

Further key insights from the Indigenous Community Governance Project, 2006

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The Indigenous Community Governance Project (ICGP) is an Australian Research Council Linkage Project between the Centre for Aboriginal Economic Policy Research (CAEPR) at The Australian National University, and Reconciliation Australia (RA). This short paper summarises the key issues that emerged from the comparative analysis of the ICGP's field-based research carried out in 2006. This is the second major instalment of research findings from the project.¹ Based on detailed evidence from over a dozen different 'case studies' of Indigenous governance in action, the ICGP's findings are drawn from a diverse range of community, geographical, cultural and political settings across Australia.

Several major issues came to the fore in 2006:

- the conceptual and cultural complexity of Indigenous governance systems
- the important role of 'nodal leadership' in building legitimate, accountable governance
- the prevalence and flexibility of Indigenous models of networked governance
- the identification of shared Indigenous design principles and institutions for governance
- the identification of key factors that sustain and undermine cultural legitimacy
- the urgent need to invest now in governance capacity development, and
- the ongoing role and impact of the 'governance capacity' of governments.

The research findings comprehensively confirm that an externally imposed 'one size fits all' approach to addressing Indigenous governance is unlikely to be workable or sustainable, indeed, it may be counter-productive. Organisational structures and representative arrangements will need to respond to different

local and cultural conditions. But by analysing all the case study research, the ICGP has been able to identify deep-seated principles and culturally-based institutions that Indigenous groups appear to share in common, and which they are using to do their governance-building work, whether that be in rural, urban or remote communities.

The ICGP's research analysis for 2006 provides the detailed evidence behind these major findings, and makes recommendations for policy and practical follow-up. Throughout 2007 we will be providing overviews of these key research findings in a series of plain English 'Governance Issue Briefs', suitable for both policy-makers and community organisations.

The following summarises the six key governance issues arising from the 2006 research.

ISSUE 1: THE COMPLEXITY OF 'COMMUNITY GOVERNANCE'

A 'community' is a network of people and organisations linked together by webs of relationships, cultural and political identities, traditions, institutions, shared socioeconomic conditions, geographic location, and common interests. Indigenous communities are extremely complex, and include not only geographically discrete settlements, but also dispersed communities of shared identity, historical communities of interest, and the policy and bureaucratic communities of government within them.

The ICGP research has found that communities often rely on several local and regional organisations which are attempting to respond to a great range of community needs and expectations. Consequently, the leaders and managers of 'community' organisations are constantly balancing competing obligations and responsibilities, in a context of scarce resources. Many are delivering services that are not fully-funded by government. In addition, government cost-shifting and the more general withdrawal of important services from rural and remote areas—e.g. banking, financial, and medical services—has further impacted on the effectiveness of already overloaded and under-funded Indigenous community organisations.

The ICGP comparative research points strongly to the need for fully costed service delivery in Indigenous communities. It also highlights the need for a more sophisticated understanding and engagement between government agencies and different types of Indigenous communities.

Many Indigenous communities are demographic 'hot spots'. The research is highlighting the urgent need to strengthen Indigenous governance arrangements in these communities, to enable them to better manage the major economic and social changes associated with their population growth.

ISSUE 2: LEADERS AND 'NODAL' LEADERSHIP

A 'node' is a site within a system of governance where resources and networks can be mobilised by individuals and organisations, so that action can be initiated. Leaders within Indigenous governance systems are nodes where power and authority are concentrated, and people are mobilised to steer consensus.

Indigenous leaders play a critical role in the effectiveness or otherwise of community governance. Leaders in communities are connected together through extensive networks formed out of relationships, shared histories and experience of acquiring knowledge and skills.

The more 'visible' Indigenous leaders of organisations are linked into these wider networks of community and regional leaders. These networks affect decision-making processes and outcomes within organisations, sometimes in very subtle ways.

ICGP research indicates that it is important for government and other stakeholders to recognise the different leadership nodes and networks operating within Indigenous communities (within and outside of organisations)—especially in relation to how leaders acquire, exercise, and sustain their power and authority. Visitors to communities need to ensure they are engaging with the 'right' leaders for the particular issue at hand.

Within community organisations, a current major challenge is to more clearly set out and support the different powers and responsibilities of governing boards and management.

A major challenge for governments will be to provide greater community development support and mentoring for leaders on governing bodies and managers in their different organisational roles and responsibilities.

ISSUE 3: NETWORKED GOVERNANCE—INDIGENOUS PRINCIPLES & INSTITUTIONS

Indigenous systems of social and political organisation are complex, fluid and negotiable. Yet they are still able to produce governing order and good outcomes.

The ICGP has identified a number of Indigenous governance 'design principles' and institutional mechanisms or 'rules' that appear to be broadly relevant across different types of rural, remote and urban settings, and which are guiding people's thinking and decisions about their governance arrangements.

These principles could usefully inform the governance strategies and action of Indigenous communities and organisations, and lead to more enabling government policy frameworks.

A central Indigenous design principle apparent in traditional and contemporary governance arrangements appears to be that of 'networked governance'. This refers to 'federalised' or 'joined up' systems of governance that are based on interconnected layers and units of people, operating within and across communities and regions. Underlying the many networked governance initiatives we have documented, lies a set of shared Indigenous design principles:

Indigenous Governance 'Design Principles':

- *Networked governance* is based on inter-connected layers of groups, organisations and communities, each having their own roles and responsibilities.
- *Decision-making authority* in a networked model is located at the closest possible level to the people affected and able to make the decision. This principle means that no higher centralised scale or political unit should carry out functions that can be performed more effectively at a dispersed or local level. Conversely, centralised forms of governance should undertake functions and initiatives that exceed the capacity of individuals and small groups acting independently (this is a principle called 'subsidiarity').

- There is an emphasis on *relatively egalitarian distribution of powers, responsibilities and resources* between the organisations, groups or kinship units within a networked governance system, at the same time as recognising 'nodes' or 'connecting points' of greater power and authority (e.g. associated with influential leaders, groups and organisations) within the network.
- *Nodal leaders* who are particularly influential can mobilise, rebuild and sustain governance networks, but they can also jeopardise them (e.g. through a lack of internal accountability, improperly allocating resources, favouring particular groups/organisations over others in the network).
- *Relationships and shared connections* are the foundation of networks. When groups work through their connections for the purposes of developing governance arrangements, the underlying imperative is to get a balance between the desire amongst smaller social units to have local autonomy and independence (e.g. an extended family, outstation or small community organisation), alongside their equally compelling desire to also maintain wider relationships, political alliances and participate in larger-scale representative coalitions (e.g. between clans, across a region, between linked organisations) (this is a principle called 'relational autonomy').
- The *governance histories* of the different layers of a network in any location shape the contemporary governance relationships and processes of the groups and organisations in the network. Those histories can also generate particular kinds of present-day problems and tensions. Working through shared governance histories is a way of rebuilding valued relationships and developing new connections relevant to current needs.
- *Building institutions and an internal Indigenous 'culture of governance'* is a fundamental principle informing the effectiveness and legitimacy of governance initiatives. This principle can be applied to organisations, communities and layers of the network. A core criteria applied to implementing this principle, is that the governance capacity, role and responsibility of each layer in a governance network need to be supported, not just the 'top' or central level.
- *Network in, and network out.* Isolated networks are vulnerable to externally imposed changes. The resilience and renewal of governance arrangements are greatly enhanced when organisations and groups operate on the principle of strengthening the connections not only within their networks, but extending and building their connections across different networks. This not only helps support the weaker parts of a network, it makes the whole more resilient and responsive to external opportunities.

The ICGP has witnessed innovative governance initiatives adopting these Indigenous principles, across the continuum of local, community and regionalised scales and polities.

ISSUE 4: CULTURAL MATCH, LEGITIMACY & CONTESTATION

Legitimate Indigenous governance arrangements win the support of members and external stakeholders, and produce outcomes. Achieving legitimacy appears to be especially reliant on having genuine decision-making authority, on the quality of leadership, and on institutions that have cultural credibility. The cultural geographies of Indigenous societies also lend legitimacy to different aggregations and scales of governance for different purposes.

The ICGP findings seriously question whether the conditions currently exist in Australia to enable Indigenous community leadership and decision-making authority to be adequately exercised. Government policy frameworks and capacity development strategies need to be based on a recognition that the legitimacy of governance arrangements—and hence Indigenous people's preparedness to support them—rests on two connected things. First, representative structures and decision-making processes must reflect and resonate with contemporary Indigenous views of what are the 'proper' relationships, forms of authority and cultural geographies. Secondly, these must be combined with a practical management and functional capacity to deliver outcomes.

If these factors are ignored by governments, the research indicates that governance credibility and legitimacy can be substantially undermined, and effectiveness jeopardised as a consequence. We refer to the struggle that Indigenous people have to go through to maintain organisational practices and programs consistent with their cultural institutions in the face of contrary requirements imposed by governments as 'cultural contestation'. Unfortunately, this contestation can expand to include cultural tensions and conflict between Indigenous organisations and community groups.

ISSUE 5: CAPACITY DEVELOPMENT & INSTITUTION BUILDING

The ICGP defines 'capacity development' to mean the real opportunities and processes that people can access in order to develop and strengthen the chosen capabilities they need to perform functions, solve problems, set and achieve their goals—that is, to get things done.

The 2006 research confirms that the delivery and funding of place-based capacity development for Indigenous governance remains ad hoc, poorly coordinated, poorly funded and poorly monitored. It is also clear from the case studies that where a facilitated community development approach is taken to governance development on the ground, greater progress is made in creating sustained capacity and legitimacy.

Indigenous skills, abilities, knowledge and leadership are most effectively mobilised and exercised when initiatives are Indigenous-designed and directed towards Indigenous goals. The effectiveness of Indigenous designed rules and procedures is greatest when their legitimacy is derived from a cultural base and they also meet contemporary needs in being able to get things done and gain external confidence.

Institutions are the 'rules of the game', 'the way things are, and are to be done'. Institutions can be formal and informal; for example, legal and judicial procedures, constitutions, policies, regulations, kinship systems, behavioural and gender norms, values, beliefs, ethical, legal and religious systems, and so on. Governance is greatly strengthened when Indigenous people develop their own rules rather than simply adopting externally created institutions, and when they also design the processes by which they will enforce their rules.

The research indicates that this process of 'institution building' is an essential foundation for governance. The effectiveness and legitimacy of governance can be actively facilitated by building what we refer to as a 'governance culture' within organisations. Such an organisational culture places a high value on developing its people's skills, their personal and collective contributions, and their shared commitment to the organisation's chosen governance processes and goals.

The second year of research strongly endorses the conclusion that enhancing governance on the ground requires a community development approach. In particular, investment in building governance capacity works most effectively when it is:

- part of the place-based work of building governance, so that governance practice and mentoring are ongoing
- when it focuses on building effective and legitimate local institutions, and
- when it is based on self-assessed governance priorities.

The capacity to get things done relates not only to the legitimacy of governing arrangements, but to their resourcing. There is an urgent need for a nationally coordinated approach to the provision of governance capacity development that is well-resourced, sustained, and place-based within a community development framework.

ISSUE 6: THE 'GOVERNANCE CAPACITY' OF GOVERNMENT

The issue of the 'governance of governments' and the practical capacity of public-sector employees and procedures is a key factor impacting on the effectiveness of Indigenous community governance. A key hurdle for government policy makers in particular, is the fact that the issues involved are complex, conceptually challenging, multi-layered and do not lend themselves to straightforward or instant solutions.

Based on evidence from the 2006 ICGP case-studies, it appears that current 'whole-of-government' policy framework and objectives are not matched by integrated departmental program funding arrangements or collaborative implementation processes on the ground. On the contrary, program and policy 'territorialism' by government departments remains entrenched, in spite of whole-of-government goals. In effect, communities are dealing with several different whole-of-government approaches.

This means that Indigenous organisations need high levels of negotiation, leadership, management and financial skill to manage the rate of externally imposed changes. Most are locked into patching together funds from a multitude of programs to sustain their core functions. The research strongly urges that financial arrangements in Indigenous Affairs be reformed at several levels to better support community governance.

Many government agencies have great difficulty in undertaking community development action to practically assist and mentor Indigenous organisations to overcome their governance problems—even when essential services are at stake.

Currently, governments' ability to deliver on its Indigenous governance and capacity development goals is seriously diminished by entrenched problems of: counter-productive statutory and program frameworks; policy and funding fragmentation; erratic policy implementation; poor engagement at the local level; and failure to sustain coordination across agencies and jurisdictions.

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1. The full report of the ICGP's second year research findings, from which this summary is drawn, are soon to be published as *CAEPR Working Paper No. 36*, CAEPR, CASS, ANU, Canberra.