Indigenous Social Exclusion:

Insights and challenges for the concept of social inclusion

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The Brotherhood of St Laurence’s Social Inclusion Down Under Symposium was held on the 26th of June 2008 at the University of Melbourne, Parkville, Victoria. It was hosted by Paul Smyth and coordinated by Kristine Philipp. These proceedings are aimed at fostering, informing and stimulating public reflection, discussion, debate, research, and policy initiatives to address one of the central challenges facing contemporary Australian governments, industries and communities.

The following addresses were made to the symposium:

The Hon Peter Batchelor MP, Minister for Energy and Resources and minister for Community Development
– Opening remarks
Dr Tony Fitzpatrick, Reader, School of Sociology & Social Policy, Faculty of Social Sciences, Law and Education, The University of Nottingham, UK
– Social inclusion: policy lessons from the UK
Professor Paul Smyth, General Manager, Research and Policy Centre, Brotherhood of St Laurence
– An Australian response to social inclusion
Ms Fiona Smith, Chairperson, Victorian Equal Opportunity and Human Rights Commission
– Australians with disabilities and social inclusion: getting on the agenda
Associate Professor Gerry Naughtin, Senior Manager Ageing Policy, Brotherhood of St Laurence and Faculty of Health sciences, La Trobe University
– Social inclusion and older people
Dr Zoë Morrison, Coordinator, Australian Centre for the Study of Sexual Assault, Australian Institute of Family Studies
– Social exclusion and gender
Professor Stephen Sedgwick, Director, Melbourne Institute of Applied Economic and Social Research
– Human capital and asocial inclusion: we are all human capital now!
Dr Boyd Hunter, Senior Fellow, Centre for Aboriginal Economic Policy, ANU
– Indigenous Social Exclusion: Insights and Challenges for the Concept of Social Inclusion
Professor Frank Castles, Emeritus Professor of Social and Public Policy at the University of Edinburgh and Adjunct Professor in the Political Science Program, Research School of Social Sciences, Australian National University, ACT
– Who’s excluded in Australia? Origins and expenditure patterns
Mr Tony Nicholson, Executive Director, Brotherhood of St Laurence
– The way ahead to an authentically Australian approach to social inclusion
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The views expressed in the proceedings, including this paper, do not necessarily reflect any official position of the publishers. We expect and support the further development of these ideas and their subsequent publication in journal or book form.

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Introduction

The terms social exclusion and social inclusion originated in Europe (especially France) and were intended to provide a contrast to the notion of poverty which focussed excessively on the lack of money at a particular point of time, rather than the dynamic social processes that perpetuate the lack of social participation and contribution to the workings of society (Finer & Smyth 2004). In a sense it is an attempt to create a positive agenda for social policy, but it can be no less culturally specific than the notion of poverty. Each nation (and communities within nations) can have its own view about what constitutes a good society.

Indigenous people are among the most socially excluded in Australia (Hunter 2000; Hunter 2005). Hunter (1999) demonstrates that Indigenous disadvantage is multidimensional and argues that Indigenous poverty is different to other forms of poverty in Australia in the incidence and depth of poverty experienced. Furthermore the multiple disadvantages that are experienced by many, if not most, Indigenous Australians indicates that Indigenous disadvantage can be understood as reflecting a multi-dimensional form of disadvantage that is complex and multi-generational and cannot be reduced into a simple static notion of Indigenous poverty. The concept of ‘social exclusion’ was developed to describe entrenched and complex behaviours and outcomes however, given the subject of this symposium, it is pertinent to ask what is social inclusion and how should and does it differ from social exclusion.

It is important to ensure that social inclusion is not just the obverse of social exclusion. Indigenous disadvantage provides contrasting perspectives that might illuminate the difference between social inclusion and its ‘evil twin’ social exclusion (N.B. see Tony Fitzpatrick presentation to this Symposium). Social inclusion was defined in European Anti Poverty Network (EAPN Ireland) jargon-buster web page (see [http://www.eapn.ie/policy/73](http://www.eapn.ie/policy/73)) as:

Ensuring the marginalised and those living in poverty have greater participation in decision making which affects their lives allowing them to improve their living standards and their overall well-being

It is difficult to argue with these sentiments, but it is also difficult to reconcile this definition with the various attempts to operationalise the notion of social inclusion (or for that matter social exclusion). The European Social Inclusion Strategy was set in motion by the Lisbon European Council (‘Summit’) in 2000, as part of the ‘Lisbon Agenda’, a ten-year strategy to modernise the EU social and economic model. Atkinson (2007) classified some of the structural indicators developed to evaluate the ‘Lisbon Agenda’ as measuring social inclusion, however almost all such indicators focus on economic participation (e.g. youth educational attainment, poverty rate after social transfers, long-term unemployment and regional cohesion as measured by the coefficient of variation of regional employment rates). While the narrow focus may be a result of the difficulties of measuring a complex social phenomenon and the need to find ‘accountable’ international benchmarks, they seem
to miss a crucial aspect of social inclusion: local participation in decision making and social and cultural well-being.

At this stage, it is important to ask what one believes that Indigenous and other disadvantaged Australians are being socially included in? This question can be rephrased as what are Indigenous people being socially excluded from? Furthermore, and most importantly, does it matter? This presentation is an attempt to address these difficult questions.

Policies for addressing Indigenous disadvantage in Australia can easily be characterised as social exclusion policies (Steering Committee for the Review of Government Service Provision [SCRGSP] 2007). For example, the Overcoming Indigenous Disadvantage (OID) Framework describes several outcomes and risk factors that capture some important aspects of the multidimensional nature of Indigenous disadvantage (Hunter 2007b). This paper develops the arguments made in Taylor (2008) that the OID form of social exclusion is fundamentally based on the notion of exclusion from some mainstream norm as the OID framework does not include any Indigenous-specific indicators of cultural well-being. The OID framework provides an example of a narrow conception of social exclusion that focuses largely on economic participation. However, it is possible that the failure to acknowledge the importance of social and cultural wellbeing directly hinders the willingness of many Indigenous Australians to engage with the mainstream economy. Related questions can be asked about whether economic participation is affected by the failure to: clarify the existence of all Indigenous-specific rights related to native title in all circumstances; to eliminate ongoing racial discrimination; and to resolve the nature and extent of Indigenous representation in the political system. Of course one could argue that such issues are important in their own right, but one of the motivations for this paper is to make the case that it is not possible to address the broader notion of social inclusion without taking such issues seriously.

This paper is not an attempt to definitively describe what social inclusion is or should be. There is a growing body of literature that explores the nature and extent of social inclusion. For example, Harris (2004) provides a schema to understand the Social Inclusion/Exclusion discourse where aspects of the debate can be located as attributing more or less weight to ‘social order’ versus ‘social justice’ and ‘social solidarity’ versus ‘participation’. Interested readers are also referred to research conducted at Macquarie University’s Centre for Research on Social Inclusion as a starting point for understanding the multitude of issues that need to be considered in the Australian context. Another useful contribution can be found in Hayes and Gray (2008).

Rather, this paper is an attempt to illustrate some challenges that arise for the notion of social inclusion (or social exclusion) from recent attempts to address Indigenous disadvantage. The next section reviews some recent public debates: the Northern Territory (NT) intervention into Indigenous communities is briefly discussed, as is the public debate about the future reforms of the Community Development Employment Projects (CDEP) scheme. The paper then discusses Indigenous
disadvantage in terms the notion of cumulative or circular causation, before providing some concluding remarks to tie the discussion together.

**Lessons from recent public debates**

*NT Intervention*

One crucial feature of the NT Intervention was that there was virtually no consultation with state and territory governments or local Indigenous community elders before the policy framework was announced. The lack of communication with Indigenous representatives may have been a result of the abolition of ATSIC as there is no longer any recognised local Indigenous authority for which governments can talk to. Even Noel Pearson was only given 15 minute warning of the Government’s planned intervention (Pearson 2007).

The intervention was introduced on 21 June 2007 by former Prime Minister John Howard and Minister Mal Brough with the rather military mantra of ‘Stablise, Normalise and Exit’ (Altman & Hinkson 2007). The reference to normalise begs the question of whose norm is used? Jon Altman (2008) recently argued that international best practice in the development literature was to have policies that are participatory, bottom-up and culturally informed. Furthermore, and this is particularly relevant to this paper, he argued that the Northern Territory Intervention failed to take into account Indigenous aspirations and perspectives and hence he was sceptical of the efficacy of the overall policy framework.

After heated public debate over the ‘national emergency’—and clarification of the more controversial proposals (e.g., compulsory health checks were to be less invasive than had been feared)—three Bills were introduced to the federal parliament on 7 August 2007, comprising 480 pages of legislation relating to alcohol restrictions, pornography bans, changes to the permit system and township leasing, and to the quarantining of welfare payments. The following description is taken from Hunter 2007a:

The Northern Territory National Emergency Response Bill 2007 provided a legislative framework for:

- alcohol restrictions to stem the instances of family violence and sexual abuse of children;
- computer audits to detect prohibited pornographic material;
- five-year leases to better manage investments to improve living conditions in townships;
- land-tenure changes to enable town camps to become normal suburbs;
- the appointment of government business managers in Aboriginal townships to manage and implement the emergency measures;
- the removal of customary laws as a mitigating factor for bail and sentencing conditions; and
• the better management of community stores to deliver healthier and more affordable food to Indigenous families.

The second piece of legislation, The Social Security and Other Legislation Amendment (Welfare Payment Reform) Bill 2007, combined three elements: welfare reform specific to the Northern Territory (NT); welfare reform specific to Cape York; and a broader welfare-reform package announced a little earlier. The government proposed to quarantine various income-support payments and direct Indigenous families to provide basic necessities such as food, clothing and shelter for their children, rather than supporting substance abuse and gambling.

The third and final piece of legislation is the Families, Community Services and Indigenous Affairs and Other Legislation Amendment (Northern Territory National Emergency Response and Other Measures) Bill 2007, which amends existing legislation to include bans on pornography and changes to the permit system. Rather than the total scrapping of the permit system in all NT Indigenous communities, as had been proposed in the original press conference, the Bill only lifts the requirement for permits to visit Aboriginal land in townships and access roads and airstrips.

These Bills were passed without substantial amendment on 16 August, after a one-day review in the Senate.

Hunter (2007a) argues that Indigenous policy such as the NT Intervention can be characterised as a ‘wicked problem’. Conklin (2003) argues that there are four defining characteristics of wicked problems: 1. The problem is not understood until after a solution has been formulated; 2. Stakeholders have radically different world views and different frames for understanding the problem; 3. Constraints and resources for solving the problem change over time; 4. The problem is never solved (completely). The original definitions of wicked problems was elaborated in Rittel and Webber (1973).

Therefore the notion of ‘wicked problem’ does not refer to the inherent evil of the widespread child abuse; rather, it is a technical term used to characterise a complex, multi-dimensional problem and is arguably related to the concept of social exclusion/inclusion. Indigenous policy is one of the most complex areas facing governments, as it involves many issues that do not exist for other Australians: a dynamic cultural life; a need to change social norms; unique forms of property rights, such as native title; and the intergenerational transmission of disadvantage, sometimes arising from historical government interventions (such as the ‘stolen generation’).

Obviously, mainstream Australian society has a different perspective on the problem from Indigenous stakeholders, who are more likely to emphasise land rights, cultural difference and injustice. Indigenous Australians must ‘own’ both the problem and solution. If behavioural and attitudinal change is required, then an adequate process of consultation with Indigenous people is obviously crucial to securing their cooperation. Imposing solutions from above is unlikely to produce real solutions at all. Whatever the merits of the recent federal intervention into Northern Territory...
Indigenous communities, it is unlikely to succeed without both long term bipartisan commitment of substantial resources and a meaningful process of consultation with Indigenous peoples.

One of the main debates surrounding the NT intervention is whether the trade-off between Indigenous rights and socioeconomic status is being taken into account. The existence of this trade-off means Indigenous Australians must ‘own’ both the problem and solution (Henry 2007). If behavioural and attitudinal change is required, then an adequate process of consultation with Indigenous people is obviously crucial to securing their cooperation. Imposed solutions from above are not only profoundly illiberal; they are unlikely to be solutions at all.

This section does not attempt to provide an overview of the arguments for and against the intervention (see Altman & Hinkson 2007 and Hughes 2007). However, it should be noted that the intervention did not incorporate a transparent evaluation framework before it was set in motion and hence there is no way to adequately evaluate the outcomes or attribute them to this or other policy initiatives (Hunter 2007a).

A recent paper by former federal Minister Gary Johns in the journal Agenda takes up this argument by asking whether the underlying cause of Indigenous disadvantage in the NT is a ‘wicked problem’ or is it the result of ‘wicked policy’ of self-determination? Johns (2008) argues that Indigenous disadvantage can be solved by changing the system of government support and infrastructure so that people face the true costs of their decision to stay in remote communities—that is, to encourage mobility to more buoyant labour markets where jobs are available. One issue with this argument is that it ignores that some of the difficulties that Indigenous workers have in securing jobs in urban labour markets. One important constraint is labour market discrimination (Hunter 2004). Another issue is the mismatch between the skills demanded by employers and the skill set that Indigenous people currently have.

Johns (2008) argues for a policy of ‘economic integration’ on the grounds that the modernisation project is (necessarily) inconsistent with cultural maintenance. Ironically, Johns cites one of my papers to support this assumption (Hunter 2007a). While I raised the prospect that there is some partial inconsistency or trade-off between modernisation and cultural maintenance, I believe that it is an empirical question as to the extent of such a trade-off. Intuitively it is possible to argue that maintaining a cultural identity that is distinct from the mainstream Australian norms might foreclose some employment and education options. However, the evidence that I am aware of seems to indicate that such fears can be overstated. For example, Hunter (2007a) shows that youth who speak an Indigenous language are actually more likely to attend school. Notwithstanding, Johns makes an important point that has implications for the debate about social inclusion and hence I will return to it in the concluding section.

Johns (2008) provides a radical proposal whose bottom line is that policy should change the set of incentives for mobility facing Indigenous people by removing
unconditional income support and services provided in such communities by CDEP schemes or other government initiatives. The optimal level of mobility depends on the individual and social costs and benefits of moving. Even if one is willing to ignore Indigenous perspectives on culture and interventions made on their behalf, it is not entirely clear to me that mobility will necessarily result in the benefits anticipated by Johns—especially when one takes into account the likelihood that there will be substantial short-run adjustment costs (e.g. in terms of social dislocation) and the difficulty that many Indigenous people have in securing employment in developed labour markets. Another factor that is discounted in Johns’ analysis is that the ongoing existence of an authentic and living Indigenous culture is that it has a considerable non-market value to both Indigenous and non-Indigenous Australians.

From a national perspective CDEP jobs are also important for much natural resource management work undertaken in remote Australia. For example, Indigenous Protected Areas are an integral part of the conservation estate, and ensuring that such areas are adequately maintained is in the national interest. The current round of reform of the CDEP scheme is being publicly debated and another government report is due in the near future (Australian Government 2008).

One aspect of John’s argument that I do not disagree with is that the CDEP scheme certainly supports the existence of remote Indigenous communities that might not continue to exist if all government support were withdrawn. In that sense, the CDEP scheme provides tangible support to Indigenous culture in such areas. Hunter (2008) argues that mainstream (non-CDEP) jobs provide more protection against entrenched Indigenous disadvantage than CDEP scheme jobs. Consequently, one can argue that there is, in a sense, a trade-off between cultural maintenance and other important socioeconomic dimensions of Indigenous social exclusion.

Whatever one’s positions on the validity of the arguments put forward in Johns (2008), public debate would be enhanced by the further evaluation of the extent of trade-off between cultural maintenance and integration into the mainstream economy. The important question for the social inclusion literature arising from the debate between Gary Johns and myself is that researchers and policy makers cannot ignore the potential trade-off between cultural maintenance and economic participation. Using Harris’s (2004) terminology: is there some substitutability between ‘solidarity’ and ‘participation’ or are these concepts complements? The debate about the NT Intervention also illustrates that similar questions can be asked about the relationship between ‘social order’ versus ‘social justice’ dimensions of social inclusion.

The OID Framework: Interactions between priority areas

The OID framework organises headline indicators into three higher level categories also known as priority outcome areas (Fig.1). Intuitively, there is some reason to believe that it is crucially important to provide a safe healthy and supportive family environment with strong communities and cultural identity. It is tempting to say that this positive family environment facilitates positive child development and lessens
crime & self harm, which in turn circumscribes economic outcomes and wealth creation. Given that it is very difficult to simultaneously model all the inter-relationships the following discussion often focuses on Indigenous crime and educational attendance in order to illustrate some of the relevant issues.

**Fig. 1** Priority outcomes areas in OID framework

![Venn Diagram showing three interlinked circles: Safe, healthy & supportive family environments with strong communities & cultural identity, Positive child development & prevention of violence, crime & self-harm, Improved wealth creation & economic sustainability for individuals, families & communities.]

Source SCRGSP(2007)

Hunter (2007b) argues that policy makers should put greater effort into understanding behavioural interactions rather than concentrating on measurement for its own sake. The existing OID framework lists over 12 headline indicators to capture Indigenous disadvantage—all of which can be captured using the 2002 National Aboriginal and Torres Strait Islander Social Survey (NATSISS). Less than two per cent of Indigenous respondents had no disadvantage in the proxies available for these headline indicators. The obverse of this is that over 50 per cent experienced four or more indicators of disadvantage at the same time. Furthermore, Hunter (2007b) used statistical methods (i.e., Principle Component Analysis) to demonstrate that Indigenous disadvantage is multidimensional and cannot be reduced to a single dimension such as poverty. Clearly the notion of social exclusion (& social inclusion) can potentially be important for understanding Indigenous disadvantage.
The OID framework is closely related to the United Nation’s Millennium Development Goal (MDG)—which has been criticised by the United Nations Permanent Forum on Indigenous Issues which suggested that the MDGs were inadequate with respect to the incorporation of Indigenous concerns, interest and interpretations (Taylor 2008). That is, the MDG does not provide an adequate framework for measuring Indigenous well-being.

Maori Statistics Forum (including Maori leaders and academics) explored such issues in some detail and recommended a framework for measuring Maori well-being which should capture: the sustainability of Te Ao Maori, social capability and human resource potential (i.e., not social capital), economic and environmental self-sustainability, and empowerment and enablement (Taylor 2008). That forum recommended 125 indicators of which 68 per cent were Maori specific. The framework recommended by Maori Statistics Forum has since been reflected in other Indigenous statistical collections (Te Hoe Nuku Poa & Inuit and Saami Surveys). If policy makers were interested in Indigenous wellbeing and not just social exclusion narrowly defined, then there needs to be some engagement with these issues.

In theory, the social inclusion literature (and to a lesser extent social exclusion) is consistent with the promotion of non-discrimination and inclusion of Indigenous perspectives in laws policies and programs, and the promotion of the full and effective participation in decisions that affect Indigenous people. However, in practice it has been difficult to redefine development processes to ensure that they recognise the different ‘world views’ of Indigenous and other Australians, let alone deal with the enormous cultural diversity within the Indigenous population.

Hunter (2007b) attempts to tease out some behavioural interactions between OID Priority Areas using the concept of cumulative or circular causation, which had its origins in the Old Institutional Economics literature of Thorstein Veblen. In the context of Indigenous disadvantage the most relevant reference to cumulative causation is that by Nobel prize winning economist Gunnar Myrdal whose later writings were heavily influenced by Veblen’s brand of Institutional Economics. Myrdal’s most influential and landmark book ‘An American Dilemma: The Negro Problem and Modern Democracy’, was originally published in 1944. The dilemma referred to in the title is the co-existence of the American liberal ideals and the miserable situation of blacks:

White prejudice and discrimination keep the Negro low in standards of living, health, education, manners and morals. This, in its turn, gives support to white prejudice. White prejudice and Negro standards thus mutually ‘cause’ each other. (Myrdal 1944)

Myrdal saw a vicious cycle in which whites oppressed blacks, and then pointed to blacks’ poor performance as reason for the oppression. The way out of this cycle, he argued, was to either cure whites of prejudice or improve the circumstances of blacks, which would then disprove whites’ preconceived notions. Myrdal called this process the ‘principle of cumulation’.

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One set of models that could be classified as involving cumulative causation are models where outcomes for individuals or groups affect related outcomes for other people. For example, peer groups are likely to be particularly important in the context of Indigenous Australia as they can explain how individuals’ norms and behaviours are shaped by the norms and behaviours of the people with whom they associate. Noel Pearson’s Cape York Institute recently ran a conference built on such themes, titled ‘Strong Foundations: Rebuilding Social Norms in Indigenous Communities’ (for details see http://www.cyi.org.au/). Theories that involve social externalities are particularly important for the argument presented in Hunter (2007b) because they suggest that there are theoretical reasons why the OID indicators are sequentially linked rather than being functionally independent.

Causation is always tricky to identify adequately, but Hunter (2007b) presents some evidence that alcohol/substance abuse, peer effects, community violence and Indigenous crime are important determinants of Indigenous participation in school, which determine future economic outcomes in the community, which in turn feeds back to drive alcohol/substance abuse and community violence etc. I suggest that the disadvantage indicators embedded in the OID priority outcome areas cumulate or reinforce one another over several generations. Further evidence of cumulative causation playing a role was provided in the significance (& importance) of the role of peer group effects and the immediate social environment on the educational participation of Indigenous teenagers.

In order to assist the reader to understand the argument in Hunter (2007b) some of the major results are presented here. Figure 2 charts the rate of completion of Year 12 by the age at which a person was first charged to illustrate the importance of interactions with the justice system in affecting future outcomes for Indigenous youth. The ‘whiskers’ indicate the 95 per cent confidence intervals for the respective estimates (i.e. the range over which 95% of estimates will lie in repeated samples).

Indigenous people who have never been charged with an offence are three times more likely to have completed education to Year 12 than those who were first charged before their 18th birthday (i.e. before their ‘majority’). Consequently, Figure 2 provides a clear indication that early involvement in the justice system is hindering the process of human capital accumulation (also see Hunter and Schwab 1998). Given that the effect of being charged is manifest for the substantial numbers of Indigenous people who were charged as young as 8 years old, there is obviously a need for a greater focus on the developmental environment within families.
In formally modelling the effect of being involved in the criminal justice system on the process of human capital accumulation, we need to be mindful of the possibility of reverse causation (or to use the technical term, endogeneity bias). In particular, are the sorts of children who do not attend school also the sorts of children who are going to be involved in criminal activities? In order to get some sense for the competing explanations, the following briefly rehearses some theories of Indigenous violence, crime and education using Weatherburn & Snowball. (Weatherburn & Snowball 2007; a fully peer reviewed version is coming out shortly in the Australia and New Zealand Journal of Criminology)

Weatherburn and Snowball (2007) consider five broad theoretical explanations of Indigenous violence: Cultural theory, Anomie theory, Social disorganisation theory, Social deprivation theory, and Lifestyle/routine activity theory. Sutton (2001) is associated with the first theory which asserts that contemporary Indigenous violence is largely reflective of traditional Indigenous cultural values. Anomie theory, which is often sourced to Durkheim, might explain Indigenous violence if dispossession and cultural exclusion cause loss of self-esteem and feelings of powerlessness, particularly among Indigenous men (e.g., Hunter 1993; Langton 1989). Social disorganisation theory was exemplified by the Royal Commission into Aboriginal Deaths in Custody whereby dispossession, forced removals and discrimination

Many of these theories of Indigenous violence focus on what is happening within Indigenous communities. The most obvious exception to this rule is social disorganisation theory which also emphasises dispossession, forced removals and discrimination. However, institutions that manage the criminal justice system could also play an important role in driving the high rates of being identified as an Indigenous offender. For example, some theories of Indigenous crime claim that police use statistical discrimination to ‘label’ all Indigenous people as troublemakers. Conflict theories of Indigenous crime claim that the legitimacy of the law is rejected by the ‘outside group’ because it fails to recognise or represent their values.

Many economic studies have demonstrated a relationship between social background and educational attainment (Haveman & Wolfe 1995). Todd and Wolpin (2003) describe a child’s educational development as a cumulative process influenced by the history of family and school inputs as well as inherited endowments, which can be described as an education production function. While we do not have direct information on educational achievement, it is likely that educational participation will be affected by the same vector of family and school variables identified as being relevant for the decisions of agents involved in the educational development of the child. Indeed, educational participation is a precursor to educational achievement and hence the ‘education production function’.

In general, the existing econometric analyses of education outcomes do not examine the role of crime in educational outcomes because of a general lack of adequate data which combines details of interaction with the criminal justice system and educational institutions.

Another possible explanation for the lack of analysis in this area is the apparent incompatibilities of several prominent theories of arrest and education. The following empirical analysis must be viewed as a preliminary analysis scoping possible explanations rather than a test of a specific theory—that is, it is a step towards hypothesis construction rather than hypothesis testing.

From the outset, it should be clear that there is no neat division between the theories of Indigenous crime or arrest and the education decision. Sociological and anthropological theories detail the factors, both alienation and conflict-based factors, which simultaneously lead to both higher rates of arrest and lower rates of education.iv Neo-classical theories also predict strong linkages between the educational decision and the allocation of time implied by the ‘choice’ to engage in criminal activities.
Economic-based rational choice models of crime draw on a well-developed theoretical structure of time allocation and labour supply under both certainty and uncertainty (Becker 1975; Phillips & Votey 1988). Unfortunately such models are rendered tractable by treating crime as ‘work’ rather than ‘leisure’. This assumption is contestable where crime is conducted without regard to pecuniary gains. In the Indigenous setting, this theory is particularly problematic because few Indigenous crimes are associated with any financial gain (Hunter 2001).

The National Crime Prevention Report (1999) described how the developmental processes facing children and youth are crucial determinants of eventual experience of individuals within the criminal justice and education systems. The developmental theories of crime and educational participation are consistent with a theory of cumulative causation as both emphasise the importance of historical processes, dynamic pathways and feedback mechanisms (such as peer effects). Even if alcohol and substance abuse had their roots in ‘alienation’ and ‘conflict’, the developmental theories emphasise their role as perpetuating pathways that lead to crime, and hence they could in some sense be considered causes of Indigenous crime.

The above discussion is necessarily a cursory examination of the myriad of theoretical issues involved in interpreting the relationship between crime and educational outcomes. Hunter (2007b) attempts to put some structure on the empirical analysis to make statements that take into account the possibility that reverse causation is distorting the measured effect of arrest on educational participation. As with previous studies, arrest is modelled as being driven by socioeconomic and demographic factors (Hunter 2001). It was important to identify ‘instruments’ that are correlated with arrest but not correlated with educational participation. One such instrument was whether an individual respondent was taken from their family as a child and therefore had experienced severe disruption to their early family life. Table 1 reports the main results of the empirical analysis of the 2002 NATSISS in Hunter (2007b) which found that arrest of Indigenous youth is one of the major factors driving low rates of school attendance. The results are reported in terms of the percentage change in the probability of being at school for 13 to 17 year olds. The main point to note is that the effect of arrest on attendance is extremely large at around 25 percentage points. Indeed it is larger than almost any other effect, with the exception of marital status.
### Table 1: Marginal effects on school attendance, 13 to 17 year olds (in percentage points)

<table>
<thead>
<tr>
<th></th>
<th>Including peer group factors</th>
<th>Parsimonious specification</th>
</tr>
</thead>
<tbody>
<tr>
<td>BASE probability</td>
<td>41.4</td>
<td>48.9</td>
</tr>
<tr>
<td><strong>Marginal effect- percentage change in probability of attendance at school for a hypothetical reference person (relative to the BASE CASE or OMITTED CATEGORY)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arrested in last 5 years</td>
<td>-25.3</td>
<td>-24.4</td>
</tr>
<tr>
<td>Males</td>
<td>-2.6</td>
<td>-2.8</td>
</tr>
<tr>
<td>Torres Strait Islander</td>
<td>2.7</td>
<td>3.9</td>
</tr>
<tr>
<td>Other urban areas</td>
<td>1.4</td>
<td>1.7</td>
</tr>
<tr>
<td>Rural areas</td>
<td>-3.8</td>
<td>-3.0</td>
</tr>
<tr>
<td>Remote areas</td>
<td>-18.9</td>
<td>-20.9</td>
</tr>
<tr>
<td>Married</td>
<td>27.9</td>
<td>25.4</td>
</tr>
<tr>
<td>Sole Parent</td>
<td>25.6</td>
<td>23.5</td>
</tr>
<tr>
<td>Live in a mixed family</td>
<td>5.2</td>
<td>5.8</td>
</tr>
<tr>
<td>Engaged in hunting and gathering</td>
<td>-18.3</td>
<td>-21.6</td>
</tr>
<tr>
<td>Spoke an Indigenous language</td>
<td>18.5</td>
<td>18.5</td>
</tr>
<tr>
<td>Had a long term health condition</td>
<td>12.3</td>
<td>12.6</td>
</tr>
<tr>
<td>All major household utilities provided at residence</td>
<td>19.1</td>
<td>19.3</td>
</tr>
<tr>
<td>Other residents of household aged between 13 and 17 had been arrested</td>
<td>-12.3</td>
<td></td>
</tr>
<tr>
<td>Other residents of household aged 18 and over had been arrested</td>
<td>-6.2</td>
<td></td>
</tr>
<tr>
<td>Other residents of household aged between 13 and 17 going to school</td>
<td>12.6</td>
<td></td>
</tr>
</tbody>
</table>

Note: BASE = Aboriginal; Living in an aboriginal only household in an urban region outside capital city; Is single without children under 13; Does not engage in hunting and gathering or speak an Indigenous language; Does not speak Indigenous language; Does not have a long term health condition; Has a room in a house where all the major utilities work; Other household members have not been arrested in the last five years; and Other Household members either at school or have a post-schooling qualification.

Source: Hunter (2007b: Table 3)

While all the results in this table are significant, I want to also draw your attention to the third line which shows that speaking an Indigenous language is associated with a significant increase in school attendance of around 20 percentage points. The other issue to note is the marginal effects in the last three lines which illustrate that social influence within the household/family are important. This can also be interpreted in terms of cumulative causation in that individual outcomes affect peers, which feedback to affect their peers including the individual respondent. Indigenous disadvantage is clearly entrenched because of a web of inter-twined cumulative
causation or circular causation, whereby Indigenous disadvantage feeds back onto itself to reinforce the disadvantage, and potentially leads to a vicious cycle.

As indicated above the main argument in Hunter (2007b) is that there is a circle of causation spanning the priority outcomes areas in the OID framework which takes place over several generations—that is, with Indigenous disadvantage cumulating over time. In general, it is not possible to entirely discount the possibility of some reverse causation between the indicators that proxy various measures of priority areas. While this issue does not really affect the overall existence of cumulative causation (indeed might just add to the complexity of interactions), it can be argued that reverse causation is a second order concern. Improved wealth creation will affect child development however it is more likely to be transmitted through the benefits and resources conferred on the family, community and schools. Even the Department of Family, Housing, Community Services and Indigenous Affairs (FaHCSIA) system of accounts for welfare entitlements for various household members is designed to stop family resources being dissipated on ‘grog’ and gambling and hence create strong communities. Another relevant issue is that there is a temporal issue for reverse causation in that the wealth created down the track cannot be retrospectively invested in the child since that child would now be an adult. The inter-generational accumulation of disadvantage is clear when analysing Indigenous disadvantage. Policy needs to counteract such tendencies. The question in the context of this symposium is whether the social inclusion provides a framework/rationale for an effective policy?

**Cumulative causation and social inclusion policy**

The above discussion has ranged over a variety of topics on Indigenous disadvantage, but what implications, if any, do these issues have for the notion of social inclusion? For example, what does the notion of cumulative causation have to offer social inclusion policy? For one, the inter-relationships between the various dimensions of disadvantage are complex and probably reinforce one another. Therefore picking policy winners may not be that useful as one aspect of disadvantage may still prevent outcomes from entering a virtuous cycle. Improving Indigenous educational facilities will not by itself overcome Indigenous disadvantage because the effects of communities, families and peers are likely to undermine and counteract any such initiatives. That is, policy that seeks to achieve social inclusion needs a multifactorial framework of understanding.

World reknown economist Amartya Sen made the important point that ‘[t]he language of exclusion is so versatile that there may be a temptation to dress up any deprivation as a case of exclusion’ (Sen 2000). The complex inter-relationships between the various dimensions of Indigenous disadvantage identified in the above, and extant literature, make it particularly difficult to credibly identify the nature and extent of the inter-relationships, and hence the empirical evidence of the direction of causality is tentative at best.
Pearson (2008) points to another danger: the perception will arise, in the minds of policy-makers and the public, that the Government cannot fix any problem unless it fixes all of them. He argues that under social inclusion the task of governments and their welfare bureaucracies suddenly extends from sorting out the problems associated with poverty to finding remedies for more abstract conditions such as cultural deprivation and the absence of social capital. While Pearson was referring to bureaucratic over-reach and policy hubris, it is difficult to argue with his original sentiment. Indeed, there is a risk that the notions of social inclusion, and to a lesser extent cumulative causation, can lead to a sort of policy nihilism where the magnitude of the task seems too complex and too hard. However, there is not much one can do about this if the dimensions of disadvantage are inextricably linked.

Notwithstanding such pessimism, it is possible that some policy options are ‘dominant’ in that one might initiate a virtuous cycle that reinforces the reduction in disadvantage. Policies that effectively address alcohol and substance abuse might be one such set of policies: addressing the supply of such substances (by regulation and enforcement of regulations) and the demand for such substances (e.g. through consistent volumetric taxation of alcohol). However, it is preferable that such policies be implemented with full consultation with, and participation of, the local Indigenous communities to minimise countervailing tendencies where people attempt to get around the relevant regulations and taxation. The important point is that any such policies should minimise the extent to which they induce countervailing dynamics in which start a sort of vicious cycle of alienation and ‘learned helplessness’ (Hunter 2007a). Ignoring the roles of culture and the need for meaningful consultation is problematic—not least of which for ensuring that Indigenous people take ownership of the issues underlying social exclusion.

Developmental theories offer the best prospect for inducing an effective policy that enhances social inclusion. However, in order to provide evidence about which developmental theories are supported, we need longitudinal data on Indigenous youth and children. The Longitudinal Study of Indigenous Children (LSIC) is currently in the field and hopefully will provide some useful data in the coming years. I would anticipate that LSIC will demonstrate the crucial role of functional Indigenous families and communities, and not just emphasise the role of economic policies in providing employment opportunities.

The main challenge for social inclusion from the recent public debate about Indigenous disadvantage is that it requires facing a range of difficult issues surrounding cultural maintenance—in particular the possibility that there is a trade-off between cultural well-being and socioeconomic outcomes. The evidence presented in Table 1 seems to indicate that this trade-off is not an issue — indeed, speaking an Indigenous language is associated with higher participation in the mainstream education system than would otherwise be the case.

If social inclusion policy-makers ignore cultural issues entirely, then they will lay themselves open to the criticism that it is just an updated version of assimilation. Goot and Rowse (2007) distinguish between the doctrine of ‘assimilation’ which makes assertions about the permissible differences within a nation and ‘assimilation’
as a diverse range of government practices aimed at people whose difference is understood to be a ‘problem’. One example of the latter is the practices that lead to the ‘stolen generation’. Some commentators have argued that such practices may not have been a bad thing and may ultimately have improved the socioeconomic circumstances for those Indigenous people who were taken from their families. The evidence that I am aware of does not support this proposition. Borland and Hunter (2000) and Hunter (2007a) both show that being taken from one’s natural family is associated with a higher rate of interaction with the criminal justice system, and is not associated with significantly better employment or educational outcomes. This seems to indicate that ignoring Indigenous culture will have detrimental effects on the ability to reduce Indigenous disadvantage and certainly will not facilitate social inclusion.

References

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Hunter and Schwab 1998 (cited page 11)


Pearson, N. 2007. 'Politics aside, an end to the tears is our priority', The Australian, 23 June 2007.


Notes

i. Centre for Research on Social Inclusion’s Research Clusters include: ‘Migration, Multiculturalism and Nation’ (Migrants, migration and transnational communities, Refugees and the politics and experience of asylum, Cultural Diversity and Multiculturalism, Intercultural relations within multi-ethnic societies and across borders, Racism and social exclusion, and Policing and representing nations and borders, ethnicities and identities), ‘Critical Theory and Social Hope’ (History and contemporary relevance of critical social theory The experience of injustice and struggles for recognition The relation between cultural and economic orders Liberal democracy and the public sphere The future of social hope Social Movements Recognition and justice in the workplace), ‘Welfare, Care and Social Policy’ (Care and Care giving Social aspects of ageing Formal and informal care Social policy in the areas of health, age, disability, care, social capital, and welfare), ‘The Postcolonial World and Globalisation’ (Religion and Globalisation Politics of Inter-cultural and cross-cultural embodiment Postcolonial state: development programs, NGOs and social movements, Exclusion and inclusion from citizenship Postcolonial world & globalisation - affect and the senses), and ‘Inclusion and Exclusion in Urban and Regional Spaces’ (The formation and dissolution of community ties (especially around ethnicity, class, place, work) in contemporary global cities Neighbourhood and community studies (especially sites and forms of inclusion and exclusion in Australian cities) New and old forms of social capital in urban contexts The impact and experience of poverty amid affluence.
ii. In abstract, technical terms, cumulative causation is defined as a positive feedback, in which the ‘system’ responds to the perturbation in the same direction as the perturbation. A negative feedback is where the system responds in the opposite direction to the perturbation or shock. If not controlled by countervailing tendencies, a positive feedback loop can run out of control, and can result in the collapse of the system. This is called vicious circle (or in Latin *circulus vitiosus*). Note that the terms positive and negative do not mean or imply desirability of the feedback system. The negative feedback loop tends to slow down a process, while the positive feedback loop tends to speed it up.

iii. There is less systematic variation for those who were charged after they reached their majority. While being charged at 35 years of age or older is also associated with relatively low rates of school completion (to Year 12), this is likely to reflect a cohort effect as it was relatively unusual for older Indigenous people (who by definition are aged over 35) to finish secondary school.

iv. The deprivation or strain theories explain the patterns of arrest and education in terms of poverty, alienation, stressful conditions, dispossession and powerlessness of the Indigenous population. According to this theory, the frustrations caused by deprivation, especially those caused by dispossession, may turn a person’s state of mind inward so that behaviour loses meaning and becomes self-destructive. This theory asserts that deviance and criminal behaviour are important avenues to assert identity, acquire the material benefits of Australian society or escape the stigmatisation of poverty and low self-esteem through alcohol abuse. The conflict theory of crime is that the legitimacy of the law is rejected by the ‘outside group’ because it fails to recognise or represent their values. While the occasional riot in country towns gives the impression of rebellion or protest, cultural conflict is likely to be a subtle problem which may not be overtly evident.

Conflict/anomie theory has resonances with what Weatherburn and Snowball (2007) call social disorganisation theory in that actions of non-Indigenous parties such as the state are implicated in Indigenous crime rates. The 1991 Royal Commission into Aboriginal Deaths in Custody and Memmot et al. (2001) both argue that dispossession, forced removals and discrimination undermine traditional Indigenous informal social controls (i.e. family, kinship networks).

Sutton (2001) argues that contemporary Indigenous violence is largely reflective of traditional Indigenous cultural values. Weatherburn and Snowball (2007) argue that there is not much empirical support for this theory, but it cannot be ignored because it appears to underpin the provisions in the NT Intervention.