

RETHINKING THE BLACK JOBS DILEMMA

Every year at about this time the Australian Bureau of Statistics (ABS) publishes the Labour Force Characteristics of Aboriginal and Torres Strait Islander Australians for the previous calendar year. And while the Australian public is relatively unconcerned about the outcomes, there would be a cluster of Canberra bureaucrats in lead federal Indigenous affairs agencies who would be hoping that the statistics move in the right direction, showing a drop in Aboriginal unemployment and more importantly a closing of the employment/working-age population gap between Indigenous and other Australians.

The statistics released on 26 July this year are a mixed bag. One key indicator, the unemployment rate dropped from 18.1 per cent in 2010 to 16.3 per cent in 2011. This is welcome news except that the fall is not statistically significant, an important proviso given that this is an estimate based on a sample survey. Last year the Indigenous unemployment rate was 3.6 times the non-Indigenous rate, this year it is down to 3.3 times, surely good news?

That depends, because when one looks at the historical trend back to 2005 one sees that while this represents an improvement from 2009 and 2010 it is still higher than the rates in 2005 to 2007 the last three years of the Howard era. But the ABS warns us that this year's estimate is not strictly comparable with earlier years, which raises the question about the purpose of the collection.

Such qualifications aside, this annual series is important for tracking how the Australian government is travelling in its travail to halve the gap in the employment/population ratio between Indigenous and other Australians by 2018. Last year it was reported that the indigenous employment gap seems to have stagnated. The same seems to be the case in the latest release: in 2010 the employment/population ratio was 47.7 per cent while in 2011 it is 48.3 per cent which is good news, except that the non-Indigenous rate went from 72.9 per cent to 73.4 per cent so the gap remains almost identical at just over 25 per cent.

There are two perspectives on the labour force situation of Aboriginal and Torres Strait Islander Australians that are of enduring interest. First is variability by State and Territory presented in Tables 1.

While care needs to be taken in interpreting this information it does appear that the unemployment rate has declined between 2010 and 2011 in a number of jurisdictions, although the decline is only statistically significant in South Australia. The worst result, that is statistically significant, is the near doubling of the unemployment rate in the Northern Territory mainly because this is the targeted jurisdiction of the National Partnership Agreement to Close the Gap in the Northern Territory (or the Intervention).

More important is the employment/population ratio where changes between 2010 and 2011 are far less clear with all changes not statistically significant: in four jurisdictions the ratio declined and in four it increased. Interestingly the marked decline in the unemployment rate in currently booming WA was not matched by an increase in the employment/population ratio, but stagnation; and the ratio in the NT which declined between 2010 and 2011 was the lowest at 37.9 despite the Intervention and the creation of a reputed 2,000 public sector jobs at prescribed communities. This means that only 38 in a hundred of the working age population in the NT are in any formal employment. It is significant that in only three States did the employed constitute the majority of the working age population.

Table 1. The unemployment rate and employment/population ratio by State and Territory, 2010 and 2011

	Unemployment rate (%)		Employment/population ratio	
	2010	2011	2010	2011
NSW	18.1	14.6	41.6	45.8
Vic	16.3	18.9	51.9	48.2
Qld	19.1	19.5	51.5	50.8
SA	26.6	15.2	39.4	44.3
WA	22.1	15.0	42.5	42.9
Tas	12.0	12.1	54.8	55.6
NT	7.4	13.5	40.4	37.9
ACT	13.1	8.7	62.1	56.5

The outcomes by remoteness are presented in Table 2 and results here are mixed, The Indigenous unemployment rate was worst in regional Australia, being lower in remote areas partly because elements of the ‘grandfathered’ Community Development Employment Projects (CDEP) scheme remain intact (so participants are counted as employed) and labour force participation remains low. The Indigenous unemployment rate is 5.5 times higher in remote areas mainly because the non-Indigenous unemployment rate is so low— non-Indigenous people often go to remote areas just for work. A more consistent remoteness gradient is evident in the employment/population ratio, with the widest disparity of 31.9 per cent evident in remote areas.

Table 2. The unemployment rate and employment/population ratio by remoteness, Indigenous and non-Indigenous Australians, 2011

	Unemployment rate (%)		Employment/population ratio	
	Indigenous	Non-Indigenous	Indigenous	Non-Indigenous
Major cities	13.2	4.9	51.5	63.8
Regional areas	19.4	5.0	45.0	61.3
Remote areas	14.9	2.7	42.0	73.9

There is no clear evidence that formal Indigenous employment outcomes are

improving either in relative terms, or in some jurisdictions in absolute terms. This raises important questions not just about current policy settings but its conceptualization. For example, as suggested by me *ad nauseam* in the past, if Indigenous Australians live for important cultural, historic, political and livelihood reasons in regions devoid of formal employment opportunity on land that they own under Australian law, surely government policy would do better to focus on livelihood improvement rather than seeking to close impossible statistical gaps. Such an approach might require facilitating development opportunity in the informal sector. From pro-poor and humanitarian perspectives, a change in broad policy course is justified because the current course has been unproductive, in some areas since colonisation.

In a recent article 'The Uses of Neoliberalism' (2010) renowned American anthropologist of development James Ferguson notes that in parts of southern Africa there are urban black masses who are not, and are not likely to become, formal wage labourers in much the same way as Indigenous people in many parts of Australia. And yet local livelihoods and communities are being decimated owing to the valorization of formal work and training, the conditional provision of social spending only if the unemployed participate in supervised workfare and endless training that is sponsored by states clinging to false hope that trained people will magically find suitable employment irrespective of politico-economic constraints. Ferguson recommends the provision of basic income grants to individuals to promote productivity, enterprise and risk taking. Such a policy initiative might paradoxically be pro-poor, redistributive, and neoliberal all at once.

While not suggesting that Australia is South Africa, I see conceptual similarity and merit in Ferguson's argument. In Australia such an approach was tried in the form of the CDEP scheme, except that minimum income grants were paid to community organizations not individuals. Perhaps the CDEP was not neoliberal enough and should have been paid directly to individuals? Its unilateral destruction without any clear evidence of failure has had devastating impact on the social and economic fabric of some regional communities like Toomelah.

In a recent visit to a major Territory Growth Town, Maningrida in tropical northern Australia, I observed the techniques of government being expensively deployed in the now familiar false quest to Close the Gap. Local statistics collected by the government itself indicate that there are currently twice as many job seekers in this town as employment opportunities, but still the unemployed are deemed as being irresponsible subjects whose welfare income needs to be managed and whose expenditures closely monitored by the nanny state. In the false hope of 'real' development the formally unemployed are required to waste potentially productive time in make work and pseudo-development. An unprecedented massive housing construction phase that is just ending has delivered a hundred houses in 'new sub[urb]', but it has delivered

neither bankable skills nor sustainable jobs for local people.

Since its establishment as a colonial outpost in 1957 people in Maningrida have become increasingly state dependent, while state actors have clung to an unshakeable deeply-held belief that assimilation into the mainstream remains the preferred administrative possibility—despite decades now of contradictory evidence that most people here have different norms, values, orientations and practices, to use the terminology of European political economist Joerg Wiegatz in his writings on ‘fake capitalism’ also in Africa. State involvement in remote places like Maningrida is not likely to decline in the future, but there is an urgent need for a different more productive form of government responsive to place-based aspirations, cultural realities and production possibilities.

Evidently, the Australian state is currently comfortable with an approach predicated on a naïve commitment to mainstream development in situations where it will never happen, complacently awaiting the annual publication of dismal official statistics collected by state agencies demonstrating persistent formal unemployment irrespective of business cycle fluctuations or misguided conventional development effort.

Such ongoing failure of policy is unacceptable especially when there are policy alternatives, like basic income support, which could unleash individual productivity and entrepreneurship in myriad unconventional ways to improve livelihoods and wellbeing. Perhaps it is time such alternatives are seriously considered and implemented before even more damage is inflicted on regional and remote places like Toomelah and Maningrida.

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