Colonial Risk Management

Elizabeth Strakosch
University of Queensland

Critical risk scholarship tells a story of changing governmental practices of risk management in liberal societies. I take up this narrative and weave it together with recent Australian Indigenous policy initiatives, in order to present these as state attempts to manage Indigenous political difference. Risk management is usually understood as a governmental tool to regulate the behaviour of individual citizens, however the concept can also be used to reflect upon the actions of political authorities attempting to bring themselves into being and secure this being through time. I suggest that sovereign risk and colonial risk are useful categories to articulate the constant challenges posed to a settler colonial state by the ongoing existence of independent Indigenous political life. The three recent phases of Australian federal Indigenous policy—self-determination, neoliberal contractualism and coercive intervention—can be thought of as different strategies used by the state to imagine and manage this persistent risk. Self-determination is an attempt to socialise colonial risk and distribute it throughout the national body, while neoliberal contractualism asserts the unsustainability of such a collective colonial burden and the need to divest it onto capable Indigenous subjects. As contractualism gives way to intervention, Indigenous people are framed as unwilling or incapable of moderating the burden of risk they pose to themselves and others. The Northern Territory Emergency Response (NTER) presents a vision of catastrophic colonial risk which threatens us all, and which can only be secured by unilateral and unconfined settler sovereignty.

Federal Australian Indigenous policy is characterised by a ‘cycle of crisis and reinvention’ and by rhetoric of transformative change (Brigg 2007, p. 415). The past ten years have seen the end of self-determination policy and the formal reconciliation process, the shift to quasi-contractual Shared Responsibility Agreements and bureaucratic ‘New Arrangements’, the dramatic move to intensive intervention in
remote Aboriginal communities, and the current focus on ‘Closing the Gap’ in material disadvantage. Policy analysts struggle to keep up, and even critical work tends to reproduce the government discourse which presents each new phase as a radical break with previous policy (V. Watson 2005; 2009). This obscures significant continuities in the policy relationships between Indigenous people and settler state agencies, and the continuing presence of that state itself in Indigenous lives. This article connects the changes in Indigenous policy to broader developments in liberal policy making, to show how existing strategies of government are taken up and transformed by the complex circumstances of settler colonial policy making.

Recent Australian Indigenous policy making can be separated into three phases each characterised by a particular political logic: self-determination, neoliberalism and intervention. These three phases echo broader policy shifts from social welfarism to neoliberal contractualism and more recently, to hierarchical and coercive ‘exceptionalism’ (Neal 2006). What is important in this context is the movement between these policy phases and logics, and the way they form a connected narrative of shifting practices of liberal political rule rather than a series of single policy episodes. While others have linked particular Indigenous policies to a particular liberal logic (for example, Tedmanson & Wadiwel (2010), Perera (ed.) (2007) and Manderson (2008) link the NTER to exceptionalism, and Stringer (2007) connects it to neoliberal economic logic), none have traced these patterns of change. Doing so has the important political effect of making the settler state visible as an ongoing and always incomplete project that mobilises multiple policy strategies to deal with Indigenous difference.

The account of Australian Indigenous policy presented here is anchored to the theme of political risk management. Post-Foucauldian scholars have shown that conceptualisations of risk and technologies of risk management are central to liberal governmental rule (O’Malley 2009; Donzelot 1991; Ewald 1991; Culpitt 1999; Power 2007). The way risk is conceptualised by governmental agents and is collected and distributed throughout the body politic is a major part of policy systems which regulate contemporary social life. These practices shift together with broader policy paradigm changes; critical scholars have mapped the way that risk management is practiced differently within welfarist, neoliberal and exceptionalist policy frameworks. Each framework maintains a strong focus on calculating and mitigating risk, but deploys different strategies for its allocation amongst individuals, collectivities and institutions. I take up this theoretical narrative and connect it to the changes in Australian Indigenous policy over the past decade, to reveal the ways that this policy operates as an attempt to define and manage the ongoing ‘risk’ posed to the settler polity by Indigenous political life. Doing so stretches the concept of risk management and identifies the new category of colonial risk as a subset of sovereign risk.
Risk is generally considered to be an abstract, generalised and exchangeable phenomenon (Ewald 1991). Yet the attempt to neutralise risk, and distinguish it from a concrete harm that might befall a particular agent, is itself a process of government which works to enroll others in the protection of specific interests. What constitutes harm to one might not be damaging to another—it might even be to their advantage or a condition of their existence. When harm is detached from the subject who potentially experiences it, others might be persuaded or compelled to assume the management of this risk as their own responsibility. It is from this perspective that we can usefully imagine sovereign risk. Currently the phrase is used to specify the potential harms to capital investment that come from sovereign actions (Bremmer 2007). In this article, however, it is used to denote the risks to state sovereignty from various sources, and the attempt to calculate and manage these through public policy. One form of sovereign risk is colonial risk.

Colonialism brings with it a specific set of challenges for the settler state attempting to construct and naturalise its sovereignty in a new space (Moreton-Robinson 2007; 2009), and these challenges have unique temporal dimensions. A settler colonial project always involves a 'start', but it is equally characterised by the attempt to create an 'end', and to dissolve (on its own terms) the problematic relations between coloniser and colonised (Veracini 2007; 2010; Strakosch & Macoun 2012). Such polities are both beset by an ongoing and partly predictable set of risks, and continually engaged in the attempt to transform an unstable present into a newly certain or at least calculable political future. The attempt to manage the future is therefore common to both risk management and settler colonial politics, and a useful story emerges when the heuristic concept of ‘colonial risk’ is applied to the last decade of Australian Indigenous policy. In this story, the past decade of rapid policy change constitutes a series of shifting but interrelated strategies to manage the uncertainty created by persistent Indigenous independence. To refer to colonising strategies is not to posit a coherent settler plan to erase Indigenous life, or a ‘hegemonic project of domination’ (Moses 2011, p. 9; Schaap & Muldoon 2012). Instead, it is to make the much more limited claim that settler authorities, like all governmental agents in liberal societies, are engaged in a constantly failing attempt to name and to master the complexity, unpredictability and elusive autonomy of the world that surrounds them.

This three part article begins with a short account of the value of settler colonial theory, and its ethical and political effects. The second section gives an overview of liberal risk management in social welfare, neoliberal and exceptionalist policy frameworks. It goes on to draw out the sovereign aspects of these practices, which are usually imagined as diffuse governmental technologies. The final part brings together these narratives of settler colonialism and risk management, to present the three recent phases of Australian federal Indigenous policy as overlapping strategies to imagine and manage persistent colonial risk. Self-determination is an attempt to socialise colonial risk
and distribute it throughout the national body, while neoliberal contractualism asserts the unsustainability of such a collective colonial burden and the need to divest it onto capable Indigenous subjects. As contractualism gives way to intervention, Indigenous people are framed as unwilling or incapable of moderating the risk burden they pose to themselves and others. The NTER presents a vision of catastrophic colonial risk which threatens us all, and which can only be secured by unilateral and unconfined settler sovereignty.

The Settler Colonial Story

Political theorists increasingly recognise that:

political discourse relies extensively on narrative patterns. This is partly the result of the human tendency to rely on narrative as a way of understanding the world and endowing it with meaning… as Hardy (1987:1) claims “We dream in narrative, daydream in narrative, remember, anticipate, hope, despair, believe, doubt, plan, revise, criticize, construct, gossip, learn, hate and love by narrative”. (Shenhav 2006, p. 246)

Interestingly, however, academic work is usually excluded from this human process, and imagined as a tool for reflecting upon narratives rather than as a species of narrative production itself. In different ways, political scholars Tully (2004), Brown (2005) and Brigg (2005) challenge this privilege, and present political theory as a practice of storytelling that makes visible certain aspects of reality and hides others. Like all forms of narrativisation, academic stories linguistically condense the world by identifying key causes, actors and inciting incidents. They also organise events into meaningful temporal progressions of setup, conflict, climax and resolution. Theoretical narratives about our political present may be more or less powerful and resonant, and may seem to adhere more or less well to the material world and our personal experience of it. Nonetheless, they remain (often unpredictable and always incomplete) ways of organising a complex reality which cannot claim an epistemological status above other forms of meaning production (Brigg 2005, pp. 144-51). Viewing academic work as a form of storytelling is liberating in some ways, but pushes us to make new and more explicit demands of our work. Instead of asking ‘what is the correct theoretical framework?’, Tully suggests that we should instead consider, ‘what comparative difference does it make to study politics this way rather than that way?’ (2004, p. 80). Particular theories foreground different aspects of reality, and enact or contest existing political relationships. Therefore, our political commitments simultaneously emerge through the stories we tell about political relationships and drive us towards stories which serve those commitments. In telling the story of contemporary Indigenous policy as a story of risk management, I am looking for ways to disturb rather than to naturalise the problematic relations of settler colonialism.
As a theoretical narrative with ‘immediate explanatory power’, the settler colonial framework is increasingly gaining traction in non-Indigenous historical, legal and political scholarship (McHugh & Ford forthcoming; Schaap & Muldoon 2012). As articulated by Veracini (2007; 2010; 2011) and Wolfe (1999; 2006; 2008), settler colonialism is a set of political relationships which continues to structure the Australian state’s relationship with Indigenous peoples and to obscure this structuring. It is distinct from postcolonialism, which refers to those large sections of the world which have undergone formal decolonisation by European powers and now face highly mediated global systems of imperial control (Shohat 1992; Hall 1996; Stringer 2007, p. 3). However, academic colonial theory is dominated by scholars from postcolonial contexts, leading to ‘an oddly monolithic, and surprisingly unexamined, notion of colonialism’ that operates problematically in relation to Australia (Wolfe 1999, p. 1). Postcolonialism assumes a moment of transformative restructuring which has not occurred in settler polities. This locates the event of colonisation in the past and assumes that now policy must deal with its ‘legacies’, ‘heritage’, ‘trauma’ or ‘reverberative aftermath’ (this language is powerfully present in Australian political scholarship, for examples see Moses (2011); Stringer (2007); Lawrence & Gibson (2007)). In contrast, the analytical categories of settler colonial theory are driving many scholars to articulate Australian colonisation in contemporary terms. In this sense, the framework resonates with existing Indigenous critical work which points to the fact that ‘colonisation has not ceased to exist; it has only changed in form from that which our ancestors encountered’ (Moreton-Robinson 2009a, p. 11).

Wolfe identifies settler colonialism as operating through the ‘logic of elimination’. Settlers aim to replace Indigenous peoples on their land, not to simply exploit natural resources or extract surplus value from Indigenous labour (1999, p. 163). This means that ‘all the Indigenous person needs to do to get in the way of the settler colonial project is to stay at home’ (Deborah Bird Rose in Wolfe 1999, p. 388). Elimination can be physical, but need not be—it can also involve eliminating officially recognised Aboriginal people through ‘blood quotas’, or assimilating them into white society in ways that sever connections to their Aboriginality (Alfred 1999). It can also involve sophisticated practices of political absorption through self-determination and treaty (Murphy 2000; Strakosch & Macoun 2012). The concept of the logic of elimination resonates with Indigenous observations regarding the particular disregard to which Aboriginal peoples have been subject in Australia. Sheehan claims that (contra postcolonial theory) Aborigines have not been positioned as ‘the other’ but as ‘the non-other’ (2008); Irene Watson points to the continual ‘negation of Aboriginal identity’ (2009); Murphy identifies all Australian social policy as ‘terra nullius social policy’ because ‘it operates from a premise of non-recognition’ (2000, p. 6). Settler colonial theory highlights the powerful political forces which constantly pull settler policy making and scholarship back towards the denial of Aboriginal existence. While multiple factors determine individual policy episodes and there are many spaces of
resistance and political possibility, the logic of elimination runs as a thread through both progressive and conservative approaches.

Settler colonialism is itself an academic narrative and the challenge as non-Indigenous scholars is to remain attentive to its entangled assumptions and effects. These effects are not automatically transformative (Sovereign 2011); by positing a structural inevitability to the colonial relationship the theory can shut down space for political action. It also projects the image of a rational, agential settler state intent on pursuing its own interests, and therefore tends to present settler sovereignty as a completed project rather than a contested set of practices. This elides the messy failures and compromises which are present in every field of policy making. On the other hand, the framework holds a great deal of potential for exposing and fracturing the political relationships it describes. It exposes the settler side of the colonial relationship and therefore makes profound political and ethical demands upon non-Indigenous scholars. The most significant of these is that we turn away from the constant interrogation of Aboriginal life towards our own emotional, academic and political participation in the settler colonial relationship.

My own narrative of colonial risk management responds to this demand, while seeking to remain attentive to the messy and contingent realities of policymaking. Settler sovereignty takes its place as a character in this political story, rather than disappearing into the background as a neutral frame (this follows the work of Muldoon (2008), Moreton-Robinson (2009b) and I. Watson (2009)). Secondly, it contests the colonial autobiography of sovereign completion (Scott 1995). By fracturing the projected image of rational colonial actor, and highlighting the conflicts and failures of policy making, I contest the automatic assumption that the state already exists in a completed form. This in turn refuses to accept colonisation as a fait accompli, and makes space for the ongoing existence of Indigenous political difference. Non-Indigenous scholar Moses suggests in relation to Indigenous critical scholarship that ‘a political strategy is not necessarily a sound theory’ (2011, p. 26). Yet, in the settler colonial context where knowledge is profoundly implicated in political relations, this defense is not sufficient (Moreton-Robinson 2004). Instead of focusing on Indigenous thought as a form of political strategy, we must recognise our own as such and take responsibility for its effects.
Risk Management and Social Policy

“Risk” is a four-letter word that inspires a lot of action in the modern world. Risk identification and risk management are now huge industries that are generating, as well as attempting to save, billions of dollars … today risk structures both the approach of experts to natural disasters and activities and aspects of everyday living. Our safety, healthcare, education, finances and even our personal relationships are all seen through a risk filter… Our public sectors are turning to risk paradigms to understand and recalculate how public programs are developed and implemented. (Althaus 2008, p. 11)

Risk and its management is an ongoing liberal preoccupation. Capitalism functions via private risk-taking, but such routine adventurism only becomes possible when insulated by technologies of risk calculation and insurance (Donzelot 1991). Governmentality scholars argue that risk technology is also central to the liberal project of governing through independent activity (Donzelot 1991; Culpitt 1999). Insurance technology acts as a mechanism to bind subjects together into a society without creating substantive bonds, and therefore practically enables liberal individualisation (Ewald 1991, pp. 203-4). ‘Insurance provides a form of association which combines a maximum of socialization with a maximum of individualization… It seems to reconcile those two antagonists, society-socialization and individual liberty’ (Ewald 1991, p. 204).

Risk is calculable using the techniques of the statistician and the actuary, is collective in the sense that its probabilities are spread across populations, and is a capital that can be assigned a monetary value (O’Malley 2009; Power 2007). This last feature is key: “[o]ne and the same event acquires a dual status: on the one hand, a happening with the uniqueness of the irreparable; on the other, an indemnifiable risk’ (Ewald 1991, p. 204). Risk refers to only one aspect of a real harm—the aspect that is calculable and compensatable. As a political technology:

The term designates neither an event nor a general kind of event occurring in reality (the unfortunate kind), but a specific mode of treatment of certain events capable of happening to a group of individuals—or, more exactly, to values or capitals possessed or represented by a collectivity of individuals… Nothing is a risk in itself; there is no risk in reality. But, on the other hand, anything can be a risk; it all depends on how one analyzes the danger, considers the event. (Ewald 1991, p. 199)

While risk remains a key liberal technology, its conceptualisation and application shifts. This section briefly outlines the social democratic philosophy of collective risk management, and the neoliberal attempt to divest this risk in the name of global competitiveness. It then goes on to introduce new work on ‘post-neoliberal’ catastrophic risk, and corresponding practices of strategic intervention. It is problematic to
separate these policy approaches into discrete, homogenous epochs, or to suggest that they naturally succeed one another (Larner 2000; MacDonald & Muldoon 2006, p. 209). However, they are useful heuristic categories and their sequential ordering is important. Each builds upon and transforms previous approaches.

Beginning in nineteenth century workplaces, faultless collective risk management moves outwards to structure the entire field of citizen-state interaction (Donzelot 1991; Ewald 1991; Gordon 1991; Castel 1991). The mid-twentieth century welfare state functions by collectivising risk and compensating individuals for injuries suffered as part of the ‘common venture of society’ (Gordon 1991, p. 39). Social insurance spreads risk evenly across a population rather than allowing it to remain concentrated in particular sectors. By collectivising risk in this way it effects substantive changes in ethical life; disadvantage and unemployment become detached from individual actions and acquire the quality of accident. Social welfare constitutes:

- a philosophy of civil law as the redistribution of social risk, rather than the retribution of private culpability, and a novel notion of faultless civil responsibility... The concept of social risk makes it possible for insurance technologies to be applied to social problems in a way which can be presented as creative simultaneously of social justice and social solidarity. (Gordon 1991, pp. 39-40)

Social welfare deploys legislation and administrative regulation to prevent overly risky private interaction, and therefore proceeds by ‘enlarging the sphere of the statutory at the expense of the contractual’ (Donzelot quoted in Gordon 1991, p. 40).

The rise of neoliberal logics in the second half of the twentieth century halts this state risk accrual, and ‘the shift from contract to status in social welfare relations begins to go into reverse’ (Gordon 1991, p. 45; Culpitt 1999). Neoliberalism questions the state’s ability to carry the entire burden of social risk in emerging conditions of global economic insecurity and bitter competition (Hindess 1998; Donzelot 1991, p. 270). Therefore, it mobilises a sense of sovereign risk—the idea that the state could potentially be submerged—as a justification to begin the process of divesting risk back onto individual citizens. Neoliberalism ‘shifts the emphasis from the principle of collective indemnification of ills and injuries attended on life in society, towards a greater stress on the individual’s civic obligation to moderate the burden of risk which he or she imposes on society’ (Gordon 1991, p. 45). Collectivised social risk is presented not just as unsustainable, but as ineffective. By sidelining personal responsibility, political rule can no longer mobilise subjects’ own resources to manage their lives and reduce their individual risk (Donzelot 1991, p. 273). Thus, according to neoliberalism, social welfare policies increase the overall burden of risk and compound the danger of sovereign collapse.
Contract reappears as a productive mechanism to specify each individual’s responsibilities. Unitary ‘faultless’ risk disaggregates, and reattaches to its particular assumed conditions. Many scholars identify the ethical transformations which accompany this neoliberal divestment (McClelland 2002; Carney & Ramia 2001; Yeatman 1997). It involves ‘the re-emergence of a moral discourse of welfare that is almost totally pejorative... [and] an increasingly strident attack on welfare dependency, and the imputation of 'social' risk this entails’ (Culpitt 1999, p. 1). This ‘new prudentialism’ erodes the subordinate but morally protected status of dependency and positions individuals as responsible for their own circumstances (Yeatman 1998; Dean 1999, p. 166). Appropriately self-regulating subjects should be able to absorb accidents by planning their own future and moderating their own risk:

it means no longer resigning oneself to the decrees of providence and the blows of fate, but instead transforming one’s relationships with nature, the world and God so that, even in misfortune, one retains responsibility for one’s affairs by possessing the means to repair its effects. (Ewald 1991, p. 207)

While this form of neoliberalism remains influential, Dean suggests that we have entered a new era of authoritarian liberalism (2007). This phase is characterised by a ‘creeping extension of emergency powers enunciated in the vocabulary of emergency, necessity, crisis’ and a new willingness to apply coercive, pre-emptive techniques to whole population categories (Dean 2007, pp. 191-4; see also Henman 2004; Tosa 2009). This phase of ‘exceptionalism’ is accompanied by changing narratives of the manageability of risk. There is a growing perception, articulated by sociological scholar Ulrich Beck, ‘that risk might in fact be increasing due to technology, science and industrialism rather than being abated by scientific and technological progress’ (Beck in Jarvis 2007, p. 23). New global threats such as terrorism, climate change and epidemic disease cannot be predicted and the scale of their effects cannot be known in advance. They are delocalised, omnipresent, incalculable and uncompensatable (Beck 2008, pp. 27-8).

Because of this shifting understanding of contemporary risk, ‘traditional technologies of risk assessment, management and insurance are no longer fully functional’ and ‘the logic of compensation is breaking down and is being replaced by the principle of precaution through prevention’ (Beck 2008, p. 5). Where before insurance technology and science imagined the world to be potentially fully calculable, this new risk perception suggests that there will always be events which cannot be foreseen or managed. ‘World risk society is confronted with the awkward problem of having to make decisions about life and death and war and peace on the basis of a more or less frank lack of knowledge’ (Beck 2008, p. 6). Given this lack, risk management increasingly proceeds via preventative interventions according to predictive categories. Comprehensive measures are applied to ‘at risk’ groups, typified by racial profiling at
airport checkpoints (Henman 2004). In response to catastrophic events, ‘[t]he precautionary principle requires an active use of doubt… Before any action, I must not only ask myself what I need to know and what I need to master, but also what I do not know, what I dread or suspect’ (Ewald 2002, p. 285). Therefore, the mobilisation of fear, suspicion and hysteria are governmental imperatives, part of the necessary process of managing unmanageable risks (Beck 2008, pp. 6-7).

Sociological and governmental accounts tend to naturalise or elide the causes of changing risk practices. However, I suggest that the contemporary rise of incalculable risk is closely linked to the earlier social- and neo-liberal development of risk calculation technologies. The careful attempt to regulate the future via risk technology itself leads to the creation of a ‘too hard’ category of exceptional events which cannot be insured. Rather than being outside governmental regulation, catastrophic risk is a governmental class which flags the high probability that management measures will fail, and demands that subjects prepare themselves for potentially devastating outcomes. To some degree, this insulates governing institutions from this failure and therefore forms one part of a comprehensive risk management strategy. To frame this in policy terms, governmental agencies’ increasingly detailed specification of policy goals and constant evaluation of progress give rise to a category of things which come to be called ‘wicked policy problems’ (APSC 2007; MAC 2004). Wicked problems pose exceptionally high risks to governments, because they cannot be known in advance and are resistant to intervention. As policy agencies note, ‘[a]ttempts to address wicked problems often lead to unforeseen consequences… Wicked problems are often not stable’ (APSC 2007, p. 4). As with catastrophic risk, it is important to consider the governmental functions of the wicked problem category, including how it might work to insulate Government against failure and legitimise exceptional action. As the Australian Public Service best practice guide notes: ‘[i]t should be acknowledged that in some circumstances the use of authoritative or competitive strategies may be useful to agencies tasked with tackling a wicked problem’ (APSC 2007, pp. 9-10). Overall, rather than being an unconditioned ‘eruption’, catastrophic risk forms part of the shifting practice of liberal risk management.

Sovereign Risk

Risk is usually understood as a diffuse governmental technology, but it has important sovereign effects. In different ways, social liberal, neoliberal and exceptionalist risk practices act to construct state sovereignty and secure its existence through time. In social democratic risk practice, the state is presented as the sole actor capable of assuming social risk. In neoliberal and exceptionalist practices, the state becomes visible as subject to its own economic and political vulnerabilities, as well as retaining its unique capacity to
secure pockets of high social risk. **Sovereign risk** therefore assumes increasing significance in neoliberal and exceptionalist policy making.

In wider usage, ‘risk’ suggests ‘danger’ and the presence of an objective threat. As a political technology, however, risk is a neutral category (Castel 1991; Ewald 1991, p. 199). Rather than being a measure of what is bad, it assesses what is uncertain and potentially harmful to a particular set of interests. A good example of the partisan nature of risk is the calculation of political risk tables. The phrase ‘political risk’ is increasingly being used by financial and consulting agencies to specify the chances that political events will impact negatively upon international investments in a particular country: ‘for investors, political risk can simply be defined as the risk of losing money due to changes that occur in a country’s government or regulatory environment’ (Christy 2011). A number of these agencies offer quantitative rankings of political risk and advice for corporations undertaking their own assessments prior to overseas investment. Such risk calculations do not evaluate the freedom, openness or justice of a national political system. They are concerned only with the likelihood that the system will change with negative consequences for capital. Thus well-established authoritarian regimes are often low risk investment environments. As one leading political risk assessor notes: ‘[s]ome countries are stable because they are open. Others remain stable only so long as they are closed’ (Bremmer 2007).

This example raises two key points. Firstly, it shows that risk is inherently linked to a particular set of interests. What is calculated as a risk by one subject (for example, the risk to capital that an oppressive regime will fall) does not necessarily constitute a risk for others (for example, the subjects of that regime). These others might keenly desire the future event or require it as part of their ongoing survival. From this perspective it is meaningful to imagine sovereign risk as the collection of future circumstances which would destabilise the ongoing existence of a state. These circumstances are not always inherently negative and some may experience them as profoundly liberating. Nonetheless they would erode the ongoing attempt to construct and naturalise the existence of a particular territorial sovereign. The second point to take from the example is the fact that risk calculations are already being aggregated to the levels of states and sovereignties. While speaking of colonial risk at first seems impossibly abstract, in other circles this kind of calculation is already taking place. The phrase ‘sovereign risk’ is itself used by the finance sector, and was frequently heard during recent Australian climate change policy debates (Fitzgerald 2011; Murdoch & Moran 2010). This article, however, inverts its established meaning. Rather than indicating the risk that comes from sovereignty to capital investment, it is used to refer to the risks to sovereignty from other sources.

These sovereign risks are diverse and profound. They include obvious transformative political events such as revolutions, invasions and secessions alongside more gradual processes like slowing economic
growth, international condemnation and regional instability. The concept can also be extended to include the many cultural, social and political practices which challenge the sovereign assertion of absolute authority over a territory. Ferguson and Gupta note that, while many scholars are comfortable with the idea of the nation as a project of political imagination, few challenge the image of the natural and completed state (2005, p. 105). Rather than objective facts, they suggest that states are:

powerful sites of symbolic and cultural production that are themselves always culturally represented and understood in particular ways. It is here that it becomes possible to speak of states, and not only nations... as “imagined”, that is, as constructed entities that are conceptualised and made socially effective through particular imaginative and symbolic devices. (Ferguson & Gupta 2005, p. 105)

The 'vertically encompassing', unified state is itself an incomplete political project, by which contingent and constructed political institutions seek ‘to secure their legitimacy, to naturalize their authority, and to represent themselves as superior to, and encompassing of, other institutions and centres of power’ (Ferguson & Gupta 2005, p. 106). The naturalisation of this narrative is undermined by practices that expose the limitations of government authority, the existence of alternative forms of political regulation or the priority of other cultural identities. Sovereign risk management is the attempt to identify, predict and limit the impact of these diverse disruptive practices.

The category of sovereign risk is useful in that it leads us to recognise the vulnerability and incompleteness of the state. It is also useful in its resonance with contemporary liberal policy logics. The state positions itself both inside and outside risk management practices as part of social democratic, neoliberal and exceptionalist policy. In the social liberal framework, the state itself is not subject to risk but stands as invulnerable social guarantor. Although this framework superficially erases sovereign imperatives, it nonetheless gives rise to particular justifications for the continued existence of state institutions. Only the state can underwrite social insurance:

if the state is the only institution within society possessed of that degree of solidity requisite in a provider of certain kinds of insurance, it then follows that the continued survival of the state will itself become a peculiarly social imperative. The existence of insurance is... an insurance against revolution. (Gordon 1991, pp. 40-41)

As a guarantor of social risk, the state requires ‘quasi-infinite longevity’ in order to insure future events:

With insurance one comes to experience a sort of dilation of timescales, stretched out to span not just one generation or lifetime but several, and thus positing the survival of society for an
The state erases its own sovereign vulnerabilities (in itself an act of sovereign construction) but still uses risk technology in ways that secure its authority.

Neoliberalism, on the other hand, asserts the vulnerability of the state rather than projecting a permanent, necessary sovereignty. It presents the collective social risk burden carried by the welfare state as unsustainable in conditions of global economic competition (Hindess 1998). Therefore, the state is characterised as subject to risk rather than as regulating it. Most importantly, neoliberalism seeks to enroll individuals in the protection of the state by demanding that they carry their own risk burdens. Thus it erases the partisan nature of sovereign risk by universalising it and divesting it to citizens. Neoliberalism further endorses the unique role of sovereign states by positioning them as essential partners in the project of regulating life. Gordon suggests that neoliberal states locate themselves as ‘custodians of a collective reality-principle, distributing the disciplines of the competitive world market throughout the interstices of the social body’ (Gordon 1991, p. 45). States possess unique expertise and capacity to discipline subjects unwilling to moderate their own risk.

Authoritarian liberalism amplifies the neoliberal discourse of sovereign anxiety. It extends sites of risk from the economic to the political, social, biological and natural realm. Alongside the continued neoliberal disaggregation of risk to individuals, ‘exceptionalist’ policy regimes identify and act decisively in high risk ‘priority locations’ (Senate 2006, p. 13). Many scholars have noted the performance of a newly assertive, agential state sovereignty in the face of catastrophic risk (Perera (ed.) 2007; Agamben 2005; Beck 2008). However, few have traced the ways in which this decisive sovereign is closely connected to the vulnerable neoliberal state. When risk is divided into calculable and incalculable categories, the former can be returned to subjects for self-moderation. This leaves a lean, mobile sovereignty, unencumbered by the collective risk burden, operating as ‘the last line of defence’ against incalculable communal threats (remembering that only the re-individualisation of risk creates this ‘remnant basket’ category). The discourse of sovereign vulnerability, which characterises neoliberal risk management, continues in authoritarian policy. However, the survival of the state becomes more urgent and is more directly connected to the physical survival of its members. Only the state can act to secure sites of catastrophic communal risk—whether these risks come from overwhelming natural phenomena, transnational religious forces or from domestic populations unable to moderate the social risk that they pose to others.

In summary, social democracy appears to enfold society in mechanisms of risk management while neoliberalism and especially exceptionalism seek to enfold the sovereign state in such
mechanisms. However, the above discussion shows that all forms of liberal risk management act to construct and secure state authority.

Colonial Risk Management in Australian Indigenous Policy

Sovereign risks are both vague and specific, and can be partially calculated according to particular factors. By identifying categories, patterns and recurring characteristics, past events can be used to predict sovereign risk levels in states with similar features. States which are developing, geographically vulnerable to terrorism, prone to frequent changes of government, economically uncompetitive, subject to the rise of religious fundamentalism and so on, are at greater risk of being ineffective or even of ‘failing’ (Tosa 2009).

Colonial relationships constitute a significant sovereign risk factor. Settler colonial states share similar features, such as the persistent presence of an Indigenous population identifying as politically different. Recurring colonial challenges include international criticism, weakened internal legitimacy, difficulty mobilising colonised subjects, unpredictable legal decisions, Indigenous re-acquisition of or refusal to relinquish traditional land, visible persistent Indigenous disadvantage and Aboriginal non-cooperation with policy programs. In Australia, it is a well established pattern that Indigenous material disadvantage persists despite government attempts to redress it. There is a high risk that new policies will fail to shift visible disadvantage, and such disadvantage constitutes a ‘wicked policy problem’ (APSC 2007). Colonialism also brings recurring challenges to the political narrative of state legitimacy. The ongoing presence of ungoverned, ungovernable or independent Indigenous subjects undermines the settler assertion of absolute territorial authority. Settler colonialism projects a moment of sovereign completion which is constantly deferred, creating an ongoing gap between the imperative of sovereign security and the reality of the present (Moreton-Robinson 2009; Veracini 2010). Again, attempts to close this gap through treaty, reconciliation, denial or forcible assimilation have failed to erase Indigenous political difference, so the risk that new measures will fail is high. In this sense, Indigenous political difference also constitutes a wicked problem, resistant to intervention over time and unlikely to be successfully resolved in a single policy initiative. Over all of these recurring sovereign challenges looms the spectre of colonial failure. Although unlikely in the Australian context, the comprehensive exposure and dissolution of settler colonial projects can occur (as in the case of Algeria; Veracini 2007). This adds urgency to the settler colonial project and underlines the potential severity of colonial sovereign risk.

As Ewald argues, ‘Nothing is a risk in itself, there is no risk in reality. But, on the other hand, anything can be a risk; it all depends on how one analyzes the danger, considers the event’ (1991, p. 199). The nature of colonial risk further highlights the fact that risks are constituted in relation to particular agents. Colonial risk is specific to
the desires and goals of settler colonial institutions. It is presumably not experienced the same way by many Indigenous political communities—although they may be intimately connected to the settler state and do not necessarily seek its dissolution. By de-neutralising risk, we observe the colonising functions of recent Australian Indigenous policy attempts to manage and redistribute colonial risk.

Reconciliation and Self-determination

From the mid 1970s until the mid 1990s, federal Governments acted to establish ‘progressive’ systems of self-management and legislative recognition (V. Watson 2004; Murphy 2000; Gibson 1999). The centrepiece of this policy regime was the Aboriginal and Torres Strait Islander Commission (ATSIC). ATSIC operated through an elected regional council structure and thus was positioned as an authentic Indigenous political voice (Murphy 2000). The self-determination approach overlapped with and supported a social ‘reconciliation’ agenda, whereby the state aimed to reform mainstream attitudes and address past injustices (Gunstone 2007).

This policy phase is clearly linked to the political rationality of social welfarism, which aims to collectivise hardship and to provide state remedies to social problems. Indigenous peoples are positioned as disadvantaged through collective historical exclusion but deserving of full inclusion in the Australian nation-state. It is the responsibility of mainstream Governments to enact this inclusion through legislation, social welfare and support for limited forms of autonomy (Gibson 1999). As the Council for Aboriginal Reconciliation states, Indigenous disadvantage ‘stems directly from colonisation, dispossession from their lands and forced marginalisation, depriving them of the rights and opportunities taken for granted by other citizens’ (Scott 2000, p. 5). Thus Indigenous hardships are gathered together by the state and transformed into a faultless collective responsibility. More importantly, the same process takes place in relation to settler society—no particular institutions or individuals are held responsible for the circumstances of colonialism. Reconciliation constitutes an attempt to collectivise colonial risk and distribute it evenly across the national body rather than letting it concentrate in and overwhelm particular sectors.

Only by taking on and insuring individuals against the significant risks of confronting colonial conflict can all citizens be encouraged to enter upon this difficult task—thus reconciliation is ‘enfolded’ in mechanisms of security by the state, who also underwrites political agreements made in the present moment and guarantees that they will endure through time. The state takes on the risks of future identity change and compensation, for example, by legislating native title rather than allowing common law resolution and by offering a collective apology. It therefore becomes the only institution able to stand above and guarantee the process of reconciliation into the future and able to
distribute colonial protections throughout the social body. The state positions itself outside the play of colonial conflicts, and as neutral guarantor of the risks of colonial resolution. Its sovereign vulnerabilities are erased and colonialism is framed as a social rather than political phenomenon. By taking on the risks of encounter for both settler and Indigenous peoples, reconciliation and self-determination policy constitutes them as an abstract unified society engaged upon a ‘common venture’ (Gordon 1991, p. 39).

**Neoliberal Contractualism**

The bipartisan approach to Indigenous self-determination policy formed part of a broader Australian ‘civic consensus’ to avoid overtly politicising race and immigration issues (Pitty & Leach 2004, p. 96). Perhaps because of this consensus, Indigenous affairs remained somewhat insulated from the wider Australian shift towards neoliberal social policy. However, in 1996 the dramatic rise of Pauline Hanson’s One Nation party fractured this consensus and it became politically feasible to contest accepted explanations of racial disadvantage (Jupp 2004; Pitty & Leach 2004). From this point, the Howard Government began using neoliberal arguments to challenge the self-determination framework. It rejected the official Council for Aboriginal Reconciliation report and introduced a ‘practical reconciliation’ agenda based on addressing material disadvantage rather than social exclusion (Gunstone 2008). Then, in 2004 it abolished the Aboriginal and Torres Strait Islander Commission, citing politicisation, corruption and policy failure (Howard & Vanstone 2004). This was replaced by ‘New Arrangements in Indigenous Affairs’ that were presented as consensual, enabling and economically responsible (OIPC 2006). Shared Responsibility Agreements (SRAs) and Regional Partnership Agreements (RPAs) were at the centre of this new approach. They deployed neoliberal quasi-contractual mechanisms in order to reform Indigenous capacity and mobilise Indigenous autonomy (Arabena 2005; Lawrence & Gibson 2007; Strakosch 2009).

In the new neoliberal narrative of sovereign insecurity, the state burden of collective colonial risk is no longer sustainable and threatens the whole. The Australian government argues that:

> the [Reconciliation] Council’s draft legislation would impose a potentially divisive, protracted (at least 12 years) and inconclusive process on the nation... rather than offering closure, pursuit of a treaty would be a recipe for ongoing disputation and litigation... The Government’s position on a treaty is that such a legally enforceable instrument, as between sovereign states would be divisive, would undermine the concept of a single Australian nation, would create legal uncertainty and future disputation. (Commonwealth 2002, pp. 19-23)

More broadly, this period is characterised by the increasing prominence of arguments about the unsustainability of Aboriginal welfare payments, the sovereign territorial erosions of native title, and
the claim that reconciliation causes national divisions by positing and therefore creating a colonial social conflict where none exists. Settler society can no longer tolerate carrying the burden of colonial risk, which ought to be disaggregated and reallocated to particular (Aboriginal) sections of the population. Responsibility for addressing colonialism should no longer rest with the state:

The Government believes that a continuing dialogue on the unfinished business of reconciliation allowing for negotiated outcomes on matters such as rights, self-determination within the life of the nation, and constitutional reform should be achieved outside the confines of a legislated process. (Commonwealth 2002, p. 18)

As in other forms of neoliberal policy, social democratic attempts to generate faultless collective responsibility actually increases the overall burden of risk, by insulating individuals from the effects of their actions and so encouraging them to act in harmful ways. This is reflected in the discourse of ‘passive welfare’ and the negative politiciising effects of self-determination policy. Aboriginal communities are, however, assumed to be capable of assuming their own risk or, at least, able to become capable through the process of assuming it. Incentivised, circular SRAs, along with other quasi-contractual technologies such as Indigenous Land Use Agreements, put the social democratic move from contract to status into reverse, divesting colonial risk onto Indigenous subjects and specifying Indigenous responsibility to the state. However, given that colonial risk belongs to the settler state (or alternatively, only exists in the context of settler colonial desires/goals), this is a divestment rather than a re-divestment. Indigenous peoples are being asked to take on responsibility for the successful completion of the settler colonial project, and to moderate the risk they impose on non-Indigenous society.

**Intervention**

Neoliberal SRA policy operated through the public demonstration of voluntary consensus. Where successful, this technique created a powerful sense of legitimacy and momentum for reform. However, it also gave Indigenous communities endless opportunity to refuse their consent and cooperation. Comprehensive SRAs and RPAs, which involved substantive reform of Indigenous structures for little tangible reward, did not generate a great deal of interest. Even progress on small scale SRAs, which involved more concrete benefits, was ‘slower than expected’ (FaCSIA 2006, p. 237). Government continually set itself numerical targets which it failed to meet and those agreements that were signed often did not function effectively (Morgan Disney et al. 2007, pp. 10-11). As these problems became increasingly obvious, policy agencies moved towards a language of crisis management.

Aboriginal people are presented as unexpectedly incapable of assuming their own risk and the provisional neoliberal recognition of
capacity is withdrawn. When the Senate Estimates Committee questions the failures of SRA policy, FaCSIA executives suggest that the collaborative approach was destined to fail given Indigenous dysfunction:

**FaCSIA Secretary Harmer:** It is very difficult to make progress in a place like Wadeye, where there was such difficulty in terms of street violence, without adequate policing. It was a backdrop—

**Opposition Senator Evans:** Do not hide behind that—

**Harmer:** No, I am not hiding behind it. It is a fact…

**Opposition Senator Evans:** You are responsible for youth policy… It fell through the cracks. It did not happen. Don’t you take responsibility for that?

**FaCSIA Secretary Harmer:** There is not much you can do with the youth in Wadeye. (Senate 2006, pp. 27-30)

Bureaucrats mobilise a strong language of Indigenous default: ‘We took a very passive approach, a very generous approach of giving without demanding too much, and it was not reciprocated…’ (Gibbons in Senate 2006, p. 32). By both refusing to sign agreements, and failing to implement those agreements adequately, almost every Indigenous community is assigned to the incapable category. Or perhaps more accurately, the SRA experiment finds a high incidence of incapacity amongst those it deals with, and therefore identifies Indigeneity itself as a significant risk factor for governmental incapacity. In future Government will act pre-emptively to secure this high risk sector. Having divested the mass of Indigenous risk to capable subjects outside remote communities, the intervening state resumes responsibility for particular high risk pockets of Indigenous life. It does so not as a social obligation, but as an act of generosity and an attempt to moderate the Indigenous population’s risk to others. Those whose risk is resumed have already proved to be incapable, and therefore they can be acted upon in unilateral and coercive ways.

In 2007, the federal Government declared a national emergency in remote Aboriginal communities, based on ‘revelations’ of child sexual abuse in the Northern Territory (Anderson & Wild 2007). The Northern Territory Emergency Response (NTER) again suspended the *Racial Discrimination Act 1975* (Cth), in order to apply a raft of restrictions to Indigenous Territory residents (Manderson 2008; Macoun 2011). These include welfare management, compulsory health checks, the appointment of community administrators, and alcohol and pornography bans. The hierarchical exclusions of the NTER echo previous protectionist policies while drawing on very contemporary practices to manage catastrophic risk (Stringer 2007; Manderson 2008; Dean 2007). As other scholars have pointed out, the logic of exceptionalism resonates strongly with the long term construction of
Aboriginal peoples as exceptional and in need of normalisation (Brigg 2007, p. 404).

While SRAs addressed the whole Indigenous population, this approach singles out particularly vulnerable or high risk sub-groups (Senate 2006, p. 23). It is aimed at pockets of dysfunction, while ‘normal’ Indigenous citizens will be expected to navigate mainstream systems and manage their own circumstances. ‘Dysfunctional’ Indigenous people are framed as unwilling or incapable of moderating the risk they impose on the whole, and on specific vulnerable others such as their children (Macoun 2011). Moreover, in some instances this risk appears as catastrophic and unpredictable. Active, successful settler sovereignty is necessary, not for its own sake, but in order to moderate Indigenous risks on their behalf. This project of priority intervention is conditioned by the neoliberal de-collectivisation of unsustainable collective colonial risk—only specific, strategic interventions are possible given limited state resources. When responsibility for colonial risk is disaggregated, the specific location of harms in particular sectors is more acceptable, being linked to the behaviours of that sector rather than belonging to the whole.

Conclusion

Australian Indigenous policy is undoubtedly a complex area, which involves many different people in relationships of genuine concern and engagement. However, as this article seeks to demonstrate, there remains an underlying attempt to manage Indigenous peoples' threat to the settler state. While this management is continually changing and being contested, I argue that these shifts can be better understood as changes of strategy than as substantive rearticulations of the settler colonial relationship. Recent policy phases of self-determination, neoliberalism and intervention all continue to construct independent Aboriginal existence as a risk to the stability of settler sovereignty.

Telling the story of Australian Indigenous policy as a story of colonial risk management has a number of useful effects. It locates the settler state as a partisan and incomplete project which seeks to manage Indigenous political difference. It also reveals continuities in recent policy making, which is superficially characterised by a cycle of radical change. In particular, it highlights the connection between neoliberal contractual policy and intervention. The NTER is usually discussed separately from other policies and presented as an unconditioned eruption (with some exceptions—see Stringer 2007, I. Watson 2009). This article has shown that it is intimately connected with the previous framework; neoliberal voluntarism recodes the policy landscape in ways that make strategic intervention possible and necessary.

In relation to Australian Indigenous policy, Sanderson claims that “[g]overnments in liberal democratic countries have been drawn into the contradictory mode of divesting themselves of social and
infrastructure liabilities for the state, in keeping with the needs of the market, while taking coercive action to ensure stability and conformity’ (Sanderson 2007, p. 33). Risk analysis suggests that the neoliberal practice of divesting risk and ‘returning rule’ to capable subjects itself gives rise to the category of incapacity and to the coercive resumption of risk. Given that the state no longer spreads social risk evenly across the population, sites of high risk become intense and appear to threaten the whole. Sovereignty appears ineffective in the face of this intense risk, given that it has relinquished responsibility for and apparent direct control over social risk management. So in these cases, it acts performatively and comprehensively to secure these sites and demonstrate its ability to act as last line of defence for the sovereign community.

Early on, continental risk scholar Castel identified the direction in which neoliberal risk management led (1991; see also Henman 2004). Neoliberal risk management practices identify ‘objective’ risk factors which expose an individual to potential harm, and ask the individual to act upon these factors to minimise the risk of that harm occurring. This gives rise to the diffuse governmental regimes of ‘active life management’ and preventative health control—both of which minimise the cost to the state while maximising security. However:

> [w]hat the new preventative policies primarily address is no longer individuals but factors, statistical correlations of heterogeneous elements. They deconstruct the concrete subject of intervention, and reconstruct a combination of factors liable to produce risk… To be suspected, it is no longer necessary to manifest symptoms of dangerousness or abnormality, it is enough to display whatever characteristic the specialists responsible for the definition of preventive policy have constituted as risk factors. (Castel 1991, p. 288)

In the 1970s, when Castel is writing, ‘objectivised witch-hunts’ remain a conceptual possibility opened up by neoliberal risk management, rather than a reality. However, ‘[t]he fact that there has so far been no politically scandalous utilization made of these possibilities is not enough to allow complete peace of mind’ (Castel 1991, p. 294). While the return to race-based regimes of coercion has taken many in Australia by surprise, the conditions which legitimise this ‘rule by risk category’ are laid much earlier. The neoliberal divestment of colonial risk to Indigenous subjects is one such condition.

Elizabeth Strakosch is a postdoctoral research fellow at the University of Queensland, and her research explores the links between settler colonialism, policy, public administration and political community.

Notes
1 Sovereign refers to ‘the troubled focus within settler colonial studies on structure to the erasure of indigenous experiences and perspectives about colonialism even within analyses of the “logic of elimination” that fuels colonial processes of social formation’ (2011).

2 Beck tends to naturalise the existence of catastrophic risk, and his sociological work on the global risk society echoes contemporary authoritarian policy discourse (Culpitt 1999, p. 112; Dean 1999; O’Malley 2009, p. 11). Rather than presenting catastrophic risk as either real or as a political strategy, it is more valuable to acknowledge that liberal democracies simultaneously experience these risks as profoundly threatening and mobilise them as part of political rule. Ewald, in his recent work, highlights this dual character:

Since the beginning of the new millennium, advanced liberal democracies have faced ordeals of unexpected vulnerability, unsuspected by individuals in developed society, who were lulled by the promise of an ever safer world. We are seeing the return of disasters, the insistence on individual and collective injuries of unequalled magnitude... with the difference that disasters are no longer, as before, attributed to God or providence, but to human agency. (Ewald 2002, p. 282, emphasis added)

3 Beck suggests that these global threats are real and external, calling forth new hierarchical responses, while post-Foucauldian accounts refer only to ‘changing governmental conditions’ or unconditioned sovereign ‘re-eruptions’ (O’Malley 2009, p. 14; Dean 2007).

4 This shift was accompanied by a number of significant legislative initiatives: in order to ‘fast-track development’, the Government amended the Native Title Act 1993 (Cth) and the Aboriginal and Torres Strait Islander Heritage Protection Act 1984 (Cth) (Howard-Wagner 2008). Both amendments involved suspension of the Racial Discrimination Act 1975 (Cth), and were justified as responses to progressive overemphasis on Indigenous entitlement at the expense of economic efficiency and personal responsibility (Howard-Wagner 2008).

5 In the FaCSIA 2005-06 Annual Report: SRAs: target 100, results 95. Holistic SRAs: target 5, results ‘none at this time, although several in development’. RPAs: target 5, results 1 (2006, p. 236).

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