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Introduction to special issue on indigenous entrepreneurs

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Abstract

Purpose – The purpose of this paper is to introduce the content of a special issue of Journal of Enterprising Communities focusing on indigenous entrepreneurs.

Design/methodology/approach – The paper provides a brief description of the six contributions to the special issue.

Findings – The papers are found to range over New Zealand, Australia, Hawaii, Sweden, Samoa and Ghana.

Originality/value – The papers comprising this special issue are of value in increasing understanding of how uniquely indigenous political, economic and social systems can explain cultural, social and political factors that both inhibit and enhance indigenous economic prosperity.

The term “indigenous people” has no universal definition. But most definitions encompass cultural groups that have an historical continuity with a region before its colonisation and who have lived largely independent or isolated from the influence of the larger nation-state. These are people who have maintained (at least in part) their distinct linguistic, cultural and social/organisational characteristics. While it is true that many indigenous groups rely upon subsistence-based production and live a predominantly non-urbanised society, in today's world they may equally well rely on subsistence businesses in urban locations.

Indigenous societies are found in every inhabited climate zone and continent and are embracing entrepreneurship along with the rest of the world. In all nations with significant indigenous minorities, the economic and social deprivation of indigenous peoples has long been of deep policy concern. Stimulating a new sense of self-determination through indigenous entrepreneurship has been a positive step for some groups. There is a growing social awareness that policies directed to re-igniting and/or developing new indigenous entrepreneurial activity has the potential to dramatically improve the economic and social positioning of its participants. Best-practice lessons show that the poor (both indigenous and non-indigenous) can achieve improved standards of living through entrepreneurial activity (Commission on the Private Sector Development, 2004; Annan, 2003).

Research in indigenous entrepreneurship is undeveloped. Perhaps, the most researched are the indigenous people of North America, particularly Native American Indians and Canadian Inuit, but there many interesting studies of indigenous entrepreneurs around the world. (Foley, 2003; Nnadozie, 2002; Jenkins, 1992; Chiste, 1996; Humphreys and McClung, 1982; Anderson, 2002; Dana, 1995, 2007).

In this issue, we have six contributions from far-flung parts of the planet:
1. Tapsell and Woods explore the intriguing issue of how indigenous entrepreneurs can be taught to become more enterprising. From the Māori perspective they examine how “enterprise pedagogy can be understood within the context of the indigenous inhabitants of Polynesia.” Opportunity-seeking is a known personality characteristic of Māori New Zealanders. The Global Entrepreneurship Monitor Aotearoa New Zealand (Frederick, 2006) showed that Māori are every bit as entrepreneurial as their European fellow countrymen and indeed very high globally in terms of total entrepreneurial activity. Tapsell and Woods draw on cultural analysis of “kin accountability” to explore the pedagogical challenges faced when working with a new generation of aspiring entrepreneurially-minded Māori.

2. Foley takes a cross-national comparative look at indigenous entrepreneurs in Australia, Hawaii and New Zealand and examines the impact that “social capital” has had on the business networking skills of indigenous entrepreneurs. In each case he asks the provocative question whether settler society determine indigenous social capital.

3. Uden takes us to the Far North to examine woman in the Swedish Sámi villages. Hers is a case study that follows indigenous female entrepreneurs seeking to stimulate the economic growth of the village; to create better conditions for women village members; to advance the business capacity among the women, especially within reindeer herding; and to achieve greater influence for women in grazing land management and other communal matters.

4. Morrison takes us once again back to the Pacific to look at indigenous entrepreneurship in Samoa. His study reveals how Samoan indigenous knowledge inspires and facilitates wise innovation for sustainable exploitation for the well-being of extended families and village communities as a whole.

5. Dzisí explores the personal profile and entrepreneurial activities of indigenous Ghanaian women. She finds that they exhibit many similarities personality traits that are similar to their counterparts in other countries. Through their entrepreneurial activities, women have made substantial contributions to the economic growth of Ghana in terms of innovation, job creation, and reduction in poverty and unemployment.

6. Cardow and Wiltshier take us to a little-known island group in the Pacific, the Chatham Islands, the first place to see the sun rise each day. Their article raises some intriguing questions about who actually are the indigenous inhabitants of the Chathams. The Urvolk called the Moriori were invaded by the New Zealand Māori and virtually exterminated. Recently three peoples—Māori, remnants of the Moriori, and European Pākehā—all claim to be indigenous inhabitants of this micro-economy.

As I examined these and many other submitted studies, I came more and more to believe that social marginality theory could fruitfully explain indigenous entrepreneurship. Following Weber (1904), early attempts were made to identify categories – such as religion, race, ethnicity or social status – that could explain entrepreneurial activity. Marginality theories such as Erickson (1975) and Merton (1975) suggested that many self-employed come from socially or economically marginalised populations. Scase and Goffee (1980) put forward the thesis that:

[...] entrepreneurs may be more likely to emerge from those groups in society which are deprived or marginal, i.e. groups which are discriminated against, persecuted, looked down upon or exceptionally exploited.
Stanworth and Curran (1976) suggested that the perceived incongruity between an individual’s (self-perceived) prodigious personal attributes and the position he or she holds in society might propel them to be entrepreneurial. Hagen (1962) proposed that where a group is discriminated against, then a psychological disequilibrium would occur that might drive a person into enterprising behaviour to compensate for these lacks. The basic proposition was that marginalised or disadvantaged persons might be more likely to start a new venture that other people.

In this vein, Holmes and Zimmer (1994, p. 103) argued that in the business world, the “response to social marginality” is potentially important for a number of reasons:

First, it can provide a rationalisation for observing small business proprietors being willing to work excessively long hours, often to the almost destruction of any “social life”, for low rates of reward. Second, it has the potential to explain why such people seem to opt for zero or little growth in the business.

In the 1980s, research applied social marginality theory to entrepreneurs as diverse as the Ibos in Nigeria, Antioqueños in Colombia, Bataks in Indonesia, Ilocanos in the Philippines, refugee groups such as the Cubans and Indochinese in the USA, the East Germans in West Germany, and displaced French colonists from Algeria, Tunisia and Morocco, who have founded thousands of businesses in France (see review in Shapero and Sokol, 1982).

To be sure, empirical evidence to support social marginality theory has been mixed, although Chell (1985) did note that the theory might be applicable to those entrepreneurs with particular backgrounds. Storey’s (1994) survey found mixed conclusions: While members of Asian minorities had a higher propensity to grow successful businesses, members of West Indian and Caribbean minorities (especially women) had a less than average propensity for new business start-up.

Some of this research has been criticised for its assumptions of generalised value systems, but a newer body of literature “views marginality as a socially constructed concept [and] see[s] marginality and marginal regions as sites of resistance, offering new vantage points for social critique” (Cullen and Pretes, 2000). Research on social marginality and entrepreneurship is now better guided by a greater sensitivity to the historically situated and contingent nature of entrepreneurial action. Recent foci on marginality and entrepreneurship include: Native Americans (Steinman, 2005), immigrants to Sweden (Hjerm, 2004), African-Americans during the great depression (Boyd, 2000), women in Zimbabwe (Chitsike, 2000), women in Togo and Benin (Ott and Hauville, 2004), smugglers in Cameroon (Niger-Thomas, 2001), migrants in the informal economy (Light, 2004), and Dutch immigrants (Kloosterman et al., 1999).

Other relevant literature which needs to be mentioned includes the American-Chinese sub-economy (Waldinger, 1986a, b), Indian immigrants in Britain (Stanger, 1992), Cuban ethnic community in Miami (Wilson and Portes, 1980) Korean immigrant enclaves in Los Angeles (Bonacich et al., 1977; Light and Rosenstein, 1995; Light, 1984; Min, 1996), Japanese immigrants to the USA (Bonacich and Modell, 1980) Mexican and Latino-American entrepreneurs (Light and Rosenstein, 1995; Min, 1996; Park, 1997; Spencer and Bean, 1999; Stanger, 1992; Waldinger, 1985, 1996, 1997; Yoon, 1997) and African-American business participation literature (Waldinger, 1996, 1997).
What all these studies show is that the stock of entrepreneurial talent may not be fully utilised, perhaps at some cost to overall economic growth. Through this special issue of the *Journal of Enterprising Communities* we hope to contribute to a “closing the gap” strategy since entrepreneurs are significant contributors to the economy.

The European Commission (2003) lists barriers that disadvantaged people (and by extension, entrepreneurs) might face when considering self-employment. These include:

- **Social and individual disadvantages.** It is hard to be an enterprising human being when one lacks basic food, shelter or clothing. Financial problems and related stress, not to mention a difficult family environment or onerous family responsibilities, weigh heavily on the individual's decision to start a business. Literacy problems and low level of formal education lead to a lack of skills and qualifications needed for self-employment. Finally, there are psycho-social problems, such as drug or alcohol abuse as well as disaffection from society, which may inhibit the drive to self-employment.

- **Geographic disadvantages.** Indigenous people and non-dominant minorities often face isolation in rural areas or the disadvantage of residing in urban neighbourhoods with high inter-generational unemployment.

- **Cultural disadvantages.** Indigenous people usually experience language problems and cultural differences when they decide to launch a business. They may even experience racism on the basis of race or ethnicity.

- **Economic disadvantages.** Indigenous communities suffer higher unemployment levels, have less access to childcare provision, and may face disincentives to work arising from the welfare/tax system (poverty trap).

- **Political and structural disadvantages.** This refers to the lack of state provision for social indigenous services and infrastructure, inadequate policies that may restrict eligibility to training programs, and lack of cohesive local approaches to enabling the transition to employment. Indigenous may also suffer from a lack of social capital networks and information relating to training and employment opportunities.

Within this framework, indigenous entrepreneurs from all over the world have historically been and remain today disadvantaged or marginalised ethnic minority groups. Investigations have reported that there are significant disparities between indigenous and non-indigenous entrepreneurs in regard to social and human development indicators, especially in the fields of health, housing, income, education and social services. There is concern regarding the surprising differential in life expectancy; the lower health levels; the situation of children in poverty; the problems facing sole parent households; family disorganisation; domestic violence against women and girls; increasing use of drugs and alcohol by youngsters; and high-suicide rates.

Disadvantaged entrepreneurs come in a rainbow of ethnicities and cultures and have vastly different backgrounds and histories. They suffer from disadvantages that range from individual hardships such as lack of basic sustenance and finance to a lack of business skills exacerbated by low literacy and educational levels. Although, they often reside in cities, they suffer geographic isolation of residing in neighbourhoods with high unemployment and lack of essential contact networks with the larger community. Indigenous peoples face cultural challenges that hinder self-employment and business success. Political and
structural disadvantages have led to inadequate policies and a lack of cohesive approaches to capital networks and to training and employment opportunities.

If it is true, as the literature suggests, that disadvantaged people might actually become entrepreneurs more frequently that other people due to necessity, we must conclude that the evidence from the studies in this special issue is mixed, and we must concur with Storey (1994). For Māori, their position of disadvantage coupled with a history and cultural attitudes supporting enterprise portends a favourable future for their entrepreneurial endeavours. For Ghanaian and Sami women and for native Hawaiians, the results equally are positive. For Samoans, there is no position of disadvantage vis a vis the dominant population. But for indigenous Australians, their disadvantage, compounded by a continued legacy of inequity and other internal factors, does not encourage an enterprising culture and there are still many hurdles to overcome.

The field of indigenous entrepreneurship research continues to develop as native peoples all over the world (re-)discover that entrepreneurs, as Annan (2003) has said, “have the power to create the greatest change for their own countries”. We believe that the study of indigenous entrepreneurship must necessarily begin by examining the cultural imperatives of economic and business development. Only uniquely indigenous political, economic and social systems can explain cultural, social and political factors that both inhibit and enhance indigenous economic prosperity.

References


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