Abstract
With the widespread shift from models of welfare to business-led development, capacity development offers a useful lens from which to consider the emergence of Indigenous social enterprise as a business-led development approach. We explore capacity development from the international development literature and identify capacity development principles in the context of an Indigenous social enterprise in remote northeast Arnhem Land. Here, Aboriginal Australians continue to experience poverty and marginalisation. This paper provides an ethnographic example of the relationship between Indigenous social enterprise and capacity development. Identifying principles of capacity development in this rich context reveals the remit of the Indigenous social enterprise privileges environmental stewardship and cultural maintenance.

Keywords: Indigenous social enterprise, capacity development, capacity building, northeast Arnhem Land

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INTRODUCTION
This paper provides an ethnographic example of the relationship between Indigenous social enterprise and capacity development. We draw on an Australian case of an Indigenous social enterprise in a remote community experiencing entrenched poverty and disadvantage. Nuwul Environmental Services (hereafter Nuwul), defines itself as an Indigenous social enterprise owned and run by the Rirratjingu clan in the town of Yirrkala in northeast Arnhem Land, northern Australia. Much of the literature pertaining to capacity development and its emergence in Australia, has focused on the broader political system (Makuwira, 2007; Verity, 2007) and national Indigenous affairs policy (Altman, Gray, & Levitus, 2005; Altman, 2007, 2009; Brueckner et al., 2016). There is also little data available to assess the ongoing development of Indigenous businesses in Australia (House of Representatives Standing Committee on Aboriginal and Torres Strait Islander Affairs [HRSCATSIA], 2008; Morley, 2014). While governments and not-for-profits are increasingly focusing on social enterprise as a means to address Indigenous disadvantage, there is a dearth of empirical research on the relationship between social enterprise and capacity development in Indigenous contexts. This paper takes steps to address this absence using an empirical example.
We review the literature on capacity development from the international development setting, and drawing on the work of Lavergne and Saxby (2001), identify principles of capacity development in the context of an Indigenous social enterprise in the remote location of northeast Arnhem Land. The principles are instrumental in teasing out important nuances in the operations, experiences, and outcomes of an Indigenous social enterprise. The following section reviews literature pertaining to social enterprise and the discourse of capacity development and their significance in the Australian Indigenous context. This is followed by a description of the Indigenous methodology of ‘yarning’ employed in an Indigenous community. Subsequent sections present the findings and discussion, followed by conclusions.

SOCIAL ENTERPRISE AND ITS POTENTIAL IN AN INDIGENOUS CONTEXT

As a distinct field of activity in Australia, Indigenous social enterprise ‘has received little attention from researchers and policy-makers’ (Barraket & Collyer, 2010: 12), even though there are likely to be hundreds of such enterprises (Loban et al., 2013). Indeed, while social businesses have existed for many centuries, Barraket and Collyer (2010: 11) believe the increased interest in social enterprise stems from the:

increasing demand for innovative responses to social and environmental problems; pressure on not-for-profit organisations to diversify their income sources; and an increasing emphasis by government on the role of civil-society actors in partnering to develop and (more commonly) deliver services in response to social policy priorities.

Social enterprise can be defined in simple terms as ‘organizations which apply business strategies to achieve philanthropic ends’ (Galvin & Iannotti, 2015: 423) and embrace basic business functions where their core goal is to ‘try to resolve pressing social problems’ (Morley, 2014: 4). A more comprehensive definition elucidates how this goal can be achieved:

[social enterprises] are not based on utilitarian-economic models but rather an economic model in which resources provide for broader goals; economic, social, cultural and political. They include the creation of jobs and the strengthening of social capital by supporting people who have been inactive back into the wider activities of the community (Kerins, 2013: 5).

Whether not-for-profit or for-profit, a key characteristic of social enterprise is that these businesses reinvest the majority of their profit into the fulfillment of their social mission. The Indigenous Social Enterprise Fund that was established as a partnership between Social Ventures Australia, Indigenous Business Australia, and Reconciliation Australia, defines social enterprises operationally as organisations that ‘fulfil a social, cultural or environmental mission which has a public or community benefit; trade to fulfil their mission; derive a substantial portion of their income from trading revenue; [and] may be not-for-profit or for-profit businesses’ (Indigenous Business Australia, 2016 cited in Loban et al., 2013: 22). Accordingly, they conceive of social enterprise as businesses that operate on a for-profit basis but where some or all of the profits are applied to meeting the social need the enterprise was set up to address (Loban et al., 2013).

While acknowledging their limitations and dependence on broader political, economic and cultural systems, social enterprise is attracting attention as important in development efforts to address disadvantage and build capacities, particularly for Indigenous people (Giovannini, 2012; Kerins, 2013; Galvin and Iannotti, 2015). Giovannini (2012) attributes the often limited outcomes achieved by mainstream, exogenous development strategies to the lack of participation of the target communities. It is in this respect Giovannini (2012: 291) argues:

Social enterprises appear to be able to exploit resources that are accumulated at the local level, such as culture, specific knowledge, natural resources, human and social capital (endogenous factors of development) in order to pursue development objectives [that] reduce communities’ dependency upon external actors.
Social enterprises are considered advantageous because they seek innovative solutions within local development contexts, but importantly, they can affect change in institutionalised behaviour (Galvin & Iannotti, 2015). Such as the prevailing welfare reliance, referred to as ‘sit-down money’, pervasive in remote Australian communities where few formal employment prospects exist.

The social enterprise sector is gaining traction in remote Indigenous communities because there is a lack of mainstream employment options in many remote communities in Australia and because it encompasses not only the creation of jobs but the strengthening of social capital (Kerins, 2013). Indigenous social enterprises that capitalise on the cultural and environmental advantage of Indigenous communities, provide a valuable opportunity in that their operations not only provide employment and training opportunities, but they build on customary law to strengthen their communities and protect their local environment (Kerins, 2013).

Based on the above definitions of social enterprise, the preference of a social enterprise model is compatible with Indigenous notions of development because they extend beyond a utilitarian economic model to embrace an economic model where resources provide for broader economic, social, cultural, and political goals. Giovannini (2012) suggests that conceiving of traditional Indigenous culture as a resource rather than a barrier to development emphasises achieving development on Indigenous terms. Thus, a close examination of Indigenous social enterprise as a vehicle for development in Australian Aboriginal communities, warrants attention.

For Tedmanson and Guerin (2011), social enterprise offers an approach to Indigenous development that reinforces local talent, builds local capacity and social capital by supporting people back into the activities of their community (Foley, 2008; Foley and O’Connor, 2013). Pearson and Helms (2013) argue that social enterprise is a culturally appropriate model in the Australian Indigenous context because it links social capital with cultural values, both arguably essential elements for entrepreneurial success.

CAPACITY DEVELOPMENT

The capacity discourse in international development represents a discursive shift from a transfer of skills and resources from donor to recipient (a welfare mode) to developing the existing local endogenous knowledge and skills for market-oriented development (a business-led mode) (Pearson, 2011). Capacity discourse offers a useful lens for unpacking the concept and experience of Indigenous social enterprise.

Despite ‘capacity building’ and ‘capacity development’ being ubiquitous terms in international, community, and sustainable development discourses, they are somewhat ambiguous, and often used interchangeably, without consideration of their conceptual differences (Black, 2003; Hunt, 2005). The discursive difference of these concepts impacts how they are applied practically in terms of programme design, execution, and evaluation (Lavergne & Saxby, 2001) because one refers to building capacity based on external expertise while the other refers to developing existing capacity in the community.

Capacity discourse has transformed development beyond being only about economic growth, infrastructure, technical assistance, resources, equipment, and financial capital (the ‘hard’ capacities), to being inclusive of intangible and difficult to measure capacities such as trust, networks, shared values, knowledge (the ‘soft’ capacities) (Hunt, 2005; Clarke & Oswald, 2010). These soft capacities have an important bearing on information channels and community participation. Since the 1990s, global development institutions such as the United Nations Development Program, the World Bank and the Organisation of Economic Cooperation and Development have produced numerous papers outlining how capacity development can be supported and implemented (Clarke & Oswald, 2010). Despite this, debate continues regarding what these terms actually mean and how they can be operationalised in contexts such as Indigenous social enterprise (Lavergne & Saxby, 2001; Clarke & Oswald, 2010).
A BRIEF OVERVIEW OF CAPACITY DISCOURSES

The roots of capacity building partly lie in the ‘conscientisation’ works of Paulo Friere (1970) who believed that education was a political act that began with the conscientisation of one’s social position as being shaped by hegemonic forces. He believed that greater awareness of the conditions from which poverty arises is essential for real change and is essential to development practice. Capacity building also stems from the works of feminist Srilatha Batliwala (1994) and her contribution to the theories of ‘empowerment’ and ‘exclusion’; and Amartya Sen’s (2003) work on ‘entitlements’ and ‘capabilities’. McGinty (2003) also acknowledges Saul Alinsky’s (1971) work on community organising as precursor to community capacity building, but most attention has been given to how the term capacity building emerged from the ongoing changes in the ways of doing development (Kühl, 2009). Discursively, capacity development then emerged in the development lexicon out of a recognition that previous approaches to development were not producing desired results and therefore capacity development provided a conceptual framework for effective models of doing and describing development work. The antecedents of capacity development include institution building (Kühl, 2009), institutional development, human resource development (Lusthaus, Adrien, & Perstinger, 1999; Kühl, 2009), new institutionalism (Lusthaus, Adrien, & Perstinger, 1999; Kühl, 2009); and capacity building (Lusthaus, Adrien, & Perstinger, 1999; Black, 2003; Humpage, 2005; Hunt, 2005; Verity, 2007; Eade, 2007; Venner, 2014).

Since the 1990s, the terms capacity building and capacity development have been extensively used to describe a number of diverse activities in relation to development, aid, and health (Black, 2003; Verity, 2007). Capacity building offered a holistic and long-term approach to development and aligned with the emerging support for communitarian ideas in which community driven development (bottom-up) approaches were viewed as more effective than a state driven, top-down approach (Verity, 2007). Capacity building also aligned with the emerging sustainable development agenda that recognised the interconnectedness of economic, environmental and social systems (Lusthaus, Adrien, & Perstinger, 1999). Capacity building was embedded in the new language of ‘participation’ both in the policy focus on social exclusion of the United Kingdom’s New Labour and in the Australian Government’s welfare reform agenda (Verity, 2007). The term capacity building has more recently been co-opted by a neoliberal ‘pull yourself-up-by-your-bootstraps’ economic and political agenda (Eade, 2007).

Defining capacity development

One of the chief purposes for the discursive shift from capacity ‘building’ to ‘development’ is critique of the former for its reliance on external expertise to produce capacities that are considered not to exist. Capacity building is critiqued for not acknowledging the existing capacity and endogenous development processes that exist in every community (Pearson, 2011: 8). Whereas capacity development ‘emphasises the inherent existence of endogenous development processes in all countries and communities, and addresses the need to support and or facilitate processes that are already underway’ (Pearson, 2011: 8).

Despite varied definitions from multilateral agencies and government bodies, there are common threads. Capacity development describes its purpose as improvement in the lives, operations, and circumstances of those concerned. Process and change are both common ideas in capacity development, but how change happens depends on the type of organisation engaged in capacity development. It can be understood as a process in and of itself, and for many, the process of change comes from within. For example, the European Centre for Development Policy Management describes capacity development as a process of improving and unleashing capacity.
describes capacity development as a process by which individuals and organisations increase their capabilities to apply skills and resources to the achievement of their goals. Likewise, the Organisation of Economic Cooperation and Development emphasises processes whereby individuals, organisations, and communities can unleash and strengthen their capacities over time to achieve their own development goals. Capacity development processes at the level of the individual might be aimed at improving individual skills, knowledge, and performance through training, experiences, motivation, and incentives; or at the organisational level capacity development processes might be improving organisational performance through strategies, plans, partnerships, leadership, organisational politics and power structures, and strengthening organisational systems, processes, and roles and responsibilities. Indeed, many development agencies worldwide have adopted the Organisation of Economic Cooperation and Development definition including the Asia Development Bank and the German development agency GIZ.

Lavergne and Saxby (2001) synthesised the capacity development literature to identify the underpinning principles and values of capacity development, including: local participation, ownership, and control; use of local capacities; an understanding of local conditions; a coaching, supportive role for technical assistance; a flexible approach; and a systemic, long-term perspective. They also highlighted that capacity development is a process that emphasises the intangible elements of development, that is, the improved capability to use and increase existing resources sustainably (Lavergne & Saxby, 2001).

Central to capacity development is that it is something individuals or groups do for themselves as opposed to something done by an external agent. This is in keeping with the shift from capacity building, which focused on externally driven technical assistance, often ignoring local realities and knowledge (Pearson, 2011), to capacity development that focuses on empowering and strengthening endogenous capabilities and stressing the importance of ownership and processes of change (Pearson, 2011).

Capacity ‘strengthening’ is a variation of capacity development that is emerging in relation to so-called ‘Closing the Gap’ policies on Australian Indigenous affairs (Council of Australian Governments [COAG], 2009) (see Brueckner, Spencer, Wise, & Marika, (2014) for an analysis on Closing the Gap policies and Indigenous entrepreneurship). Capacity strengthening is premised on the assumption that all people have knowledge and skills that can be developed (Abdullah & Young, 2010).

Capacity development is increasingly evident in public policy and service delivery affecting Australian Indigenous people (Taylor, 2003; Hunt, 2005). This is particularly evident in health service delivery for Indigenous communities and in the Closing the Gap policies mentioned above. Given the capacity discourse has emerged from Western ideology; in Indigenous contexts these terms have been met with concern in relation to questions of ‘if and how’ they offer value in addressing Indigenous disadvantage (Taylor, 2003). Pearson (2011) insists that policy makers and practitioners must ask whose capacity, capacity for what, defined by whom, and once those questions have been answered, ask how? To make capacity development useful in Indigenous Australian contexts, as both conceptual and applied tools, there are calls for empirical evidence to demonstrate how capacity development can improve the quality of Indigenous Australians’ lives (Taylor, 2003; Hunt, 2005).

**Capacity, culture, context**

There is a complex relationship between capacity, culture, context, and change. Capacity and change are interwoven within cultural perspectives, while at the same time, context offers prospective levers for change (Pearson, 2011). In fact, capacity is understood in relation to cultural and contextual factors. Culture, as either resource or barrier, has been given little explicit attention in the academic literature as influencing context, the enabling environment, or broader system (Hunt, 2005). Culture is a glaring omission in key documents of international development agencies such as the United Nations...

Arguably, the starting point for effective capacity development is culture, that is, the system of norms and values practiced by a community. Culture is how we come to understand the world – to conceptualise, interpret and respond to everything. Pearson (2011: 13) describes the cultural aspects germane to development as the ‘traditional beliefs and practices about ownership of land, justice, and social hierarchies’ and explains that cultural beliefs often shape ‘where and how progress can be made towards the achievement of development goals, and the pace of change’. In their research on Indigenous Native Americans and capacity development, Chino and DeBruyn (2006: 597) describe the lack of recognition in capacity development models for ‘the importance of culture, language, issues of identity and place, and the need for tribal people to operate in both traditional and dominant cultures’. Capacity development is at its core a Western ideological approach thus the imperative to embed capacity development approaches within the cultural context is imperative (Hunt, 2005; Chino & DeBruyn, 2006). Concepts such as participation need to be on local terms, embedded in the context and cultural ways of doing. This is precisely why capacity development initiatives need local ownership and leadership (Lavergne & Saxby, 2001; Pearson, 2011).

CRITIQUES OF CAPACITY DEVELOPMENT IN THE AUSTRALIAN INDIGENOUS CONTEXT

Indigenous capacity development research in Australia has focused primarily on national level policy. While the literature provides some insight into how policy has influenced capacity development at organisational and individual levels, ethnographic studies into the relationship between Indigenous social enterprise and capacity development in Australia are few.

Capacity development emerged in Australia as a policy imperative that could be used to address Indigenous disadvantage and welfare dependency. In referring to Australia’s Indigenous policy, Altman and Klein (2017) tell us that development progress for Indigenous Australians is plagued by the spectre of paternalistic policies that fail to acknowledge Indigenous agency in determining their own future. There is limited empirical research pertaining to capacity development initiatives targeting Indigenous Australians. The available literature does not romanticise capacity development as a ‘cure all’ for Indigenous disadvantage, but instead outlines a number of constraints and criticisms of capacity development endeavours in Indigenous Australia, which need to be examined. For example, Makuwira (2007) notes that capacity development in the Indigenous Australian context has focused on deficits, failures, and powerlessness within Indigenous communities. Based on lessons from the international development context, capacity development initiatives that build on existing local capacities, rather than focus on addressing weaknesses, are much more effective (Hunt, 2005).

In Australia, Indigenous capacity development is under-resourced, and there is no significant national resource for Indigenous capacity development and governance (Hunt, 2005). Since the abolishment of the Australian and Torres Strait Islander Commission, there are no nationwide institutions that provide programmes and support in leadership and management or strategic and organisational development as there are in the United States and the United Kingdom (Hunt, 2005). The abolishment of Australian and Torres Strait Islander Commission, as noted by Makuwira (2007), had major implications for Indigenous self-determination and capacity development, marking the beginning of a systematic tearing down of ‘institutional structures of black Australia [which involved] cutting funding to bodies such as land councils and health and legal services’ (Tingle, 2015: 32).

Some writers argue that capacity development policies and programmes often fail to acknowledge adequately the important historical and cultural issues of colonisation, community history, exclusion, language, culture, place and the impacts of past misguided policies and programmes (Taylor, 2003;
Chino & DeBruyn, 2006; Makuwira, 2007). Makuwira (2007) argues that community capacity-building in Australia, must be understood in its historical terms of the development of Australian settler nationalism, where the goal was not to exploit Indigenous people but to replace them. The failure of the Australian government to recognise the limits in adopting general policies emerging from an international management discourse to address the development of Indigenous communities (Humpage, 2005) is an ongoing failure and thus we see calls by Indigenous leaders for Indigenous models of capacity development. Chino and DeBruyn (2006: 597) distil from the extant literature how epistemic Indigenous models of capacity development must respect and value direct experience and relationships and they need to link self-determination explicitly with decolonisation, healing, and transformation. A renewed focus is needed in Australia to reconstruct Indigenous organisational capacity (Altman & Klein, 2017). Social enterprise is one model that holds promise for achieving this in the Indigenous Australian context.

**METHOD**

Drawing from our ethnographic research in northeast Arnhem Land (Brueckner, Paulin, Davis, & Chatterjee, 2010; Brueckner et al., 2014; Spencer, Brueckner, Wise, & Marika, 2016), we identify principles of capacity development within an Indigenous social enterprise to help understand how change is happening in a remote Indigenous context. The focus here is on Nuwul, an Indigenous social enterprise owned and run by the Rirratjingu clan in the town of Yirrkala in northeast Arnhem Land, northern Australia.

In the 2016 Australian Census, Yirrkala included 809 people comprising 168 families. Aboriginal and Torres Strait Islander people make up 83.1% of the community and the median age of Aboriginal and Torres Strait Islander people in Yirrkala is 25 years (Australian Bureau of Statistics [ABS], 2016). Notably, Yirrkala has an unemployment rate of 18.4% in 2016 compared with the national unemployment rate of 5.8% (ABS, 2016). The UN report State of the World’s Indigenous Peoples (2009), notes significant disparities between Indigenous and non-Indigenous Australians on the Human Development Index. According to the report, Australia has the world’s worst life expectancy gap between Indigenous and non-Indigenous people, with life expectancy gaps of 10–12 years between Indigenous and non-Indigenous Australians. Higher rates of chronic and preventable diseases prevail in Indigenous Australia, for example, Indigenous people are three times more likely to die from kidney failure than non-Indigenous Australians (Australian Institute of Health and Welfare [AIHW], 2011, 2016). The poor health status of Indigenous Australians is foremostly due to the structural inequalities stemming from white settler nationalism that have led to a complexity of social determinants illustrated in the 2016 census, such as low levels of education (47% of Indigenous people had completed year 12 or its equivalent compared with 79% of non-Indigenous Australians and 19% of Indigenous Australians had left school at year 9 or below), high unemployment (unemployment rate of Indigenous Australians was 4.2 times as high as the rate for non-Indigenous Australians), Indigenous Australians are half as likely as non-Indigenous Australians to report an equivalent weekly household income of $1,000 or more in 2016 (20% compared with 41%) and Indigenous households were more than three times as likely to be overcrowded with one in five Indigenous Australians aged 15 years and over living in a dwelling that was overcrowded (ABS, 2016).

The Rirratjingu Aboriginal Corporation was founded in 1984 by the Rirratjingu people to represent the interests of the Indigenous Traditional Land Owners of the Gove Peninsula. It was established to administer mining royalties in order to build a sustainable business. Its role is to ensure the community is economically independent and to deliver social and cultural programmes to advance the interests of the Rirratjingu people. The Rirratjingu Aboriginal Corporation’s enterprises include Rirratjingu Mining, Bunuwal Fuel and Bunuwal Investments – an investment arm aimed at developing the
post-mining economy. Rirratjingu Aboriginal Corporation established Nuwul as a social enterprise in 2009 with a small amount of funding from a Natural Resource Management government programme, and tube plant stock and funds for equipment donated by Rio Tinto Aluminium. The nursery was established to pursue the twin goals of environmental stewardship and to address chronic social needs of the local Yolŋu community in Yirrkala. Yolŋu are the Indigenous people across northeast Arnhem Land in northern Australia. The tailed ‘n’ in Yolŋu is sometimes written as ‘ng’ and sounds like the ‘ng’ in song or long. Nuwul established a plant nursery and landscaping venture, which provides job readiness opportunities to local Yolŋu men and women, employing an increasing number. As a social enterprise, Nuwul undertakes contractual, commercial work alongside community services and training. The commercial enterprise of Nuwul includes a plant nursery and landscaping and gardening services to residents and to local organisations in Yirrkala and the mining town of Nhulunbuy, located 20 km to the north comprising 3,240 residents, 14.3% of whom are Aboriginal and Torres Strait Islander people and where the 3.1% unemployment rate is below the national rate and well below the rate of unemployment in Yirrkala (ABS, 2016). Contractual services have included weed management and grounds keeping with the Arnhem Club in Nhulunbuy, East Arnhem Shire Council, and Yirrkala School.

Community services that Nuwul provides, focus on environmental stewardship and restoring community pride. This involves clearing of rubbish in the township of Yirrkala and at local beaches and mowing long grass at the local cemetery. Training is integral to the capacity development of Yolŋu employees. Staff members have completed training in Small Engine Operations and Maintenance (Certificate II through Charles Darwin University), financial management supported by Laynhapuy Homelands Aboriginal Corporation, and a Certificate II of Conservation and Land Management via Batchelor College. Nuwul’s General Manager is a non-Indigenous ethno-botanist who trains Yolŋu youth of the Remote Youth Leadership and Development Corps program. Participants are trained in Conservation and Land Management applying their knowledge through participation in social enterprise activities. Nuwul staff are also involved in teaching gardening programmes to school students at Yirrkala School.

In 2012, the researchers were invited by Nuwul Environmental Services to undertake ethnographic research based on the earlier work of one of the researchers in Yirrkala since 2009. The research objectives and design were developed in collaboration with Nuwul staff, and ethics approval was obtained from the Human Research Ethics Committee at Murdoch University. The application process also involved preparing a statement on how Aboriginal and Torres Strait Islander sensitivities would be addressed according to the National Values and Ethics Guidelines for Ethical Conduct in Aboriginal and Torres Strait Islander Health Research. This process responds to the vulnerability of Indigenous Australian communities who are subject to over-researching. The statement entailed demonstrating that we understand the importance of Aboriginal and Torres Strait Islander values. The statement discusses how the research process would involve reciprocity, respect of structures and processes for negotiating community involvement, the development of respectful research relationships, the responsibility to do no harm, and our accountability to report findings to our research participants and the board of the Rirratjingu Aboriginal Corporation.

Nuwul staff self-nominated to participate in the research; a process called volunteer sampling (O’Leary, 2004). We chose volunteer sampling as we did not want people to feel obliged to participate in the research if they did not want to. The fieldwork involved 15 Nuwul participants (five female staff, five male staff, two managers [male], two female board members and one male board member all of whom are Indigenous except one) and eight participants that were external, non-Indigenous, Nuwul stakeholders all in management level positions of which half were men and half were women (Laynha, MEP, Northern Territory Department of Correctional Services, Art Gallery, Department of Families and Children, East Arnhem Shire Council, Dhimurru, Rio Tinto Alcan, a registered training organisation).
As a qualitative method, yarning centres on reciprocated exchange of conversational dialogue between the researcher and the research participants, where Aboriginal people can present information through storytelling rather than responding to structured interview questions (Yunkaporta & Kirby, 2011). Fredericks et al. (2011: 13) highlight that ‘yarning allows for honesty and openness to unfold through relationships that are developed and renewed as the yarn progresses. Yarning allows Indigenous people to talk freely about their experiences, thoughts and ideas’. As a methodology, it facilitates Indigenous knowledge sharing and ways of working (Smith, 1999).

‘Yarns’ (Bessarab & Ng’andu, 2010) with staff and other stakeholders in the community are informal conversations lasting anywhere from 20 min to a couple of hours. Yarning requires the researcher to develop and build a relationship that is accountable to Indigenous people participating in the research (Bessarab & Ng’andu, 2010). Building on the rapport we have developed with Nuwul staff and community members since 2009 we undertook a yarning methodology appropriate to the Yolŋu context. Yarning involves an informal approach to conversation where yarns are unstructured by design, unlike interview processes. We typically ‘yarned’ about the reasons people joined Nuwul and what they hoped to achieve from participating in Nuwul activities. We often discussed the skills they were developing, training they were undertaking and the kinds of skills they were seeking to acquire. Invariably yarns turned to the benefits people experienced from their participation in Nuwul or the benefits being witnessed by other stakeholders and challenges they experienced.

When visiting the local community, we participated in Nuwul activities such as fencing, light construction as well as tree planting, seed collection and irrigation work, weeding, clearing rubbish from important cultural sites, and unpacking and sorting of plant stock at the nursery. These activities allowed us to build rapport with local Aboriginal staff members giving us the opportunity to observe processes of capacity development in social enterprise located within its Indigenous cultural context. The limitation of the research is that it speaks to a singular case study in Australia. Despite this, the research can be used to inform analysis of social enterprise in other remote Indigenous communities.

In the next section, we identify in the empirical data, situated examples of the principles of capacity development identified by Lavergne and Saxby (2001). In the subsequent section following the findings, we pick up elements discussed in the literature review, such as process and culture, to complete the picture of this ethnographic example of the relationship between Indigenous social enterprise and capacity development.

FINDINGS: CAPACITY DEVELOPMENT IN CONTEXT

As discussed earlier, Lavergne and Saxby (2001) distilled core principles from the extant literature on capacity development. Lavergne and Saxby’s (2001) principles provide a coherent framework to discuss our empirical data precisely because this framework treats capacity development as a process and embeds values of endogenous, participatory and sustainability within the notion that are fitting for the Indigenous context. In addition, these principles recognise both hard capacities such as infrastructure, resources, equipment, financial capital, and soft capacities such as local knowledge, networks, shared values, knowledge.

Local participation, ownership, and control

Lavergne and Saxby (2001) identify local participation, ownership, and control of community capacity development processes as key capacity development principles. The literature highlights that those social enterprises that are embedded in the community are successful because they develop strong community partnerships (Australian Institute of Aboriginal and Torres Strait Islander Studies [AIATSIS], 2007; Morley, 2014). Nuwul is an Indigenous social enterprise operated within the local
community by an Aboriginal corporation for Yolŋu people. One young staff member explained to us about Nuwul ‘it’s a Yolŋu business; it’s a family business’ referring to the sense of local ownership and control. This principle is central to the successful operation and capacity development of the social enterprise of Nuwul as observed in the Business Overview, a Nuwul document profiling the organisation that speaks of creating local interest and ownership, ensuring the benefits are retained in the community; it builds social capital and delivers a sustainable business legacy for the future (French, 2014). A female employee spoke about her job at Nuwul saying ‘it’s good to work, sometimes we go out and we are in the community cleaning up’ inferring a sense of ownership in keeping the community clean. Being involved in Nuwul embodies local community participation. A male employee explained that the nursery ‘has been part of [Yirrkala] life since we were young. This area, this nursery, it’s not about us, it’s about community and helping our community’. Participation by community members ensures community support, it increases the use of local knowledge and expertise and importantly increases accountability of the enterprise to the community (Morley, 2014).

Local ownership of capacity development of local customary practices is also nurtured through training in seed collection and storage techniques in an effort to maintain and protect culturally and ecologically significant plant species for the local environment. The training cultivates a local interest as staff learn about traditional botanical knowledge from a local elder and the ethno-botanist general manager. In this way, training is embedded in Yolŋu cultural knowledge and facilitates Nuwul staff to be involved in natural resource management. The Nuwul general manager’s reflections speak to this principle of local participation:

_I like to think that people are seeing a larger Yolŋu presence in terms of workers in the community and not just white people coming in doing something; Yolŋu doing things for themselves and actually making the community look better. When Yolŋu are so disenfranchised, it gives them a sense that Yolŋu are taking care of themselves and that is really important._

Emphasis on the use of local capacities

An indicator of how Nuwul applies this principle of using local capacities is the development of strong relationships with other local organisations and businesses. In doing so, Nuwul is able to borrow facilities and equipment, thereby building their capacity to deliver services and build their profit base to invest in the equipment they require. Reciprocity between local organisations allows Nuwul to utilise the resources of larger businesses (e.g., vehicles and large landscaping equipment) when completing multiple contracts at the same time. The locally based Shire Council provides storage for the nursery’s big equipment and vehicles. Such arrangements demonstrate the strong relationships between community stakeholders in the remote locale and indicate support for developing the capacity of the Indigenous social enterprise. There are certainly risks involved in that vehicles or equipment may not be available when Nuwul staff need them to complete a contract, but the somewhat relaxed lifestyle that is prominent in such a remote location lends itself to a fairly lenient attitude, largely foreign in the city context. Another example that implies how Nuwul has developed capacity is through the use of local partnerships it has established with local media outlets for free local advertising for its nursery sales and landscaping services. Two Nhulunbuy radio stations, Gove FM and Yolŋu Radio make announcements about Nuwul’s services and activities free of charge along with the local newspaper, the Arafura Times, providing free promotions for Nuwul.

A sound understanding of local conditions

The nursery is a hub for the incubation of community activities that support civic life in Yirrkala. As an Indigenous social enterprise, Nuwul has the capacity to work between the two cultures of Yolŋu and Balanda (white fella). Nuwul elevates the importance of learning about Balanda and Yolŋu plants and
‘ways of working’ with the environment (see Brueckner, Spencer, Wise, & Marika, 2016). A young male staff member explained the importance of incorporating Yolŋu and Balanda ways of living where ‘work’ and ‘school’ are considered Balanda concepts:

*Us mob in northeast Arnhem Land we keep our culture strong by living the Yolŋu way. We don’t want to end up like others. We want to be strong and we want to live both ways. We want to live our lives like Yolŋu and like Balanda. I like learning the Balanda way."

The role modelling of work practices and community pride are important to Nuwul staff who indicate that working at Nuwul is ‘encouraging our little ones … so they can look up to us and they can think of how can they work for a living instead of just sitting down and doing nothing’. Comments like this refer to the prevailing welfare mentality that local people label ‘sit down money’. Referring to his children, one staff member said ‘they want to be working here’ when discussing role modelling in the community. The general manager also talked about shaping attitudes to ‘sit down money’ saying that he has overheard staff telling other people sitting around in the community ‘you should come to work with us’. One employee told us about how she would sit at home doing nothing before she began working at Nuwul and that she would rely ‘on mum and dad or the family for money’.

As part of the environmental services of the social enterprise, the nursery produces plants with local geno-types and chemo-types suitable for native revegetation and land management for the Indigenous Protected Areas located near Yirrkala and for remediation of local public beaches. Throughout the year, staff are rewarded with team building activities where they will travel together to the Indigenous Protected Areas to undertake revegetation work using the plant stock grown at the nursery.

**A coaching, supportive role for technical assistance**

The strength of the relationships between staff within this social enterprise are indicative of the principle of ‘a coaching and supportive role for technical assistance’. Nuwul provides a culturally safe place for Yolŋu people to become job ready. Yarns with staff reveal a strong rapport between the general manager, staff, and students. For example, one staff member said about the general manager:

*I respect him for what he’s been doing here. He’s been through a lot of hard yakka to get this [social enterprise] where it is today. Being with him and working with him is good. I respect him for that and what he’s been doing [in Yirrkala]."

The Nuwul mission statement written and endorsed by the Board of the Rirratjingu Aboriginal Corporation Board speaks to this particular capacity development principle of support too. It states that the social enterprise is to preserve the land and the culture of local Yolŋu people while at the same time providing them with skills and employment. Nuwul does so by integrating technical and social strengths with environmental and cultural values to deliver economic outcomes. Participants are gaining technical and ‘job ready’ skills that prepare them for taking on work elsewhere or to continue on at Nuwul as a paid employee. Forty per cent of the current Nuwul workforce are on paid wages. These job readiness skills are drawn on to deliver services that are underpinned by environmental and cultural values such as the grounds maintenance of the Yirrkala cemetery and the revegetation of the Indigenous Protected Areas. The Board of the Rirratjingu Aboriginal Corporation states:

*We provide employment for the local Yolŋu population, reinforcing a sense of personal and community pride, which have undergone many challenges over the previous decades. We see ourselves as a skills provider, which will enhance the employment potentials for Yolŋu people, so that they can participate more broadly in the wider community.*

Training and mentoring are imperative to assist Indigenous social enterprises to flourish (Spencer et al., 2016). The increase from one-off landscaping jobs to more long term contracts for Nuwul indicates that staff are developing capacity to deliver services. ‘Good for the brain and good for the head’ is how
one member of staff referred to the new skills she has acquired working at Nuwul. She talked about the mechanical skills she has learned that means she can now maintain the buggy that staff use around Yirrkala for carrying out community maintenance works. She said ‘we know how to like pop the tire, change the tire, we know how to fix lawn mowers and we know how to fix the whipper snipper’. Because the general manager is a qualified ethno-botanist he has been training staff in everything from propagation, spraying with chemicals, weeding, gardening, ensuring they understand the need for protective clothing and safe practices to working with staff on producing locally occurring species suitable for native revegetation.

**An iterative and flexible approach**

Nuwul takes a flexible approach to the culturally appropriate management of the social enterprise staff and services. Staff are funded through alternative means with core staff on paid wages and all other members of staff temporarily funded through the Remote Jobs and Community Programme, Remote Youth Leadership and Development Corps programme, and the Northern Territory Department of Correctional Services through community work orders, all of whom may go on to paid wages when they have completed their programmes. By growing its workforce beyond just those receiving wages, Nuwul secures more service contracts. Each day there is a core cohort that turns up for work but that may not be the same from day to day. This flexibility means there are always enough staff available to carry out contracts and nursery work while allowing people to attend to cultural obligations. Indeed, the Nuwul business plan states that Nuwul needs to:

> [...] recognise the needs of flexibility in employment activities to accommodate traditional work ethics and social obligations, and this provides the opportunity for job sharing as well as part-time and casual employment (Nuwul Environmental Services, 2010: 2).

With a large workforce, Nuwul can for example call on people to come to work to complete specific tasks when others are called away for ‘sorry business’ (cultural practices and protocols for death, grief, or loss). This principle represents an innovative and culturally appropriate approach to capacity development of an Indigenous social enterprise that creates a balance between traditional and Western cultures in its approach. The general manager explains:

> [...] people attend to things of cultural importance [...] requiring a larger, more flexible labour core, because you don’t know when someone might pass away or there will be something that will call away some or most of your workforce. At other times you will be over employed and that actually means you can knock over your contracts that much faster [...] and then we have the capacity to do more community oriented things.

Staff are not reprimanded for not showing up to work, although they are paid wages only for the hours that they work. The intention is to encourage people to come to work on a regular basis when they are available and that over time coming to work becomes normalised for folk who may have been on welfare benefits for a long time. The general manager explained that it takes time to introduce new staff to the workplace in terms of the expectations on them, work processes, and responsibilities.

Adopting an iterative approach, Nuwul responds to and supports the capacity development aspirations of staff. Some staff have expressed a desire to learn about small machinery maintenance and in response certified training was introduced. The iterative approach is also about drawing on local culture and social needs in the community. At times when there is increased anti-social activity such as petrol sniffing in the community, Nuwul staff discuss the issue and how their work can respond positively. For example, they can address their procedures around the use and storage of petrol tools and vehicles. They clear long grass areas in the community that are easily used by youth as dens for petrol sniffing and while staff work in small teams in the community they keep an eye on anti-social behaviour of youth.
A systemic, long-term perspective

This principle underpins the notion of capacity development as a process and relates back to the first principle of ownership and participation, which are essential for a long-term perspective and sustainability of the social enterprise. Nuwul has focused on growing its contractual services rather than one-off services, to grow its business and thus be able to employ more staff. Currently, Nuwul employs 14 staff on paid wages. Diversifying revenue streams is another way that Nuwul applies a ‘systemic, long-term perspective’ to its social enterprise activities. Nuwul obtains a mix of private commercial landscaping and garden maintenance contracts, but also through the training of its staff Nuwul can take on more contractual work throughout the two communities of Yirrkala and Nhulunbuy.

The client profile for the landscaping and environmental contract services includes several state-based government agencies, four not-for-profit corporations, four homelands communities (remote areas where small populations of Indigenous people live, on lands that they have traditional ownership), and a small number of private sector businesses. This diversity in the client base recognises that the Yolŋu social enterprise is well-placed to deliver environmental services. Nuwul has cultivated successful relations with government departments such as the Northern Territory Department of Education, the Northern Territory Department of Correctional Services, East Arnhem Land Shire Council, Dhimurru Land Management Aboriginal Corporation. New partnerships are being developed with the Northern Territory Department of Housing and the Australian Quarantine and Inspection Services Department. This partnership strategy is underpinned by the principle of a long-term perspective.

DISCUSSION

This paper offers a concrete ethnographic case of an Indigenous social enterprise from which to gain insights into the operationalisation of capacity development. Within the literature there are calls for Indigenous social enterprises to be recognised and supported because labour markets are weak in remote regions of Australia and because Indigenous social enterprises reflect Indigenous Australians’ right to determine and develop their own goals and approaches for exercising their right to development (Kerins & Jordan, 2010). We believe the literature on capacity development can reveal how such community-based organisations can be supported to thrive. The aim of this paper is twofold: first, to provide an understanding of the concept of capacity development through the literature; and second, to identify principles of capacity development within an Indigenous social enterprise.

Capacity development as a concept is multifaceted because it stems from a range of approaches including: organisational, institutional, systems, and participatory development approaches (Lusthaus, Adrien, & Perstinger, 1999). The use of Lavergne and Saxby’s (2001) capacity development principles to analyse Nuwul as an Indigenous social enterprise involves elements from each of these four development approaches. Focusing on capacity development within Indigenous social enterprise is pertinent because it moves beyond economic growth to view development as fulfilling the needs of its beneficiaries in ways that are self-determining. The exceptionally limited self-determination of Australian Indigenous people is evidenced by their welfare dependency, poor development indicators compared with non-Indigenous Australians, their struggles for resource rights, and their fractured social fabric (Smith and Hunt 2008). Australian governments have failed to support efforts for Indigenous self-determination and have instead actively undermined it (Makuwira, 2007). Smith and Hunt (2008) argue that resilient Indigenous governance structures and strong networks of support are key to Indigenous self-determination, and indeed, capacity development efforts in Indigenous communities through social enterprises such as Nuwul facilitate a process towards self-determination.
This sits well with the notion of social enterprise, it being the nexus of community and socioeconomic well-being. Nuwul represents an example of Indigenous social enterprise in Australia that creates economic opportunities for its community to specifically fund social objectives (Anderson, Dana, & Dana, 2006). Indeed, effective community-based organisations are well placed to address the aspirations and needs of Indigenous people for what can be defined as self-determination (Altman & Klein, 2017).

Nuwul provides a range of activities, services, and training for and by local Yolŋu people in Yirrkala. This case reveals capacity development activities occurring outside the economic mainstream in a remote part of Australia. It demonstrates how an Indigenous social enterprise offers a culturally safe and appropriate pathway for Indigenous agency and self-determination that provides avenues for economic and cultural participation. Research into Indigenous entrepreneurship indicates there are real benefits not just to the individuals participating in the enterprise but to the region, and even to the nation, particularly in the realm of natural and cultural resource management (Altman & Klein, 2017). Throughout the literature it is agreed that forms of Indigenous entrepreneurship can be described as empowering Indigenous people to work in their communities and, importantly, facilitate economic and social development of the community (Dana and Light, 2011; Ratten and Dana, 2015; Spencer et al., 2016). Moreover, being community-based assists Indigenous people to sustain their cultural and social capital and connection to ancestral lands (Ratten and Dana, 2015).

What is compelling about Indigenous social enterprise is that social outcomes are prioritised alongside the economic ones (Anderson, Dana, & Dana, 2006). At the heart of Indigenous social enterprise is the intention to develop community-based economic activity with a social imperative that often involves Indigenous people addressing their own community development needs (Giovannini, 2012). This juxtaposes with mainstream enterprises, which typically seek to minimise costs and maximise profits. Indigenous social enterprises like Nuwul view expenses like salaries as a social outcome because of their socioeconomic impact.

The literature also highlights that capacity development involves access to resources, both tangible and intangible, and how those resources are harnessed. The tangible resources that are discussed in this paper include the human resources and the physical assets such as vehicles, equipment, storage, plants, and nursery infrastructure. What is also evident in this case is the intangible capacity elements, but which are of equal significance to Nuwul. These include skills, experience, values, social capital, local partnerships, cultural knowledge, and motivations. These are soft forms of capacity and are central to how well Nuwul harnesses the tangible resources at its disposal. In doing so, Nuwul demonstrates resourcefulness in building its enterprise through the principles of capacity development.

The findings reveal the sense of purpose and key values that guide the daily operations of Nuwul. The process taken by Nuwul to develop its capacity provides a rich environment for Yolŋu folk to develop their aspirations for themselves, their families and their community. But there are weaknesses in the social enterprise model of Nuwul. While there is a lot to be said for the development of partnerships within the community, the heavy reliance on their good will to give storage facilities, loan machinery and vehicles, and so on relies on the strength of the social capital to endure while Nuwul develops enough business and capacity to grow and become a more independent operator. Nuwul needs to balance the need for short-term results in satisfying socioeconomic needs with the need for long-term systemic capacity. The capacity development approach implies the need for Indigenous social enterprise to adopt a long-term view that meets local development aspirations in a sustainable and culturally appropriate way.

The principles of capacity development are interdependent. For example, the principles of ‘a flexible approach’, ‘a systemic and long term perspective’, and ‘local participation, ownership and control’ are symbiotic, embedding the capacity development in cultural contexts. The case of Nuwul highlights a nuanced perspective about the quotidian capacity development processes that lead to the success of social enterprise in a remote Indigenous cultural context. The capacity to integrate social and cultural
values with social capital are key features that are critical to Indigenous social enterprise success (Pearson and Helms, 2013) and is illuminated in the case described here. Embedding cultural principles into the operations has increased the capacity of the social enterprise particularly with regards to the flexibility that allows for the workforce to meet its cultural and economic obligations. Embedding community in the enterprise through partnerships has also facilitated the capacity development of the organisation, regarded by Morley (2014) as core to the success of Indigenous social enterprise. Through capacity development Nuwul can address multiple dimensions of the community’s aspirations including social, cultural, economic, and environmental.

What can be gleaned from this analysis of capacity development within an Indigenous social enterprise? Given the history of marginalisation of Aboriginal Australians and failed attempts at economic mainstreaming, the principles of capacity development suggest a way forward for community-based efforts of Indigenous social enterprise in remote areas. We see that capacity development in this paper enables an Indigenous social enterprise to privilege environmental stewardship and cultural maintenance with economic participation. The consequence is a hybrid economy, from which extensive economic, social, environmental and cultural benefits are derived (Altman 2016; Brueckner et al., 2016). This paper reconciles the literature on capacity development with social enterprise to better understand the processes that are brought to bear on Indigenous social enterprise and to offer insights for social enterprise management and policy. While this paper has employed capacity development as a lens for understanding the processes involved in strengthening an Indigenous social enterprise, it also sheds light on the role of Indigenous social enterprise for capacity development of the community within which it is located to help address the poverty and inequality that persist.

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