maintenance of community infrastructure and housing. But this too has strong elements of substitution, because it appears that CDEP scheme employment financed by the Federal Government is substituting, at least in part, for normal activities usually financed by State and local governments. A final form of substitution is linked to the growing trend towards regionalism in Aboriginal and Torres Strait Islander policy. If regions are increasingly compensated by ATSIC on the basis of socioeconomic disadvantage, then it will be important to clarify the definition of CDEP participation in official statistics. If such participation is defined as employment, then any socioeconomic status index incorporating employment rates is likely to understate the extent of real disadvantage. This might jeopardise full access by CDEP scheme communities to their equitable entitlement to discretionary resources.

It must be emphasised that each of these are broad policy issues, and it remains unclear to what extent they are of significant concern to the communities participating in the scheme.

Wider implications

The CDEP scheme raises some interesting issues of immediate wider social policy importance as the Keating Government is presently focusing on long-term unemployment, regional disadvantage and changing Australian attitudes to work. In particular, in the aftermath of the Prime Minister's statement of May 1993 and the establishment of an expert

committee with terms of reference to produce a report on the labour market by 31 December 1993, there will be a need to seriously consider innovative approaches like the CDEP scheme for the wider Australian community. This is partly because the scheme is often presented as a work-for-the-dole scheme and this has intuitive appeal to those who believe that the long-term unemployed could be usefully engaged in community-oriented work of public benefit. Also, it is a scheme whose rapid growth implies success and popularity. Mainstream economics is not without its debate about the merits of such schemes. On the one hand, it is recognised that direct job creation schemes are the most expensive and least effective options available to create long-term employment (Stretton and Chapman 1990). On the other, some are calling for a revamping of local employment initiatives, utilised in the 1980s as a means to create employment in the 1990s (Hodgkinson and Kelly 1993).

An initial issue that would arise in the wider context is how communities might be chosen for participation in the scheme. To date, CDEP scheme entry has been ad hoc; it is questionable if such an approach would be acceptable in the wider community. It is unclear on what basis communities could be targeted for inclusion. In the early years of the CDEP scheme, priority was given to remote and discrete Aboriginal communities where employment opportunities were extremely circumscribed. To identify discrete communities without using Aboriginality as a criterion might be a great deal more complex, despite the availability of far better information on the long-term unemployed for all Australians. A community basis for introducing the scheme could exist in some unusual circumstances, like rural land-sharing communities or communes (Sommerlad and Altman 1986). The alternative of establishing block-grant linked employment programs on a project basis (as is occurring in some urban Aboriginal situations) may be more acceptable in the wider community. Even then, one might wonder whether community-based or project-based programs are an effective means to target individual losers (see Hodgkinson and Kelly 1993).

Some fundamental differences exist between indigenous Australian communities participating in the scheme and mainstream society. First, in general, the scheme has been introduced to remote Aboriginal communities with no formal employment options. Second, the substitution occurring under the CDEP scheme is accepted, and even welcomed, because of the significant infrastructural shortfall at these communities. Such substitution might not be tolerated in the wider community. Finally, it seems unlikely that the union movement would accept non-award conditions frequently associated with the CDEP scheme if it were more widely applied (Altman and Hawke 1993).

Conclusion

To what extent has Aboriginal affairs policy developed an effective means to compensate indigenous losers from market forces? At an institutional level, it appears that ATSIC has a community-oriented program, the CDEP scheme, that has sufficient flexibility to target particular sectional groups of the long-term unemployed. However, as argued above, there are a number of factors that circumscribe the potential of the scheme to move structurally unemployed indigenous Australians towards economic equality with other Australians.

While the CDEP scheme is significant (both in terms of resources and number of participants), its expansion appears limited by budgetary ceilings despite its notional offsets against individual welfare entitlements. This link has had positive spin-offs: it has been responsible in large part for the rapid expansion of the scheme in the late 1980s. But this has also created pitfalls: in particular, welfare-linked fiscal ceilings limit the ability of participants to break out of poverty. While the CDEP scheme represents an economic adaptation that may appease policy makers concerned with high levels of officially-defined unemployment, and is supported by a number of participating communities welcoming greater local control, there is limited evidence to date that the scheme alleviates poverty, as measured by the census, or that it results in the shift of indigenous Australians into employment in the mainstream labour market. In short, it is unclear if disadvantaged individuals are better looked after or targeted under ATSIC's community-focused compensation approach than under the mainstream welfare net. The scheme appears to suit the particular circumstances of many indigenous Australians, but any moves to introduce the scheme more widely would need to proceed cautiously.

Note

1. As spelt out in a speech by the Minister for Industry, Technology and Regional Development, the Hon. Alan Griffith, to the Committee for the Economic Development of Australia, titled 'Economic Change and Regional Development', (4 April 1993), and on long-term unemployment, as outlined in a speech by the Hon Paul Keating, Prime Minister, to the Economic Planning Advisory Council on 28 May 1993.

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