

Initial Submission to the  
Productivity Commission  
Aboriginal and Torres Strait Islander  
Visual Arts and Crafts study

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## Introduction

A broad range of issues have been canvassed over the long history of parliamentary and other enquiries and reviews relating to the Aboriginal and Torres Strait Islander Arts and crafts sector. Many of these surveys, reviews and inquiries have touched on the market-based economics of, and government policies and support for, the First Nations art and craft sector, particularly remote art and craft centres (Altman 1989; Wright & Morphy 2000). Few, however, have explored the non-market value of the sector to First Nations people, beyond acknowledging the importance art centres and the creation of arts and crafts play in sustaining culture and community development. This initial submission focuses on these non-market values.

The broad role that remote art centres play in community life and the benefits that brings was highlighted in 'The art & craft centre story' (Wright & Morphy 2000 see for example p.41 of Volume Two, Volume Three). This research involved on a survey of 39 Aboriginal community art centres in remote Australia. It found that special projects, including artist development projects, health and education projects and cultural support activities, generate sociocultural benefits to the artists, the community and other stakeholders. However, these special projects require subsidy and may adversely affect the economic viability of the art centres.

The Art Economies Value Chain project commissioned by the CRC for Remote Economic Participation undertook a broadly based survey of remote art centres to clarify the value chain and primary art market for these centres (Acker & Woodhead 2014; Woodhead 2014; Woodhead & Acker 2014a, 2014b, 2014c). While recognising that many remote art centres provide social and welfare services, that project focused on their role in the commercial art market.

The most recent parliamentary inquiry explored issues related to authenticity of First Nations arts and crafts and the impact of inauthentic products (HORSCIA (House of Representatives Standing Committee on Indigenous Affairs) 2018). The first recommendation in this report, that 'the Productivity Commission conducts a comprehensive inquiry into the value and structure of the current market for First Nations art and crafts', reflects the long-recognised limitations of data available related to this sector.

While the terms of reference for this current Productivity Commission study focus on the markets, it is important to consider the value, or worth, of the art and craft sector outside the market, particularly to First Nations people. This submission will focus on these aspects and flag possible approaches to quantifying these non-market values so that they can be incorporated in a more comprehensive assessment of the value of the First Nations arts and craft sector.

## Value, Values and Worth

The terms 'value' and 'values' have multiple meanings, dependent on the context and sometimes the disciplinary perspective. Three noun form definitions of 'value' can be considered:

1. the importance or worth or utility or regard in which something is held
2. the fair return in goods services or money for something exchanged and
3. as a numerical quantity assigned or calculated.

The verb form to 'value' something is generally taken as meaning to consider it important or having worth, and in some circumstances to attribute a monetary or numerical value to it. Values are taken as being the beliefs or principles that guide and motivate behaviour.

## Value in Indigenous Art

While consideration of the market for Indigenous arts is predicated on the commodification of that art, the other roles and value associated with the production and sharing of art are important. Morphy (2005) states this commodification involved a discourse over value and values, pointing to art being

used in educating outsiders , being an agent of change within Aboriginal society and contributing to the maintenance and transformation of Indigenous knowledge systems.

The distinction between intrinsic and instrumental value is important in this context as the latter is the focus of market valuation. Instrumental value is taken to mean the value something has in helping us get or achieve some other thing, whereas intrinsic value is the value in itself. This draws on two ideas about intrinsic value – firstly that it is ‘an end’ and therefore not valuable for any other objects it will produce, and secondly that it is a value in itself.

Art has instrumental value where the product can be sold through art supply chains or direct to consumers (including tourists), thereby facilitating the realisation of other value (money). The production of this art can also contribute intrinsic cultural value, strengthening cultural identity and connection to Country and kin, and wellbeing. This cultural value may benefit the artist producing the art work as well as other community members through the transmission and sharing of stories that are central to cultural identity. The links between culture and Country can be strengthened through the process of art production, especially when associated with trips on Country, and depicted in art works. I have sat with women in a remote art centre who pointed to an image of one of their paintings in a book, and then ‘sang’ Country, while touching and tracing lines on that image.

Cultural authority and the value of cultural knowledge should take primacy over market value in determining what is depicted and conveyed in art work. The reproduction and commercialisation of culture can lead to ambivalence on the part of Indigenous artists (Altman 2000). Cultural sensitivities may also limit what is depicted or revealed in art destined for market, with artistic techniques used to obscure underlying sensitive cultural knowledge to avoid its transmission. Governance structures that support and protect Indigenous Cultural and Intellectual Property (ICIP) are central to engagement and realisation of cultural values to First Nations artists and their communities.

As with other cultural expression like dancing and singing, art can play an important role in the transmission of Indigenous cultural knowledge and intellectual property. Art can be used this way as a means of transmitting knowledge within community. It can also be a powerful communication tool externally. Jack Green’s submission to the Joint Standing Committee on Northern Australia inquiry into the destruction of Indigenous heritage sites at Juukan Gorge is a powerful example of how art can convey information and feeling powerfully to a largely non-Indigenous audience (Green & Kerins 2021).

The intrinsic values in art, particularly to the artist(s), may not be reflected in market value. In the context of the value of Indigenous arts and crafts, most studies have focused on the market value of product, relative to the cost of production, rather than any broader concept of the value or worth of the art and its production to the artist or community.

### Cultural valuation approaches

Two general approaches to economic analysis of the values in culture have been adopted in cultural economics (Frey 2008; Noonan & Rizzo 2017; Snowball 2008). The first is to account for the economic impact in terms of direct and indirect market impacts and multiplier effects, and the second is a welfare theory approach using valuations of the effect on wellbeing or utility.

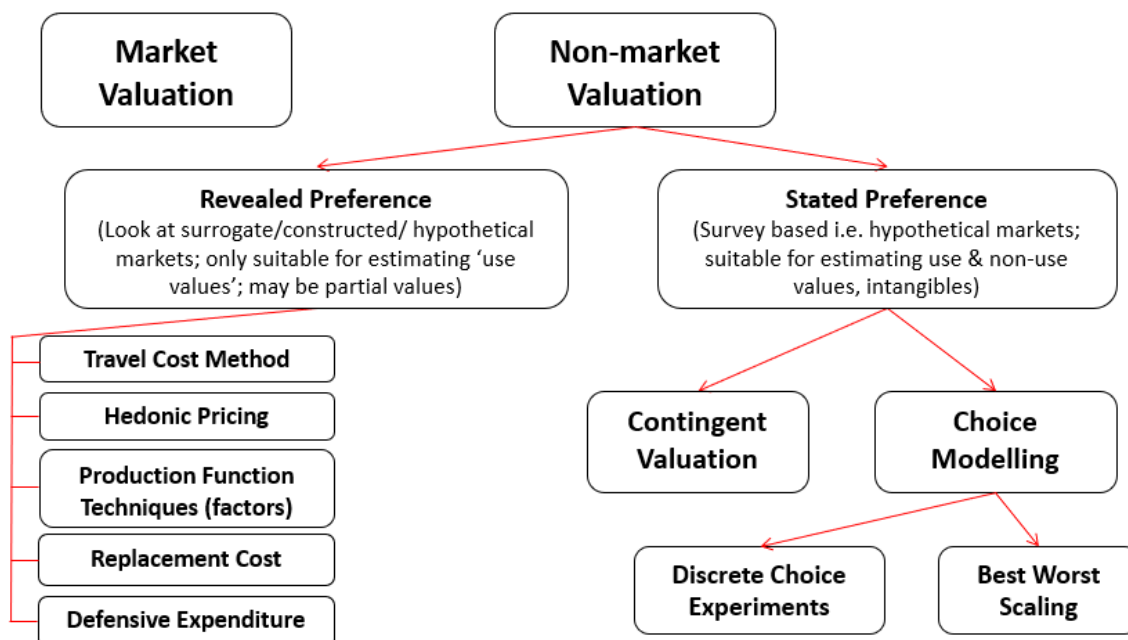
Impact evaluations seek to capture the instrumental values that are reflected in market or market equivalent impacts. In the case of First Nations peoples’ relationship to Country, the impact on the customary economy, for example hunting and food gathering, is an instrumental value, that is generally valued in market equivalent terms (Altman et al. 2006; Buchanan 2013; Gray & Altman 2006; Kahn & O’Faircheallaigh 2010). Secondary impacts, while hard to attribute directly, can also be considered in impact evaluations. In the First Nations example above these might include the physical health benefits associated with cultural attachment

to Country and activities associated with caring for Country and accessing traditional medicines. Despite evidence linking culture to health and wellbeing (see for example Bourke et al. 2018; Campbell et al. 2010; Dockery 2010), the challenges of quantifying these secondary impacts meant they are rarely explicit in cultural impact evaluations. Without large scale data on culture and associated benefits including health and wellbeing, it is not feasible to utilise ex-poste econometric methods to assess impacts and their relationship to culture.

### Quantifying non-market value

There are several approaches and specific methods adopted in environmental economics, and other areas of public economics including health, transport and cultural economics, to value non-market goods. These are summarised in Figure 1 and include revealed and stated preference techniques. Valuations in the customary economy discussed previously generally rely on revealed preference techniques, using the replacement costs and production function techniques. Stated preference techniques are essential to capture broader values including intrinsic values.

Figure 1 Cultural valuation approaches, adapted from Choi et al. 2010



Capturing and quantifying the non-market value requires a different valuation approach that seeks to quantify the increased utility to artists, other community members and consumers. Such approaches are common in environmental economics where non-market values in the environment include, for example, the existence of an endangered species of plant or animal (existence or intrinsic value), preservation of an area of land or waters for future generations (bequest value), or enjoying a bush area for hiking or camping (nonrivalrous and nonconsumptive use value).

A key contribution of cultural economics has been moving beyond positive economics to recognise that determining the intrinsic values in culture requires normative approaches involving measures of utility. Since the turn of the century, cultural economists have recognised this need to extend the conceptualisation of value in culture beyond purely market economic or instrumental value (Dekker 2015; Holden 2004; Hutter & Throsby 2008; Klamer 1996, 2002). Research in this field has predominantly focused on the value of cultural goods consumed or cultural heritage assets as public goods using similar methods to those used in

environmental economics (Snowball 2008; Throsby 1999, 2003; Throsby & Withers 1985). Throsby (2006) has also examined the creativity involved in the artistic productive process and its value in terms of innovation and contribution to the artist's human capital. Less attention has been directed to cultural activity as a process of producing cultural goods and services, particularly in First Nations cultural contexts.

The non-market valuation approaches used in cultural economics are stated preference techniques including contingent valuation (willingness-to-pay and willingness-to-accept studies) and choice modelling (variously described as stated choice methods, DCEs, BWS and conjoint analysis). Beyond my own doctoral research that sought to quantify cultural values (Woods 2020), I am not aware of applications specifically applying utilitarian approaches to valuation of Indigenous art production in Australia or elsewhere. Most economic research on Indigenous art markets has been focused on market value and impact, likely because of the challenges of applying utility theory based approaches in a cultural context.

Early theoretical studies exploring issues likely to arise in the application of non-market valuation of natural resources to First Nations people identified key issues and potential means of addressing them (Adamowicz et al. 1998). These include issues of eliciting individual valuation responses in relation to non-substitutable goods including those that are sacred; communal resources and property rights; and satiation arising from limits to individual accumulation within First Nations cultures. Issues associated with aggregation of individual responses from First Nations people given group political and decision-making structures and aggregation of Indigenous and non-Indigenous responses given differences in political structures, currency and incomes were also identified.

Another theoretical study expanded the list of challenges identified by Adamowicz et al. (1998), to include seven additional factors affecting Indigenous responses and the aggregation of these responses (Venn & Quiggin 2007). These include: unfamiliarity with the purchasing power of money; poor English and numeracy skills; low level of knowledge and understanding about non-Indigenous forms of natural resource management; problems of interviewer and compliance bias; the tendency to share wealth among larger groupings; cultural diversity; and need to distinguish between Traditional Owners and others in Indigenous communities. In my experience, these generalisations do not apply across all First Nations peoples but may be relevant in some contexts. Early experimental studies using choice modelling provide insights into practical challenges in survey and choice modelling design (Rolfe & Windle 2003; Straton & Zander 2009; Zander & Straton 2010).

Perhaps the most important consideration in considering non-market valuation methods is the importance of relational values in First Nations societies. Relational values are highly relevant in First Nations society, particularly the relationships of individuals with other people, Country, and other living beings such as plants and animals. Relational values include 'eudaimonic' values, those associated with a good life or wellbeing (Chan et al. 2016). Edge (2019) considers the relational views of Australian Aboriginal people, where individuals are defined by their relationships with other people (kin) and Country, distinguishing this from a collectivist culture that does not fit Australian Aboriginal cultures where autonomy is valued and respected.

It might be posited that relational values cannot be captured in neoclassical utilitarian approaches. While the aggregation of individual utility assessments depends on the philosophical approach (see Woods 2020, pp. 40–42), the rule utilitarian code that takes account of the moral rule applying to the situation (Harsanyi 1985; Sen 1974; Yaari 1981), is more likely to accommodate values that extend beyond individualistic ideals, including relational and eudaimonic values, to produce a higher level of social utility. This requires adaptation of methodologies to ensure that they are framed in the appropriate relational and eudaimonic values.

## Summary

Many studies of the Aboriginal and Torres Strait Islander art and craft sector focus on the sustainability of remote art centres using a market economy lens. The range of issues flagged in these previous inquiries, reviews and research continue to be relevant. These issues, particularly protection of Indigenous cultural and intellectual property, power imbalances between artists and dealers and galleries, the need for capability and capacity building in remote art centres, continue to limit the flow of benefits from the sector to artists and communities.

Understanding the market is critical to assessing the impact of government policies on the Aboriginal and Torres Strait Islander art market. However, a purely market based economic analysis of the Aboriginal and Torres Strait Islander visual arts and crafts sector doesn't address its sociocultural value to First Nations artists and their communities. Government policies supporting the sustainability of the sector, particularly the remote art centres, should consider not only the market value, but also the sociocultural value of the market to the artists and communities.

Cultural economics and environmental economics demonstrate methods of quantifying non-market values. Valuation approaches such as contingent valuation and choice modelling enable the valuation question to be framed from the perspective of the artist, the community and other stakeholders to provide a more complete picture of the value of the sector.

This brief submission highlights the importance of assessing and quantifying the non-market sociocultural values of the Aboriginal and Torres Strait Islander art and crafts sector in order to understand the value of the sector to First Nations people. This involves adopting a valuation approach that privileges First Nations viewpoints.

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