

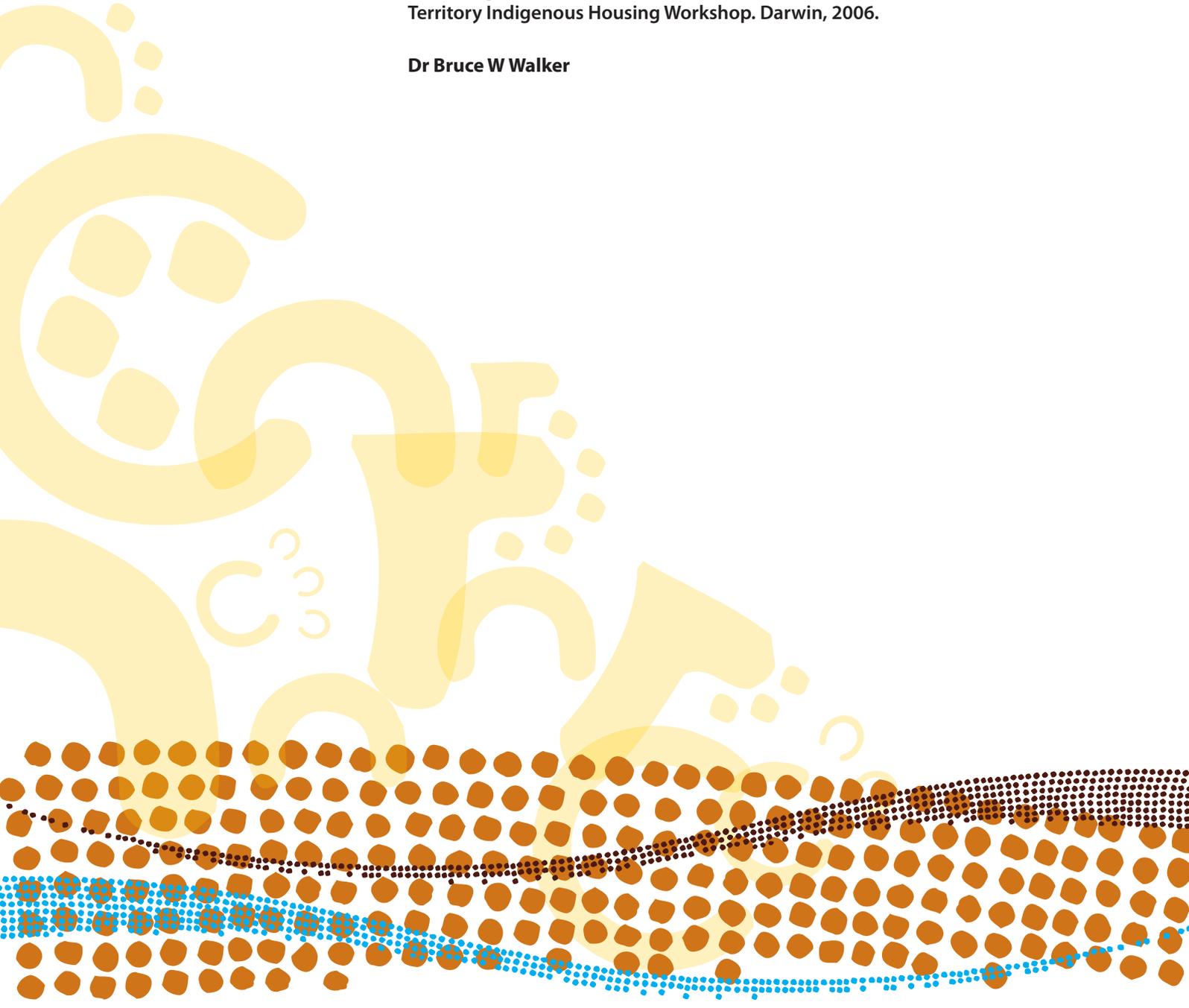
SECURING SUSTAINABLE LIVELIHOODS
through appropriate technology

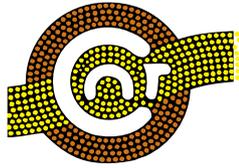
**Centre for
Appropriate
Technology**

Centre for Appropriate Technology Paper

The Emperors New Clothes: paper presented to the Northern Territory Indigenous Housing Workshop. Darwin, 2006.

Dr Bruce W Walker





Centre for Appropriate Technology

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The Emperor's New Clothes.

Dr Bruce W Walker

CEO, Centre for Appropriate Technology

Paper presented to the Northern Territory Indigenous Housing Workshop

Darwin, 11 – 12 July 2006

Session on Economic Development

If you have been involved in Indigenous housing at some stage over the past 30 years you would have been to many conferences and meetings where all manner of issues were discussed – with the exception of the elephant in the lounge room.

There is an inference in the title that we individually see different things when it comes to economic development. Some see hope and others laugh and say there is nothing there.

It is not my intention to be cynical and I am sincere in acknowledging the considerable effort by many over many years to look for constructive and innovative "solutions" to Indigenous housing and infrastructure and economic development initiatives.

I also acknowledge that we are at an unprecedented point where there is a need matched by a desire for change.

In that regard we should be realistic and brave enough to dig beneath the surface a little in our search for economic livelihoods in remote settlements. I am reluctant to participate in an exercise that raises expectations and can not deliver. My Task is to open this topic up not to sell solutions, to challenge you on some issues and to reflect on international experience. We should look back, learn and move forward.

You may find this a rather discursive presentation. Sit back, reflect and contemplate what could be rather than respond immediately with why something can't happen.

Position yourself in the story of the Emperor's new clothes. Are you the emperor, a clothing manufacturer, part of the emperors parade, in the crowd of onlookers or are you a young boy?

There are many directions this session could pursue. I have chosen just one. My purpose in tackling it the way I have is guided by the definition of insanity.

"Insanity is doing things the way we have always done them, and expecting a different result".

History

If I look back over the last 60 years there are examples of business opportunities.

1. Bray Fencing Contractors

My Chairman at CAT, Jim Bray, turned 65 last month. He talks with great pride about his father and the successful fencing business he ran in and around Alice Springs 50-60 years ago.

2. Lake Evella Housing

Thirty-two years ago, I lived in this house in a small community of Yolngu peoples in Arnhem Land.



The house that I lived in was built by a team of builders and carpenters all of whom were Aboriginal people from the community.



The house was built with cypress pine timber which grew locally, was felled by a team of Indigenous men and then milled in their community sawmill into floor boards, wall panelling, ceiling panelling and weatherboards.



This was a community where housing was in short supply. There was full employment for working adults, although the church administered the finances of the community and the wages were not award wages.

Unfortunately following cyclone Tracy it was decided that the cypress pine did not meet the structural requirements of the new cyclone code, hence the sawmill closed.

Since that time there have been significant investments in infrastructure, training, improved governance, health, education and housing, numbers of reports and policies, programs and interventions in the name of self-determination and self-management in this and other communities.

Despite these positive investments today 32 years later a contractor from outside the community constructs every new house in this community and the local residents are in training to assist.



What else was happening during this period that led to this outcome?

Certainly there was a period during this time where greater public accountability meant that financial support had to be directed through technical consultants rather than directly to communities. One consequence of this action was an increased emphasis on meeting standards and complying with a growing number of building codes, and principles of equity that required houses to look like houses in surrounding towns. Attempts to improve environmental health took centre stage in the battle to improve Indigenous health overall and through programs like Fixing Houses for Better

Health the performance of all of the wet, smelly and difficult to clean areas of a house were highlighted, measured, recorded, and fixed. People were able to demonstrate that a well constructed functioning house could improve health. And government could demonstrate that tax payers dollars were well spent. Technical consultants took charge, equity was pursued and peoples rights were defended.

The unintended outcome of increased emphasis on regulation, rights and accountability was that Indigenous people were gradually disenfranchised from the one area where males particularly were competent and practiced.

3. New Life – The Outstation Movement to Country

In November 1980 I installed a hand pump with one of the most excited group of traditional desert peoples at the place now known as Kintore or Walungurru.



Kintore is the spiritual home of the Pintupi nation and the majority of the leaders of the now famous and acclaimed western desert art movement.

As they sang and danced at night after the hand pump had been installed they were all adamant that this new place would not be like Papunya – a place of 800-900 people with large clinic, store, school and a lot of government personnel.

In February 1981 three hundred Pintupi moved back onto their lands from the government community of Papunya (250km to the east) where they had lived for the previous 25 years.



CAT continued to work with these people to develop 8 outstations all initially established on hand pumps and basic housing built by teams of people from Kintore.

Significantly while ever CAT was able to project manage three new houses per year we could employ a builder within the community as well as a small local team to provide inputs to new construction and undertake R&M on existing houses. Effectively we turned the builders profit into R&M.



Today 20 years later Kintore is a very nuevo-Papunya with large clinic, police station, school, store and sealed airstrip and between 500 – 800 people at different times of the year.

The outstations connected the senior artists with their country and provided new inspiration that has been expressed through their artworks internationally.



The international art critic Robert Hughes has said that “The Western desert Art Movement is the last great art movement of the twentieth century”¹



These days the artists are largely older and spend most of their time in Alice Springs or exhibiting in galleries around Australia.

We have recently leased the property adjacent to CAT to the Papunya Tula artists as a work studio. They regularly produce canvasses worth in the order

¹ Robert Hughes, International Art Critic

of \$4000 selling internationally on commission. Physically however the living conditions are the same as they would have been in Kintore despite being in well maintained premises. There is not evidence of the income being accumulated and converted to wealth in the conventional sense.

4. CAT Workshop

In the period between 1982 and 1992 CAT employed and trained 12 indigenous people from town camps around Alice who worked in our metal fabrication workshop producing the objects that CAT is well remembered for including handpumps, chip heaters, shower blocks and ablution facilities.

Whilst the workshop commenced as a subsidised labour market program it ran under a commercial framework that costed out labour and paid award wages. The workshop earned around \$750K per annum.

We designed products and passed the plans to small community workshops for them to fabricate. Unfortunately these workshops quickly met local demand and were only sustained while they had a technical supervisor and a supply of designs.

The workshop became unviable in the mid 90's because of the changes to procedure around increased accountability of community organisations and the attempt to respond more efficiently to the indigenous health agenda particularly in the provision of housing and infrastructure. National program managers were appointed to plan and supervise capital works and specific project consultants undertook the task of designing and spending the money.

The results of this policy shift meant individual communities could no longer spend on discrete items like chip heaters and latrines and all of the objects were designed and integrated in the house as one project.

The result of this sensible and efficient initiative was that 12 indigenous people lost their job because the market evaporated.

A couple of these examples indicate clearly that initiatives can be created but in the absence of real market forces are vulnerable to policy and program shifts at all levels of government.

5. Joint Ventures.

Last week I spoke with a person who has had a successful joint venture with an indigenous organization for the past 10 years in one of the NT regional centres. I understand the JV has returned in the vicinity of \$350,000 per annum to the indigenous organization. She had three concerns that are relevant to our deliberations.

Firstly, the state of the town and the impact of recent negative publicity and the physical attacks on people were threatening the viability of the business.

Secondly, despite a successful business and a demonstrated willingness to train staff she has not been able to get one indigenous person through to

completion of a course or to a position of filling a role in the organization where she could pass the business on.

Thirdly, the indigenous partner is unable to find and or recommend three indigenous people from the community for the Board of the JV company.

I am sure there are other interpretations and views but in dealing with this at face value there are some lessons to be drawn from this case.

Previous Thinking on Economic Development

I have deliberately stayed away from showcasing the many examples of individual and JV projects and businesses that have been presented in different fora around the country. These are like the designer labels in clothes.

I simply refer you to the 2003 “Seizing our Economic Future” forum papers and summaries and the ongoing work and strategies of the economic development taskforce. John Altman has summarised the many good examples of business development in the papers available on the internet site.

The Economic Development Strategy has a number of case studies that also show us an array of new clothes as it were.

The Commonwealth has also produced a document on “Achieving Indigenous Economic Independence” that includes the asset and wealth creation dimensions of the challenge before us.

Each of these documents acknowledges that it is a complex challenge that needs a whole of government approach backed by a strong private sector philosophy.

I should also refer you to the 15 entrants in this years Indigenous Business and Innovation section of the NT Research and Innovation Awards. Time doesn't permit me to outline them although I am sure you would all be inspired and feel much better about this topic if I did spend time doing this.

And finally the challenge is focussed by people like John Taylor through his demographic analysis about the nature of the population and workforce profile projected for 2016. This analysis tells us that we need to create around 2000 new jobs each year to bring the indigenous employment ratio to the level recorded for the non indigenous population. To maintain the current Indigenous employment to population ratio an extra 2662 jobs need to be created by 2010. Dennis Bree's comment in the strategic document is that we need 500 people in the Construction industry by the end of 2006.

What can we learn from these examples and what might still be missing?

1. It has been done before.

The first thing we learn is that it is clearly possible and achievable to develop successful business operations either solely or in partnership between indigenous and non indigenous people. We have many examples and like a beach is made up of individual grains of sand each example of individual success should be acknowledged and respected.

These all form part of a necessary but not sufficient contribution to economic development.

For me however the challenge is how to convert the short term success in business operations into economic development.

We know from recent press that welfare has not worked but I am troubled by an observation that there have not been much better outcomes for those people who have derived their income through work.

I recall a number of close friends, all indigenous leaders in their field, who have passed away around the age of 50.

The first is a community leader, a Pintupi man, who had trained in community development and local government administration, died as a result of renal failure shortly after raising over \$1m income through painting and lived at the end of his life in Alice Springs in minimal accommodation. He had training, talent, ability, status and significant earning potential but that failed to convert to improved health, living conditions, ongoing employment etc.

And I struggle to know what I or CAT or other person could have done to convert this into the respectable “clothing” of assets and wealth imagined in the various strategy papers.

My second example is that of the best and most competent indigenous tradesperson I have met. He was trained as a boilermaker welder, had worked on mine sites in WA and NT and with the ASTC. He worked in the workshop at CAT and had attractive skills and abilities and could pick and choose his employer.

He came to me one day and said that despite CAT paying an award wage, if he missed a days work with family business and his pay was adjusted accordingly, he was better off on the dole and family allowance arrangements than coming to work for 8 hours a day in a boiler-making shop.

My third example is a respected man who trained as a diesel mechanic, later obtained a degree in teaching studies. He was employed by CAT largely to work in remote dry communities teaching mechanics. This was his choice because of his inability to deal with alcohol in larger centres. He used his

income to send his children to private school in Perth but outside of this investment did not convert any of his income into wealthy “clothes”.

2. Solutions when the Solution is the Problem.

As planners, politicians, engineers and builders we are driven by.

1. Our overwhelming desire to solve problems, or
2. Our overwhelming compassion and desire to right wrongs, remove injustice and reduce disadvantage, or
3. Our desire to make a living by providing services in these difficult environments

Pritchett and Woolcock² have described the underlying thesis that has challenged most technologists in a paper titled, “Solutions when *the* Solution is the Problem”.

The solution was an approach to service delivery in which universal need was met by a technical (supply) solution and then implemented by an impersonal rules driven provider. That is, *need* as the problem, *supply* as the solution, *civil service* as the instrument.

The civil process has seen centrally planned and executed projects deliver solutions in communities of beneficiaries in order to achieve more equitable outcomes. Morally it is impossible to argue against such a rights driven approach. The outcome however could be said to be entrenched dependency and poverty.

3. Standards and Regulations

It is clear that each solution brings with it a new set of problems. Consider how well intentioned policy change impacted on the CAT workshop, or the changed grading of cypress pine impacted on Lake Evella. It is salient to ask who are the solution good for (who is wearing the clothes) and was the cost worth it.

4. Wealth Accumulation or Reducing Vulnerability

Where is the drive from indigenous people to accumulate assets and grow wealth? This is particularly relevant in the home ownership debate where the use of Indigenous land and the acquisition of a house are symbols of changing asset status and wealth accumulation. Is there an understanding in the community about what comes with the package when you acquire the package of systems, processes, values and accountabilities that are required to sustain a house.

If Indigenous drivers are not about wealth accumulation what drivers might reduce vulnerability and align Indigenous interests with a more market responsive policy.

² Lant Pritchett and Michael Woolcock, Solutions when the Solution is the problem: Arraying the Disarray in Development, Working Paper number 10, September 2002, Center for Global Development. P5

I would argue that on cost terms alone the single biggest issue in indigenous housing is not construction but the lifecycle cost of the house which is the real point of vulnerability.

5. Confused Development Agenda

The development of Aboriginal Australia (and the provision of technology and services) has been driven by the assumption that they are disadvantaged, a deficit model. This entails a view of citizen rights and service equity. (I am not arguing that they are not disadvantaged rather that just because there is disadvantage there is not a reason to automatically reduce that disadvantage without some other considerations).

An alternative view is that it is a development issue but people mistakenly equate this with third world development rather than 4th world.

The challenge of development in the 4th world is to strike the right balance of Government intervention, market incentives and community aspirations to harness the opportunities.

We achieve a more positive development outlook when we refocus on investment in opportunities and capacities rather than on problems and needs.

6. The Role of the Community Sector

There has been a progressive demoralisation and dismembering of a number of indigenous organizations. All of the rhetoric is around government programs and public and private investment.

I acknowledge that many of the community sector organisations require significant reforms both in focus, governance and operational outcomes.

My positive contribution to this forum is to encourage you to consider how you might reform the community sector to deliver employment and subsidised business opportunities.

I am suggesting this because I don't believe the private sector can respond in a way that will impact on the numbers of people you are seeking to employ nor that there are the market opportunities that will develop in the timeframe that you have set yourself.

Should we not be asking ourselves whether there is a pattern of investment that you can explore that builds social capital at the same time as the physical capital. Do we get the best result from separation of these tasks? Can we achieve a situation where training is not just about relative positioning in the labour market but how people are equipped to make choices.

Doug Porter indicates that income is the most important single determinant of health and wellbeing outcomes. He mounts an argument for finding every plausible way to reduce household expenditure on basic services: by finding smarter ways to subsidise water and sanitation, housing, transport etc in

much the same way that utilities have found it cheaper to send plumbers to fit free water saving devices on pensioner homes than wait for people to ring a plumber and pay for the repair.

7. The Absence of a Market

Most of what I read in Indigenous Economic Development Strategy is around an analysis of likely industry opportunity. Efforts are being made to find the ones that can wear the clothes fastest. Large industry groups are being encouraged to explore ways of embracing opportunity although they would rarely regard each initiative as economic on its own..

William Easterly says'

Markets everywhere emerge in an unplanned, spontaneous way, adapting to local traditions and circumstances, and not through reforms designed by outsiders. The free market depends on the bottom up emergence of complex institutions and social norms that are difficult for outsiders to understand, much less change.

Paradoxically, the West tried to plan how to achieve a market. Even after evidence accumulated that these outsider imposed free markets were not working, unfortunately the interests of the poor did not have enough weight to force a change in western policy. Planners underestimated how difficult it is to get markets working in a socially beneficial way. People everywhere have to explore with piecemeal, experimental steps how to move toward free markets.

8. Education and Capacity Building

The apparent decline of desert Indigenous peoples participation in VET in recent years, given VET represents the only educational offerings at post compulsory level and the one most geared towards employment outcomes, suggests ongoing issues for the next generation of young Indigenous peoples in terms of educational attainment and life choices. Policy initiatives in relation to VET are focusing explicitly on increasing participation at Certificate 111 level and above. Evidence to date would suggest that this strategy is having minimal impact for people from remote communities.

Recent evidence from the ABS indicates that the labour force participation of remote Indigenous peoples (nationally) has declined from 62.9% in 2002 to 49.2% in 2005. In the NT the decline has been from 56.2% in 2002 to 40.7% in 2005. Given the population projections for remote desert Australia these trends are of concern especially in an era of such pronounced skills shortages in trades and other traditional occupations. These trends also reinforce the existing tenuous link between participation in VET and work outcomes.

Poor literacy and numeracy, poor personal presentation, homelessness, ill health and/or the likelihood of a criminal history are realities that impact on transition to work opportunities.

Despite targeted policies and employer incentives, there has been a declining engagement in mainstream and private sector employment by Indigenous peoples and a steady increase in relative income disparity.

For young people in remote areas, access to education is as critical as responsive and relevant education. In most remote areas VET functions as a secondary school substitute although it is neither structured nor resourced to undertake such a role. Relatively high participation at pre vocational levels and with poorer outcomes is the norm. VET provision is ad hoc and sporadic on most communities and increasingly less available.

Declining VET participation by remote Indigenous people particularly across the desert is concerning. The gap between the current educational skills of Indigenous adults and these requirements for studying at Certificate 111 levels and above is expanding. There are no policy initiatives designed to bridge this gap.

In remote areas the terms of acceptable activities for the receipt of ongoing welfare payments are being negotiated on a community by community basis but include participation in formal training and undertaking essential and community service work such as rubbish collection and aged care. Cultural activities, 'soft options' such as music, bands, radio or video production, football, own home maintenance and repairs are not considered acceptable activities.

9. Supply versus Demand Responsive Approaches

Internationally we know that "Development is something largely determined by poor countries themselves, and outsiders can play only a limited role."³

"Aid is only as good as the ability of a developing country to use it effectively"⁴

It is this realisation that has prompted the development of demand responsive programs in international development

The key conceptual shift to have taken place is the substitution of the notion of beneficiaries of services with that of consumers of services.

Where internationally the market is relied upon to send 'signals' through prices that form incentives to buyers and sellers, in our setting it is the government that is linking incentives to services. In Australia we remain confined to a welfare economy where giving and taking away a benefit, combined with the rhetoric of rights and responsibilities, are the limits to the tools available to foster change.

³ Foreign Affairs July/August 2005, p136

⁴ Foreign Affairs July/August 2005, p143

In Australia's new Indigenous affairs agenda supply is maintained through a mechanism of shared responsibility rather than self interest and market forces.

It seems to me that 'solutions' to this 'problem' have to break away from the temptation to simply reorganise, rationalise and Aboriginalise supply and empower informed consumers

The underlying issues have been described as the result of passive welfare. Many writers⁵ have highlighted the issue of passive welfare and proposed a range of remedies including freeing up communal land ownership leading to the ability to, among other things, own your own house.

In this context applying both supply- and demand-side analysis to community services is still not well understood. The established mode of service delivery in remote areas is determinedly supply-side. In other words, service users are passive recipients of a service that is centrally designed largely without their participation and fixed in its characteristics. How do we move from supplying to a point where we facilitate access.

In many respects, recent Government initiatives attempt to break down this model by inviting Indigenous people to negotiate and take responsibility for the outcomes of new service delivery arrangements. In spite of this, demand-responsive services are still in their infancy and so people in remote communities are rarely asked to express a preference or to act like a consumer.

10. Planners and Searchers

Whilst I have been quick to argue that Indigenous Australians do not live in third world conditions I do have respect for some of the international

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Gregory Andrews, Economic Passivity and dependency in Mutitjulu: Some suggestions for change, Discussion Paper, March 2005, Mutitjulu Tjunga Waakaripayi Project 'Working Together'

Helen Hughes and Jenness Warin, A new deal for Aborigines and Torres Strait Islanders in Remote Communities, Issue Analysis, number 54, 1 March 2005, Centre for Independent Studies, ISSN: 1440 6306.

Gary Johns, The Gulf between Aboriginal Policies and Aboriginal People in Australia, Institute of Public Affairs, Australia, libertad y Desarrollo Institute, Santiago, Chile 6 June 2003.

Noel Pearson, Our Right to Take Responsibility, Noel Pearson and Associates Pty Ltd, Cairns, 2000

development literature and the experience of others who have tried harder and longer to reduce poverty around the globe.

In a book titled the White Mans Burden, William Easterly looks back on five decades of the West attempting to solve the problems of the Rest.

He says the tragedy of the worlds poor is that “the West spent \$2.3 trillion on foreign aid over the last five decades and still had not managed to get twelve cent medicines to children to prevent half of all malaria deaths. The West spent \$2.3 trillion and still had not managed to get four dollar bed nets to poor families.

In a single day, on July 16 2005, the American and British economies delivered nine million copies of the sixth volume of the Harry Potter children’s book series to eager fans. Book retailers continually restocked the shelves as customers snatched up the book. Amazon and Barnes & Noble shipped pre-ordered copies directly to consumers homes.

There was no Marshall Plan, no international financing facility for books about underage wizards. It is heartbreaking that global society has evolved a highly efficient way to get entertainment to rich adults and children, while it can’t get twelve cent medicine to dying poor children.

Easterly calls the advocates of the traditional approach the Planners, while the agents of change in the alternative approach are the searchers. The short answer on why dying poor children don’t get twelve cent medicines while healthy rich children do get Harry Potter, is that the twelve cent medicines are supplied by planners while Harry Potter is supplied by searchers.

The mentality of searchers in the market is a guide to a more constructive approach to economic development.

In other terms Planners announce good intentions but don’t motivate anyone to carry them out: Searchers find things that work and get some reward. Planners raise expectations but take no responsibility for meeting them: Searchers accept responsibility for their actions. Planners determine what to supply: searchers find out what is in demand. Planners apply global blue prints and strategies; searchers adapt to local conditions. Planners at the top lack knowledge at the bottom; Searchers find out what the reality is at the bottom.

A planner thinks he already knows the answers; he thinks of poverty as a technical engineering problem that his answers will solve. A Searcher admits he doesn’t know the answers in advance and believes that poverty is a complicated tangle of political, social, historical, institutional, and technological factors. A Searcher hopes to find answers to individual problems only by trial and error experimentation. A Planner believes outsiders know enough to impose solutions. A Searcher believes insiders have enough knowledge to find solutions and that most solutions must be home grown.

There remains a question in my mind as to whether the proposed delivery mechanism for new housing construction is compatible with this sort of analysis and international experience or whether it needs to be.

Thoughts for the Future

How do we create the space for demand responsive positioning where capacity building and governance are linked to construction, behaviour, lifecycle costings and repairs and maintenance?

What are the policy drivers on the supply side that we could manipulate and tinker with to open new economic and employment opportunities.

What would happen if we placed an emphasis on equity of outcomes not inputs? If we elected to adopt interim or intermediate standards in relation to buildings would this provide more choices?

How will a private sector approach to economic development tackle the underlying issues raised by some of the earlier examples?

How can we modify the private sector engagement to accommodate a vital and re- formed professional community sector?

What are the policy choices and tradeoffs we can make?

A Final Word from Harry Potter

Lest you all think I hate Harry Potter I would leave you with a memorable quote

I was struck by a great line in one of the Harry Potter movies when Harry asked the wise Dumbledore why he wasn't in Slytherin (the bad side). Dumbledore answered

“it is our choices that show what we truly are, far more than our abilities.”

Erwin Schrodinger said:

“The task is not so much to see what no one has yet seen, but to think what no one has yet thought, about that which everybody sees.”