

# Interrogating the hybrid economy approach to Indigenous development

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## **Abstract**

In the contemporary debate about remote Indigenous economic development, Jon Altman's hybrid economy approach is the major alternative to the dominant neo-liberal perspective. Altman's approach emphasises the continuing customary economic activity of remote-living Indigenous Australians and their legitimate aspirations to live and work on their ancestral lands. Based on a close reading of Altman's writings, this paper analyses the hybrid economy model – which is grounded in Altman's observations of outstation life in Arnhem Land – and the approach to economic development Altman derives from it. It makes explicit the numerous assumptions underpinning the hybrid economy approach to Indigenous development. Some of these assumptions are more controversial than others. It is argued that while Altman's approach celebrates the unique skills and contributions of culturally-connected Indigenous people, it is predicated on a pessimistic assessment of the likelihood of mainstream education and employment 'closing the gap'.

**Keywords:** Aboriginal people, economic development, remote areas, hybrid economy, Aboriginal culture

## Introduction

In the last decade there has been a major shift in Australian government thinking on Indigenous economic development which has been influenced by neo-liberal (Hughes 2007) and neo-paternalist (Mead 1991; Pearson 2000) thinkers in Australia and overseas. Official support for community and economic development on Aboriginal-owned land has given way to a focus on integration of Aboriginal people into mainstream labour markets. The Community Development Employment Projects (CDEP) scheme, which provided subsidised employment for many Indigenous Australians during its 36 year life, is being dismantled (Sanders 2012).

Indigenous economic development is now perceived by Australian governments as a matter of 'providing Indigenous people with the same opportunities as non-Indigenous Australians' (COAG 2012: A-30). The National Indigenous Reform Agreement states that 'Individuals and communities should have the opportunity to benefit from the mainstream economy – real jobs, business opportunities, economic independence and wealth creation' (COAG 2012: 7). Its emphasis on 'reduc[ing] dependence on welfare wherever possible' and 'promot[ing] personal responsibility' (COAG 2012: A-23) responds to concerns that 'passive welfare dependency' has led to widespread idleness and purposelessness in remote Aboriginal communities and a breakdown in social order (Pearson 2000: 13; Abbott 2004). The overarching policy goal is to halve 'the gap in employment outcomes between Indigenous and non-Indigenous Australians within a decade' (COAG 2012: A-18). It is envisaged that this will be achieved by incorporating Indigenous Australians into mainstream income support programs (Sanders 2012: 384), supporting the creation of Indigenous-owned enterprises (COAG 2012: A-30, A-33), and encouraging unemployed people to move to towns and cities where more job opportunities exist (COAG 2012: A-23, E-70).

Jon Altman, an anthropologist with a background in economics, has been one of the key players contesting this shift. His 'hybrid economy' approach to Indigenous development now stands as the major alternative to the dominant frame for envisioning economic futures for Indigenous Australians. His approach emphasises the continuing customary economic activity taking place on Indigenous-owned lands. The central idea is that an economy that is a hybrid of customary, state and market sectors can provide livelihood opportunities for remote-living Indigenous Australians. His approach explicitly challenges neo-liberal ideology, which valorises the market over the state and ignores the customary altogether. Altman's hybrid economy is an intriguing response to conservatives who have accused progressives of 'facilitating the exclusion of Indigenous people from the benefits of modernity' (Altman 2001: 1). Altman adds an appeal to economic costs and benefits to the progressives' usual weaponry of citizenship rights and special rights. Emphasising customary economic activity and cultural inputs to market-directed economic activity gives Altman a platform for critiquing dominant policy ideas, particularly those which would have a negative impact on cultural continuity and connection to country.

Based on a close reading of a selection of Altman's writings published since 2001, this paper analyses the hybrid economy model and the approach to economic development he derives from it. My understanding of Altman's ideas is drawn primarily from the three papers which explain them in greatest detail: 'Sustainable development options on Aboriginal land: the hybrid economy in the twenty-first century'(Altman 2001),<sup>1</sup> 'Economic futures on Aboriginal land in remote and very remote Australia: hybrid economies and joint ventures' (Altman 2005a), and 'The Indigenous hybrid economy: a realistic sustainable option for remote communities?' (Altman 2006). My analysis is also informed by some more recent publications, especially 'Beyond Closing the Gap: valuing diversity in Indigenous Australia' (Altman 2009), and Altman's contributions to the edited collections *Coercive Reconciliation* (Altman 2007), *Culture Crisis* (Altman 2010) and *People on Country* (Altman 2012a; 2012b).<sup>2</sup>

I argue that the hybrid economy model – which is grounded in Altman's observations of outstation life in Arnhem Land – is fundamentally sound. It is difficult to deny that Altman's three-sector model offers a better 'conceptual framework for understanding the nature of the economy' – at least in some very remote regions – than the conventional two-sector model (Altman 2001: 10). However, I contend that the import for Indigenous policy of viewing remote economies through a lens which makes customary production visible is uncertain. I challenge Altman's assertion that the approach to economic development which he advocates is the 'common sense' corollary of using the hybrid economy model to think about development. This paper makes explicit the numerous assumptions underpinning the hybrid economy approach to Indigenous development. Some of these assumptions are more controversial than others. It is argued that while Altman's approach celebrates the unique skills and contributions of culturally-connected Indigenous people, it also assumes that equal participation in the mainstream economy is unattainable for such people, given their enduring preference for living remotely and their different cultural attitudes to work. This article clarifies what is at stake in the contest between the hybrid economy approach and a more conventional market-oriented approach to remote Indigenous development. The aim is not to advocate for one side or the other but simply to facilitate informed debate.

I start by examining what the hybrid economy model is, highlighting its innovative features. Next I consider a possible objection which could be levelled at the model. Then I explain how Altman has used the model as the foundation of his approach to economic development. Finally I focus on the controversial assumptions underpinning the approach and highlight the possible objections to it.

### **Seeing regional economies through a different lens**

In a nutshell, the hybrid economy model is a different way of seeing the economies of remote regions of Australia. As Altman explains, the model was developed with the 27 or so per cent of Australia's Indigenous population who live in 'remote' Australia in mind. In other words, 'about 130,000 people at over 1,000 remote communities ranging in size from townships

to tiny outstations' (Altman 2006: 3-4). The distance of these communities from major population centres creates particular challenges for market-based development. In many of these regions there are tracts of land which are owned communally by Indigenous people. A further feature of remote Australia is that 'distinct Indigenous cultures, values and belief systems can and have remained fundamentally different. In many situations, societies are still kin-based rather than market-based' (Altman 2006: 3-4).

The primary purpose of the hybrid economy model is to change the lens through which policy makers have been viewing Indigenous economic activity in these parts of Australia.<sup>3</sup> The first key principle of the hybrid economy model is that customary activities are 'an integral component' of the economies of some remote regions (Altman 2005a: 130). The model therefore challenges the common assumption that 'productive activities that occur outside the market and that are based on cultural continuities' such as hunting, gathering and fishing are 'external to the contemporary economy' (Altman 2005a: 130). It recognises these activities as valid forms of 'work' (Buchanan 2013: 11). Altman does not contend that Aboriginal people anywhere are living exactly as their ancestors did or that their economy remains "'traditional", pristine, or precontact' (Altman 2006: 1).<sup>4</sup> Yet as result of his observations of outstation life in Arnhem Land, he is able to articulate the economic relevance of the customary in contemporary Australia.

Economists' collective failure to see customary activity is understandable, he says, because: 'A distinctive feature of the customary economy is that it is not monetised' (Altman 2001: v). The result is that 'important Indigenous contributions remain unquantified and unrecognised in mainstream calculations of economic worth' (Altman 2001: v). Altman insists that recognising the 'customary sector' of remote economies is necessary to do justice to the economic productivity of Indigenous people, and their lands and ways of life.

The second key principle of the hybrid economy model is that the customary sector is linked to the market and state sectors (Altman 2001: 5). This means that making the customary visible is necessary in order to perceive the functioning of the state and market sectors accurately. Altman's interest in the linkages between the sectors derives from his anthropological observations of the livelihood strategies Aboriginal people have developed in central Arnhem Land. The hybrid economy model is represented diagrammatically by three interlocking circles standing for the customary, the state and the market sectors of an economy (Altman 2006: 1; 2010: 271). The power of the model is that it directs our attention to the points of overlap between the customary sector and the two other sectors. As far as I can tell there are five ways the customary sector articulates with the other sectors.

Firstly, the customary sector overlaps with the market sector when goods and services produced using culturally-derived knowledge and communally-owned resources are sold for cash. For example, the surpluses from hunting and fishing efforts can be sold on the market.<sup>5</sup> Cultural artifacts can be produced for sale. Tourists will pay money to see ceremonies and dances performed, or to learn

about bush medicine and bush tucker. Especially knowledgeable individuals can make an income as consultants on topics such as bush survival or cultural heritage. In industries such as the visual arts, maintaining strong links with country and kin increases Indigenous people's ability to engage beneficially with the market (Altman 2005a: 126).

Secondly, the state interacts with the market sector and customary sector when governments address market failures. For example, governments invest in Aboriginal arts centres to help artists overcome the marketing problems posed by their distance from art buyers. The income of these centres comes from regular government funding and the sale of artworks (Altman 2001: 5). Governments also underwrite cultural tourism enterprises and the commercial use of native species of plants and animals (Altman 2001: 5).

Thirdly, the state sector connects to the customary sector when the state pays Aboriginal people to produce public goods using culturally-derived knowledge and communally-owned resources. One of Altman's important arguments is that Aboriginal people indirectly produce public goods – such as invasive species control, native species conservation, bush-fire control and customs surveillance – as they move about their land engaging in customary activities. Altman argues that there should be greater recognition of the contributions that remote-living Aboriginal people make to the well-being of the Australian nation (Altman 2001: 6). Non-Indigenous people reap the indirect financial benefits of Indigenous labour, for example, when eco-tourism enterprises profit from the species conservation taking place on nearby Aboriginal-owned lands (Altman 2001: 5). Aboriginal people themselves are among the key beneficiaries of these public goods because the future of their subsistence economies depends upon healthy eco-systems. Altman thinks governments should be prepared to reward Aboriginal people financially for delivering valuable environmental outcomes and to invest in the equipment and training that would enable them to do an even better job. This is starting to happen through formalised Indigenous land and sea management programs (May 2010).

Fourthly, the state, market and customary all overlap when new industries emerge as a result of regulatory regimes which force private sector companies to pay for environmental externalities. Government attempts to reduce carbon pollution have created a new market for environmental services in which remote-living Aboriginal people can engage (Altman 2009: 10). Markets in carbon now give corporations an incentive to pay Aboriginal people to do work on their lands which reduces the greenhouse gases in the atmosphere.

The fifth way that the sectors overlap is more controversial: Aboriginal people rely on their citizenship entitlement to income support to permanently subsidise other livelihood strategies. For example, they devote their time to ceremony or hunting or painting, knowing they can rely on welfare to provide for many of their material needs.

## Some implications of seeing economic hybridity

It is hard to argue with Altman's claim that the three sectors and the overlaps between them are an 'economic reality in remote areas' (Altman 2010: 271). Tim Rowse has praised Altman for creating an empirically-based model that 'can be applied region by region to identify the natural, human and political resources upon which a realistic development strategy could be based' (Rowse 2011). The hybrid economy model helps us to broaden our thinking not only about the economic activity that is occurring now, but also the types of activity that could be developed in the future.

The implications of changing the lens through which we see economic activity in remote Australia are numerous and profound. Taking customary economic production seriously as economic activity complicates debates about remote economic development, which traditionally focus only on the state and market sectors (Altman 2010: 263). It forces us to reconsider a series of assumptions. Here are what I take to be some of the implications of using the hybrid economy model:

- a) The Indigenous estate is more economically productive and therefore economically valuable than might first appear (even if it cannot be sold). A further implication is that the legal rights which secure Indigenous people's access to their land are important from an economic perspective.<sup>6</sup>
- b) The health of eco-systems influences Indigenous economic productivity.
- c) Indigenous-specific rights to harvest wildlife (secured by legislation and common law) are important to Indigenous people not just culturally but economically.
- d) Indigenous skills and knowledge are more economically useful than we would otherwise assume. Indigenous skills and knowledge that as yet have no commercial application are a wellspring for future creative innovation.<sup>7</sup> The opportunities for Indigenous people to maintain such skills and knowledge through continuity of practice have unmeasured potential economic significance.
- e) Indigenous people who are not in conventional employment may not be as materially poor as they at first appear.<sup>8</sup> Their meagre monetary income is augmented by income in kind, such as game which they have caught themselves.
- f) Indigenous people in receipt of income support may be busier than we would otherwise assume (Altman 2010: 276). Much of their time may be spent in economically productive ways, for example, in caring for their country and harvesting bushfoods. Altman tells us the Kuninjku people he has observed are simultaneously 'highly dependent on the state' and 'also highly engaged with the customary and market sectors that keep them very active and that form the foundation of their productive economy' (Altman 2005a: 126).

Clearly, changing the model through which economic activity is viewed can have consequences for how we think about various policy ideas and opens up a number of possibilities.

From e) and f) it follows that forcing Aboriginal people to redirect their energies into competing for waged jobs might actually lead to a reduction in their material well-being by depriving them of time they would have spent in economically productive ways (especially if their preparation and search for waged jobs is unlikely to be fruitful). Forcing Aboriginal people to relocate to urban centres to search for waged jobs could reduce their material well-being for similar reasons.

An implication of f) is that remote-living Aboriginal people might not be as bored as some commentators have feared. This makes it seem less likely that idleness is the cause of social ills in remote communities, calling into question the benefit of driving Indigenous Australians into mainstream jobs.

An implication of d) is that time spent passing on Indigenous knowledge (for example from one generation to the next) is time well spent. Taking this argument to the extreme, Aboriginal children's time might be better spent out in the bush learning how to gather bushfoods than in the classroom practising reading and writing.

Taken together, these implications raise a number of profound questions about the benefits of integrating remote-living Indigenous people into mainstream Australian life.

### **A possible objection to the model**

One major objection that can be raised to the hybrid economy model is that the quantity of customary production is insufficient to be worth taking into account. The quantity of production reflects both the lucrativeness of customary activity and the amount of activity occurring. Altman developed his ideas about the significance of customary economic activity following his doctoral fieldwork with Kuninjku people in central Arnhem Land (Altman 2006: 1). He describes the Kuninjku hybrid economy in central Arnhem land as 'an exemplar of this economic form' (Altman 2005a: 125). In Altman's fieldwork at a Kuninjku outstation in 1979-80, the 'customary sector of the economy contributed over 60 per cent of total income when non-market production [in this case the harvesting of wildlife] was given imputed monetary value' (Altman 2005a: 125).<sup>9</sup> Altman cites case study material by other researchers which also indicates that 'the customary economy can have significant economic value, especially in the tropical savannas and wetlands' (Altman 2001: 5). Colonisation came relatively late to this part of Australia (Altman 2005a: 125). In Australia's tropical north the natural environment is more productive than in parts of the continent colonised earlier and there is greater continuity with the pre-colonial hunter-gatherer economy.

Anthropologists have debated whether the hybrid economy model has as much relevance to more arid or degraded parts of Australia where the land cannot support the same volume of subsistence food production. Altman concedes that the Kuninjku are ‘probably at one extreme end of the spectrum’ (Altman 2009: 9), but believes the customary should be included in the picture even in regions where customary activity has less economic value. He is not troubled that ‘the exact size of each sector will vary from one locality to another’ (Altman 2005a: 125). He is encouraged that ‘the NATSISS [National Aboriginal and Torres Strait Islander Social Survey] shows that the customary is everywhere, at least at discrete Indigenous communities [which are located] mainly in very remote Australia’ (Altman 2006: 4). The NATSISS in 2002 was able to ascertain that in the three months prior to being surveyed ‘82 per cent of adults’ in discrete Indigenous communities had ‘hunted and fished’ in a group (Altman 2006: 4). Altman offers this as evidence of the relevance of the hybrid economy concept, but one hunting or fishing trip every few months is not enough to make much economic difference. For his argument to be convincing we would need to know that among this 82 per cent are some people engaging in customary economic production far more regularly – the NATSISS questions as they are currently framed cannot help us resolve this.

I would argue the weight we should give to the various implications of the hybrid economy model depends upon the amount of customary activity going on. To take one example, it is an empirical question whether Indigenous people in a given region are devoting enough of their time to meaningful customary activities to avoid welfare demoralising their community. To characterise all individuals who participate in any customary activities as economically active – regardless of the extent of their participation – is to disguise how many people are languishing on income support. The quantity of customary production matters, but unfortunately, as Altman recognises, the quantity is very difficult to measure (Altman 2001: 5, 11). This uncertainty makes it difficult for Altman to make his case convincingly, but on the other hand it also makes it difficult to deny outright the importance of his model.

I now want to move the discussion from the hybrid economy model to Altman’s hybrid economy development approach. The rest of this article assumes that Altman is correct that the quantity of customary economic production in remote Australia is large enough to be worth taking into account.

### **Altman’s innovative approach to economic development**

The hybrid economy development approach offers an alternative to the dominant approach to development for Indigenous Australia, which emphasises engagement with the market economy, education for mainstream jobs and migration to urban centres (Altman 2008: 272). The objective of the hybrid economy approach is ‘to realistically combine employment and enterprise opportunities with Aboriginal aspirations and cultural strengths’ (Altman 2007: 308). Altman’s position is that Aboriginal people should be provided ‘freedom of economic form’ in recognition of ‘the diversity and difference of Aboriginal

values and norms' (Altman 2010: 279). This means they should be given the opportunity 'to negotiate and shape the diverse forms of development to which they aspire' (Altman 2010: 279). This is a bottom-up and community-based approach to development, adaptable to local circumstances (Altman 2006: 6).

The hybrid economy approach 'is based on combining elements of the market, the state and the customary sectors to provide meaningful livelihood opportunities for people living on their remote ancestral lands' (Altman 2006: 6; 2007: 308). Altman claims 'The fundamental development dilemma faced by most Indigenous communities located on Aboriginal land' is not how to grow the market economy, but 'how to grow the hybrid economy' (Altman 2001: 6). Altman appears to be advocating the development of all three sectors at once: 'Development will require greater Indigenous engagement with the market; a greater Indigenous uptake of opportunities provided by the state; and an enhanced participation, in an ecologically-sustainable manner, of the customary' (Altman 2001: 9). He believes 'the Australian state and Indigenous people need to negotiate development approaches that maximise opportunities in all sectors of the hybrid economy' (Altman 2006: 6; 2010: 279). And yet at other times he seems to be saying that 'strategic decisions' need to and can be made as to which sector's growth should be emphasised (Altman 2001: 8). These positions are not contradictory: the message is rather that decision-makers (whether they are Aboriginal people or government) need to choose between development opportunities carefully, rather than blindly chasing all opportunities to develop market-based production.

It is fair to say that the approach gives most emphasis to the points of articulation between the customary and other sectors (Altman 2006: 6). Indeed sometimes Altman means specifically these parts of the model when he uses the term 'hybrid economy'.<sup>10</sup> Opportunities for economic activity which occur in the overlap between the customary and market or state sectors are particularly beneficial because they tend to allow people more autonomy than conventional employment. This type of economic activity is typically quite flexible because it does not involve the rigid career structures and weekday schedules imposed by conventional state and private sector employment. People may also find it attractive to combine income from these activities with subsistence production, even deriving income in two different ways from the same effort, for example, by getting paid in cash for hunting wild animals as part of a natural resource management project, and then consuming the animals or sharing them with kin. In such a way a decent livelihood might be cobbled together in difficult circumstances. Close connections with kin and country facilitate these activities, whereas such connections can create barriers to pursuing mainstream employment.

It is in the inter-sectoral spaces that Aboriginal people have a competitive advantage over other producers by virtue of their traditional knowledge and skills (Altman 2004: 2). Moreover, in some industries Indigenous identity itself can confer an advantage. Indeed in some markets non-Indigenity constitutes a natural barrier to entry. Non-Aboriginal people cannot produce

authentic Aboriginal art, for example. Furthermore in some markets, such as environmental services, local Aboriginal people enjoy a competitive advantage over Indigenous people from other parts of the continent. This creates a valuable employment niche for locals in regions where they struggle to compete with better-educated outsiders and even Indigenous-identified positions tend to be filled by people from elsewhere.

Altman would like to see more ‘policy focus on those industries ... where remote communities already enjoy comparative advantage, often based on a cultural match between unique Indigenous skills and market demand’ (Altman 2005a: 124). He claims governments could do more to foster the potential opportunities for Indigenous engagement in niche markets (Altman 2001: 10). For example, he has proposed that Aboriginal people who wish to hunt large feral animals such as pigs and buffalo should receive assistance in obtaining gun licences (Altman 2003). He would also like to see changes to commercial fishing regulations ‘to allow local harvesting of species for local sale’ within Aboriginal communities (Altman 2004b: 525). Altman contends governments should provide what Aboriginal people need to stay on their lands as an investment in their ability to continue to produce important public goods such as biodiversity conservation (Altman 2007: 318). He suggests that ‘addressing underinvestment in the management of the Aboriginal estate could provide a major development impetus’ (Altman 2007: 317). He also believes that as a matter of social justice Aboriginal groups should be compensated by government for the degraded state in which their lands are returned to them. They could use this compensation to restore ecosystems to health (Altman 2012b: 220).

Long-term reliance on income support is another integral part of the hybrid economy approach: ‘Articulation between the state and customary sector has potential to expand the range of livelihood options for Indigenous people especially in situations where income support underwrites or supplements the customary sector’ (Altman 2005a: 122). Another way of saying this is if the government is prepared to provide Aboriginal people with a guaranteed minimum income and meet the high costs of providing essential services in very hard to reach places, then Aboriginal people will be free to spend their days engaged in customary activities that do not directly provide adequate material sustenance when judged by mainstream (or perhaps any contemporary) standards. Altman is thus endorsing dependence on the state for basic income, for mobility between outstations and towns, and for the additional costs required to provide essential services to people living in extremely remote locations. He recommends an expansion of the state sector ‘so that Indigenous townships and outstations are supported on an equitable needs basis’ (Altman 2006: 6).

According to Altman this approach aims to address ‘the economic development problem that is faced by Indigenous people living on Aboriginal land in remote and regional Australia’ (Altman 2001: v). He describes this problem in terms of low incomes and ‘heavy dependence on the state as a source of income’ (Altman 2001: 2). The hybrid economy approach promises to ‘deliver development for

remote Aboriginal communities' (Altman 2007: 308), in particular 'livelihoods in remote and very difficult circumstances' (Altman 2010: 276). He emphasises, however, that neither the hybrid economy approach nor any other economic development strategy has a realistic prospect of closing the statistical 'gap' (Altman 2009: 11).

### **Distinguishing the empirical model from the development framework**

According to Altman 'a big part of the development problem' is that hybrid economies are 'poorly understood' (Altman 2001: v). Correcting this lack of understanding should result in shifting efforts away from 'development based on market engagement' to development based on the linkages between the customary and other sectors (Altman 2001: 1; 2005a: 34). Altman would have us believe that the approach to economic development which he advocates is the 'common sense' corollary of using the hybrid economy model to think about development (Altman 2006: 6). However, what I hope to show here is that the latter is conceptually distinct from the hybrid economy model upon which it builds. Being persuaded of the soundness of the hybrid economy model does not necessarily entail buying into Altman's hybrid economy approach to development. Just as economists restricting their vision to the market and state sectors can disagree on policy, so could economists working with a three-sector model.

The 'hybrid economy framework' is a political position, while the 'hybrid economy model' is a tool for research.<sup>11</sup> The hybrid economy model is an aid for the analysis of the economies of particular regions (Altman 2001: 4). Altman correctly observes that 'the three-sector hybrid economy offers greater prospects [than the two-sector market-state economy] for identifying and supporting livelihood futures that are more compatible with some key institutions of remote Indigenous Australia, namely kin-based economies, flexibility and diversity' (Altman 2005a: 122). Altman rightly claims that his model can help social scientists build the evidence base for a strategic decision 'regarding which of the market, the state and the customary sectors should be given growth emphasis' (Altman 2001: 8). Making this decision explicitly is surely better than simply assuming that economic development equals market-based development, as if the customary sector did not exist. But this decision is a matter of policy, and policy is the product of values and ideology, rarely just information.

The hybrid economy development approach is underpinned not only by the model but also by a series of further assumptions or premises, many of them normative. Many of these premises are controversial. Firstly, Altman's work is premised on his view that 'for the majority of Aboriginal people in remote communities, migration away from ancestral lands, often hard won through legal claim' is not an aspiration (Altman 2007: 317). Traditional owners' intimacy and identification with their land provides a strong reason to stay (Altman 2012a: 4-5, 7-8). Altman takes the fact that the Aboriginal population living on or near the Aboriginal estate is growing as evidence that most remote-living Aboriginal people do not want to move to the cities and

towns (Altman 2005a: 123). A further premise of the approach is that many remote-living Aboriginal people would prefer to use distinctive Indigenous skills to generate a livelihood, and avoid mainstream work routines. Altman says he observes 'a reluctance in remote Australia for Aboriginal people to sell their labour in a standard way, preferring instead to be producers of commodified culture often in two directions, towards the market and simultaneously to local cultural reproduction' (Altman 2010: 273).

The hybrid economy approach is predicated on the normative assumption that economic development policy should respond 'to Aboriginal aspirations and desires' rather than attempt 'to reshape those Aboriginal values, beliefs, social relations and practices that remain distinct from mainstream norms' (Altman 2010: 277). Altman is especially keen to challenge the conservative assumption that 'the future for Indigenous Australians lies in modernity, urbanization, a full embrace of the market and ultimately, assimilation' (Altman 2001: 9-10). His model is intended to combat 'the dominant discourse of normalisation' (Altman 2010: 277). It is underpinned by respect for 'the fundamental value of cultural diversity and the inherent rights of Aboriginal people to live and work on their ancestral lands' (Altman 2007: 318). Altman claims his model reflects the agency of Aboriginal people who decide individually and in groups to pursue livelihood options which appear unconventional to the mainstream (Altman 2010: 272).

Perhaps the most controversial premise of all is that it is acceptable for 'the gap' between remote-living Indigenous Australians and other Australians to remain indefinitely. This is not a matter which can be empirically established one way or other, but is a value judgment. The hybrid economy development approach is only compelling if one believes that the following are acceptable for remote-living Indigenous Australians:

- a) Spatial segregation from other Australians.
- b) Role segregation of Indigenous and non-Indigenous employees in the Indigenous sector.
- c) Lower material living standards than those enjoyed by other Australians as measured by Western social indicators.

In sum, one of the foundations of the approach is the belief that, for as long as many Indigenous Australians retain their distinctive aspirations and continue to live on remote ancestral lands, 'the gap' will not and need not close. Altman says that the goal of policy should be 'not statistical' equality but 'substantive' equality (Altman 2010: 276). The latter entails 'treating different people in an appropriately different manner depending on relevant differences between them' (Altman 2009: 15).

An enduring 'gap' is acceptable to Altman largely because he believes that spatial segregation from other Australians is actively sought by remote-living Aboriginal people and that lower incomes, lower material living standards and lower status jobs are acceptable to them as a trade-off for achieving it. He does not believe 'that the affluence of mainstream Australia can be replicated for remote Indigenous Australia' (Altman 2007: 307). In his view, pushing

remote-living Aboriginal people to integrate into the mainstream economy will only create 'a class of precarious workers' (Altman 2010: 277). It will not produce the economic equality intended. He is similarly pessimistic/realistic about what mainstream education for Indigenous children can achieve. Altman does not believe that 'closing the education gap will improve socio-economic outcomes' (Altman 2010: 267). He also cannot 'see how standard education will assist those who live fundamentally non-standard lives' (Altman 2010: 267).

A key premise of the hybrid economy approach is that the dominant market-oriented approach to Indigenous economic development is unlikely to be successful. Altman says that 'market based ... solutions to Indigenous development problems ... have a poor track record' (Altman 2005a: 122) and that it is unrealistic to expect that all those in remote Australia will have the option of engaging with the market in the near future (Altman 2005a: 122). He is sceptical that the market economy will ever provide adequately for remote-dwelling Aboriginal people 'because there are structural and other impediments that will limit the overall growth of the market in the remote regions where Indigenous people live on Aboriginal land' (Altman 2001: 8). One reason for his scepticism is that the land Aboriginal people have been able to claim under land rights and native title laws is the least productive land on the continent from a conventional economic perspective. Its marginality is 'precisely the reason it was historically unalienated and available for claim' (Altman 2005a: 123). Aboriginal people's 'weak property rights in commercially valuable resources' are a further limitation to market sector growth on their land (Altman 2006: 6). The 'history and kin-focused social norms' of some Aboriginal groups are additional barriers to success in the mainstream economy (Altman 2009: 11).

A further premise underpinning Altman's approach to development is that 'the enabling state' will always be the primary driver of economic growth in remote Australia (Altman 2006: 6). State subsidisation will always be necessary if people are to continue to live in these regions. The hybrid economy offers a way of framing this subsidisation as an investment and thereby legitimating it. Given that Aboriginal people want to continue living in these regions, Altman thinks the important task is not to resist state subsidisation, but to reframe it. Altman reframes government money spent on outstations as an investment in biodiversity conservation, language maintenance or cultural protection, rather than an unproductive expense (Altman 2001: 10). His assertion that it is just for the state to subsidise the chosen lifestyles of Aboriginal people clearly puts Altman's approach at odds with that of his neo-liberal opponents (Vanstone 2007 [2005]: 44; Hughes 2007).

Distinguishing between the model and the development approach enables us to make sense of Altman's claim that 'neo-liberal notions of mutual obligation, mainstream employment and economic independence' are 'all concepts antithetical to the hybrid economy' (Altman 2005a: 130). The hybrid economy model includes the private sector, but the hybrid economy development approach emphasises alternative livelihoods over mainstream employment. Altman is not opposed to Indigenous people choosing to work in mainstream

roles, and envisages that some may be interested in working in the mining industry or ‘in the provision of services to major development projects in remote Australia’ (Altman 2006: 6), but his approach caters to the needs of Indigenous people who would prefer to make their living in alternative ways. The goal of economic independence is inconsistent with his approach because he assumes that Indigenous people will remain dependent on government transfers for as long as they live on or close to their ancestral lands. The debate between Altman and neo-liberals is in part a dispute about the state and how it should intervene. At first glance the hybrid economy is a way of reframing customary activity, but on closer inspection it is just as much about reframing state subsidisation.

Altman differs greatly from advocates of mutual obligation in the way he represents people who do not take up waged employment. Seen through the lens of the hybrid economy, people who disengage from the mainstream economy have not failed to meet community expectations. Rather (if they engage with the hybrid economy) they are understood as responding to obligations to kin and country, and producing valuable public goods. They are seen to be reaffirming important forms of connectedness, rather than at risk of social exclusion. When viewed from this angle, their decision is to be honoured rather than pathologised, and the imposition by the state or its agents of arbitrary conditions on their access to welfare support seems unnecessarily controlling and unfair.

### **Possible objections to the development approach**

The hybrid economy development approach is about emphasising not just the existence but ‘the local, regional and national current and potential *benefits*’ of contemporary customary activity (Altman 2005a: 122; italics added). A possible objection to the approach is that such activity might have costs as well. Altman asserts that the customary and market sectors of the hybrid economy are mutually supportive. What is underplayed in Altman’s writings is that these sectors are in some sense rivals. The market and customary sectors are rivals for the labour of Indigenous people. For example, individuals cannot organise their lives around a schedule of bush food collection dictated by the weather and the seasons while meeting the demands of steady nine-to-five employment.

Furthermore, the different sectors of the economy are rivals when it comes to setting the objectives of Indigenous education. Altman and Fogarty argue that ‘education needs to be tailored to serve the livelihood aspirations of Indigenous people participating in a hybrid and intercultural economy’ (Altman and Fogarty 2010: 110). Should schooling for Indigenous children prioritise teaching the skills and cultivating the disposition required by mainstream employment, or should emphasis instead be given to the transmission of local customary knowledge?<sup>12</sup>

The customary and market sectors are also rivals for the use of natural resources. Mining, pastoral developments and irrigated agriculture can all use water in ways which compromise the health of ecosystems and therefore

undermine customary economic activities (Altman et al. 2009: 34). Sites made available for use by tourists may no longer be available for subsistence hunting and gathering by locals who do not want to hunt and gather within view of tourists. Altman has argued that this economic cost of tourism frequently goes unrecognised (Altman 1989: 471-2). Recognising the existence of the customary economy invites us to consider the opportunity costs – in terms of reduced customary production – of expanding market-based production.

What is inescapable, but not often acknowledged, is that the significance of customary economic activity – and the persuasiveness of Altman's ideas – rises and falls with one's assessment of the opportunities available to Aboriginal people in the mainstream economy. If we are pessimistic that Aboriginal people from remote areas are ever going to find stable work at decent wages, then the opportunity cost entailed in searching and training for this work looms larger and investing in the hybrid economy seems like a smarter strategy. To those optimistic regarding the prospect of mainstream education and economic integration to reduce poverty, the hybrid economy has less appeal. Altman points out that his approach is a challenge to the status quo (Altman 2001: 1). However, many conservative commentators would still see Altman's approach as being not ambitious enough regarding the capacity for Indigenous Australians to achieve material prosperity (Hughes 2007). Some Indigenous leaders have attempted to raise expectations of what Aboriginal Australians can achieve in the mainstream economy (Langton 2002; 2013; Anderson 2012). A possible objection to his work then is that Aboriginal people genuinely do have the potential to earn a decent living away from their lands.

Some might want to argue that if the opportunity to move away and integrate into the mainstream economy were available to them, most residents of remote communities would take it. Altman's approach is built on the assumption that development strategies should respond to Aboriginal people's aspiration to remain in remote communities. However, it could be argued that the aspiration of many Aboriginal people to stay on their country and avoid integration into the mainstream economy is best understood as a consequence of the constraints under which Indigenous people have exercised their agency (Austin-Broos 2011: 275). Pearson argues that Indigenous people in Cape York have been so 'ill-equipped to take advantage of opportunities in the real economy' that their 'so-called "decision" to remain in their community was therefore made by default, without any real choice' (Pearson 2009: 275). A possible objection to Altman's approach then is that it too readily accepts Aboriginal people's existing aspirations, rather than expecting their aspirations to change if economic development creates new opportunities for them.

## **Conclusion**

Altman has made an important contribution by bringing an awareness of cultural continuity and contemporary subsistence activities to bear on a consideration of economic development on Indigenous lands. He argues that the conventional focus on market-oriented production and blindness to customary

economic activity has an array of consequences. I have argued that there are numerous implications of factoring customary economic activity into economic analysis. How much weight policy makers should give to these depends upon just how significant the volume of customary production is. It is hard to argue with the conclusion that the economic activity currently occurring in the remote regions Altman writes about is a mixture of market-based, state and subsistence. His work is more controversial when he starts spelling out what he believes are the logical policy implications of factoring in the customary sector.

Unhelpfully ‘the hybrid economy’ is variously used by Altman to refer to an analytic lens (one which makes visible customary economic activity) as well as to a set of development principles that are consistent with (and indeed logically follow from) this choice of lens. The central aim of this article has been to emphasise the distinctions between four themes in Altman’s work, in order to evaluate them separately:

- The forms of economic production Altman has observed in remote parts of Australia over the course of more than three decades.
- The model he has created, inspired by these observations.
- The approach to economic development he recommends, which is informed by this model.
- The key assumptions and premises that underpin this approach to economic development, some of which are controversial.

The hybrid economy model helps us answer an empirical question: what is the nature of existing economies in Australia’s remote north? The development approach offers an answer to a normative question: what should be done to foster Indigenous economic development? The hybrid economy approach is Altman’s answer to the dilemma of what a nation committed to equality should do about people who choose to ‘reside beyond the market, in localities where there are limited commercial opportunities and non-existent or inadequately-sized labour markets’ (Altman 2005a: 123).

Under the banner of the ‘hybrid economy’ sits a cluster of propositions and claims ranging from commonsensical to highly controversial. The hybrid economy development approach is pitched as an alternative way of addressing poverty and dependence (Altman 2001: 1; 2007: 309), given that the government’s objective of incorporating all Indigenous people into the mainstream economy seems destined to fail. However, it is many other things as well:

- A legitimisation of the state subsidisation of small discrete Aboriginal settlements and outstations and of ongoing income support for Aboriginal people.
- A validation of the desire by some Aboriginal people to live on their own land, spatially segregated from other Australians.
- An argument for investment in the transmission of culture, the health of eco-systems and the protection of land rights.

- A platform for critiquing mutual obligation approaches to welfare reform and statistical approaches to Indigenous equality.

The hybrid economy approach is predicated on the belief that many Aboriginal people aspire to live and work differently, and at great distance, from the majority of non-Indigenous Australians. Among the normative assumptions underpinning the approach is that the aspirations of Indigenous Australians which are incompatible with conventional employment should be honoured rather than transformed. Those ideologically committed to free markets and small government will clearly disagree with Altman's approach. However, even those opposed to neo-liberalism may find they do not agree with all the premises of Altman's approach. They might consider that Altman has overstated the benefits of customary economic activity while downplaying the costs. Or they might believe he takes too pessimistic a view of Indigenous people's prospects in the mainstream economy and consider him too complacent about the discrepancy between Indigenous and non-Indigenous employment rates. A further potential objection is that the aspiration to continue living in communities geographically and culturally remote from other Australians is the product of deprivation and injustice, rather than something to be celebrated.

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## Endnotes

1. A revised version of this appeared as 'Development Options on Aboriginal Land: Sustainable Hybrid Economies in the Twenty-First Century' in the edited collection *The Power of Knowledge: The Resonance of Tradition* (Altman 2005b).
2. For a guide to the vast array of journal articles, book chapters, discussion papers and submissions in which Altman has employed the hybrid economy concept, see Susie Russell (2011).
3. Analogous models, 'which emphasise the co-existence and interaction of cash and customary sectors', have been devised for a similar purpose in North America (Buchanan 2013: 4-5).
4. This is important because Altman has developed his ideas in response to those who have accused 'progressives of ... dishonestly "romanticising the primitive"' (Altman 2001: 1).
5. There are however regulations preventing the sale of some species.
6. Altman explains that the hybrid economy is 'predicated on land rights and native title' (Altman 2005a: 122).
7. This may seem far-fetched but who could have foreseen that combining desert designs with acrylic paints could have developed into such a significant industry and in such a short space of time?
8. Altman considers that the economic disparity between remote-living Indigenous people and other Australians might be exaggerated when only 'mainstream indicators' are considered 'because the customary is not measured' (Altman 2005a: 123).
9. For a brief discussion of the approaches researchers have used to document the value of goods produced and consumed in the customary sector, see Buchanan (2013: 8).
10. Generally, Altman defines the hybrid economy in such a way that any economic activity fits within it, but sometimes he uses the term 'engagement in the hybrid economy' in opposition to market-based activity. For example, 'in the absence of sufficient market opportunity in remote regions and evidence of limited shift from kin-based production relations to the individualism demanded by market-based activity, engagement in the hybrid economy might be a preferred livelihood option for many Indigenous Australians' (Altman 2005a: 130).
11. In some of his writings there is a slippage between the model and development approach. See Altman (2006: 6; 2007: 308; 2010: 262-3).
12. Interestingly, Fogarty suggests that there is no tradeoff to be made between teaching customary knowledge and teaching numeracy and literacy (Fogarty 2012). He argues that incorporating traditional ecological knowledge into the curriculum improves school attendance and facilitates more effective learning of literacy, numeracy and Western science.