

DOING DEVELOPMENT DIFFERENTLY

ESSAY COMPETITION

Even minor improvements in bad institutions in developing countries make a huge difference to large numbers of poor people. That's why the Atlas Network launched *Doing Development Differently* in October last year. It differs from the foreign aid status quo because it helps local organisations expand the economic rights of the poor. It does this by chipping away at the margins of bad institutions like onerous business regulation, weak property rights, and inefficient legal processes. New research supported by Atlas Network has found that these small steps can lift large numbers of people out of poverty.

Explain how Atlas' *Doing Development Differently* approach could be applied to one or more public policy issues in Australia in a way that benefits the most poor and marginalised members of our society.

Essays to be 1,000 words.

PRIZES

1st - \$1,500

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Due date: May 20, 2018

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Winning essay – 1st prize

Doing Development Differently: Spontaneous order in Indigenous Australia

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The most effective means of breaking the cycle of poverty is not to offer a hand out, or even a hand up, as has been the perception throughout much of history, but to provide an environment in which individuals can lift themselves out of poverty. Creating such an environment is the goal of the Atlas Network's *Doing Development Differently* approach, which aims to break the poverty cycle by changing or removing burdensome policies while strengthening institutions, so as to enable the individual. This approach focuses on removing onerous legislation, red tape, and bureaucracy to enable specific communities to develop and flourish in a natural way, free from the limitations imposed by government. The prevailing mantra that teaching an individual to fish will feed them forever is not an effective policy; rather, regulatory burdens stipulating the licences required to fish should be removed to promote the capabilities of communities and empower them to create their own wealth and development. In conjunction with this, sound institutions are necessary for the creation and protection of wealth. The interference of government, while sometimes justified, should be avoided wherever possible as it only inhibits the individual, and by extension, the community. This can be seen in Australia, where many Indigenous peoples have been held back due to the interference of government. In this essay, it will be argued that if many government-led, top-down initiatives are removed and institutions are strengthened, communities will be enabled to forge their own way out of the margins, due to the creative ability of spontaneous order. This will be illustrated through a critique of the current funding system and the Native Title Act, both of which are evidence of the "outsider's dilemma" highlighted by the Atlas Network (2018).

A belief in the ability of the individual is core to the *Doing Development Differently* approach, this is a belief that, if applied to the marginalised in Australian society, could lead to communities making real change in their lives and vastly improving their economic standing. This is the case with some of Australia's Indigenous population, particularly the 35 per cent who are dependent on

welfare (Hudson, 2016, p. 1). The current approach to improving Indigenous outcomes and ‘closing the gap’ is funded by the taxpayer and allocates funds in a top-down, band aid-like method; an approach that has been criticised by The Centre for Independent Studies, who point out that the focus of the government in regards to Indigenous advancement should be through “greater economic empowerment as [a] long-term sustainable goal” (Hudson, 2016, p. 2). This is the sentiment reflected in the *Empowered Communities: Empowered Peoples Design Report* of 2015. In the opening statement of the report it is noted that empowerment of Indigenous Australians requires action from both Indigenous communities, and from the government: Indigenous communities must take powers and responsibilities for their lives, and governments at all levels must share, and potentially relinquish, their powers and responsibilities (Empowered Communities, 2015). To enable Indigenous Australians, and to believe in the ability of the individual, is to cease the top-down approach seen in many Indigenous ‘development’ programs and to rely on the spontaneous order which will come about as a result of the lack of interference of governments.

This idea is evidenced in the 2018 *Closing the Gap Prime Minister’s Report*, which notes that the most effective means of achieving outcomes have been approaches which rely on Indigenous involvement and aim to build capacity within individual communities (Commonwealth of Australia, 2018). Australian governments’ failures have perhaps fulfilled the prophecy of W.E.H Stanner, who stated that the implementation of welfare programs will lead to the widening, rather than the narrowing, of differences in living standards between Indigenous and non-Indigenous Australians (as cited in Empowered Communities, 2015). It is the case, then, that the historical approach of providing top-down welfare and development programs cannot achieve outcomes, as alluded to by the Prime Minister’s report. The alternative solution is to allow communities to have self-determination, such as the one supported by the *Doing Development Differently* approach.

This approach seems to be favoured by many in the Indigenous community, highlighted in a report which critiqued the current system. Empowered Communities (2015, p.50) highlights five systematic funding problems of the current approach:

1. Expenditure growth without achieving outcomes.

2. A supply driven system.
3. Vested interests servicing Indigenous disadvantage.
4. Too much bureaucracy and red tape.
5. Lack of transparency.

A government cannot understand the specific needs and desires of a given community, and as such, communities themselves should be responsible for their development. This is the case argued in the *Doing Development Differently* approach; solutions to issues of economic development cannot be designed, implemented, and overseen by ‘outsiders’, the answer lies in locally grown solutions which aim to establish and promote economic rights (The Atlas Network, 2018).

Empowering the individual and removing the heavy hand of government is a key aspect of *Doing Development Differently*, according to which, the role of government is to facilitate an environment in which development is possible, for example by strengthening institutions such as property rights. This has been discussed regarding Native Title in Australia, and the limitations that it imposes on Indigenous Australians; although Native Title is a form of property rights, it imposes limitations on what the title can be used for, stifling economic development (Indigenous Leader's Roundtable, 2015). A strengthening of property rights will enable Indigenous communities to determine what is the best use of Native Title land, and as proposed by Gooda and Wilson (2015), there are a number of options to convert title into a fungible asset. Native Title allows for the preservation of communal title, but it does not allow for the use of this title for economic development; applying the *Doing Development Differently* approach would unlock the potential for economic development by strengthening the institution of private property for Indigenous Australians.

Decades of top-down design and implementation of Indigenous programs have little to show in terms of results, while coming at a significant cost to the taxpayer. A critical analysis of the current framework suggests that development should be done differently; breaking down onerous red tape and bureaucracy, removing vested interests, and focusing on a grassroots approach is the answer. This will certainly be the case if the Atlas Network’s *Doing Development Differently* approach is employed: a reliance on spontaneous order and the power of the individual to seek development

for themselves and their community, through removing barriers and strengthening institutions, will be an effective means of improving living standards and economic development in Indigenous communities.

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