

Indigenous Populations as Disadvantaged Entrepreneurs in Australia and New Zealand

**Howard H. Frederick, New Zealand Centre for Innovation & Entrepreneurship,
Post Office Box 92025, Mt Albert, Auckland, New Zealand hfrederick@unitec.ac.nz**

**Dennis Foley, Lecturer, Entrepreneurship, Australian Graduate School of
Entrepreneurship, Melbourne, Australia**

Abstract

Indigenous entrepreneurs

The term “Indigenous peoples” 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. Characteristics common across many Indigenous groups include reliance upon subsistence-based production and a predominantly non-urbanised society.

Indigenous societies are found in every inhabited climate zone and continent and are embracing entrepreneurship along with the rest of the world. Everywhere they suffer from chronic poverty, lower education levels, and poor health. The “First Wave” of direct economic assistance produced only mixed results since these programs often only tried to heal the symptoms and disregarded the cause of Indigenous social and economic dysfunction. What some now refer to as the “Second Wave” of assistance is a activist process where the efforts of Indigenous people themselves are concentrated to improve their social and economic position through entrepreneurial enterprise (Peredo, Anderson, Galbraith, Honig, & Dana, 2004).

In all nations with significant Indigenous minorities, the economic and social deprivation of Indigenous peoples has long been of deep policy concern. Colonisation and postcolonial practices deprived Indigenous people of their land, their culture and their human rights. The loss of self-determination denied Indigenous peoples the right over their own responsibility to manage their own affairs. Around the globe this has proved to have been socially and economically destructive. Stimulating a new sense of self-determination through Indigenous entrepreneurship has been a positive step for some groups.

Around the world 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 enterprise (Commission on Private Sector Development, 2004; Annan, 2004).

While there is substantial literature, particularly in North America regarding “minority entrepreneurship” (e.g. African-Americans and Hispanics), the field of Indigenous entrepreneurship is very underdeveloped. 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. (See, for example, Sullivan & Margaritis, 2000; Foley, 2003; Nnadozie, 2002; Jenkins, 1992; Chiste, 1996; Humphreys & McClung, 1982; Anderson 2002; Dana 1995; Dana, 2006 forthcoming). In this article we focus on the original inhabitants of Australia and New Zealand and look at their entrepreneurial endeavours.

Entrepreneurship and disadvantaged groups

What do we mean by disadvantaged entrepreneurs? There have been some interesting debates, and there are a number of ways to take that word. Scase and Goffee (1980) suggest 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”. Some research looks at entrepreneurs in the context of being “deviant” or “marginalised” characters. Shapero (1975) addressed the issue of the entrepreneur as being a displaced person. This corresponds with what is called the social marginality theory put forward by Stanworth and Curran (1976), who suggest that the perceived incongruity between an individual’s prodigious personal attributes and the position he or she holds in society might propel them to be entrepreneurial. Hagen (1962) suggests that where the behaviour of a group is not accepted or where a group is discriminated against, then a psychological disequilibrium would occur. This might drive a person into enterprising behaviour to compensate for these lacks. It is an interesting proposition to think that disadvantaged persons might be more likely to start a new venture than other people.

In this article, we focus on entrepreneurship under conditions of disadvantage. In the developed world, this usually means such groups as women, youth, Indigenous people and immigrants, for example, African-Americans in New Orleans, female Indian immigrants in London, overseas Chinese living in Singapore. But it could also mean gay entrepreneurs in San Francisco, Palestinian entrepreneurs in the Gulf, or even enterprising religious minorities such as Sikhs in Australia. In this case we are focussing on Māori entrepreneurs in New Zealand and Aboriginal entrepreneurs in Australia.

What unites these diverse groups? The European Commission (2003) lists barriers that disadvantaged people might face when Indigenous people consider 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 rural isolation 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

Māori face many disadvantages. Stavenhagen (2005) says that there are significant disparities between Māori and European New Zealanders 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 of ten years in life expectancy between Māori and European New Zealanders; the lower health levels of Māori; the situation of Māori children in poverty; the problems facing sole parent households; family disorganisation; domestic violence against Māori women and girls; increasing use of drugs and alcohol by youngsters; and high suicide rates.

As for the extent of Indigenous disadvantage within Australia, one respected report stated that they are the most disadvantaged group in Australian society; be it socially, economically or culturally (Commonwealth of Australia, 1992). For more than two decades, Aboriginal disadvantage in its social, economic, physical and meta-physical cost has been discussed in discourse by numerous reports (Aboriginal & Torres Strait Islander Social Justice Commissioner 2004; Bennett 1999; Beresford and Omaji 1996; Moreton-Robinson 2000; Neill 2002; AMA, 2005).

In other words, by these measures both Māori and Aboriginal entrepreneurs face considerable disadvantages and hurdles that they must overcome in order to act entrepreneurially.

Methodology

This article focuses on the challenges that face disadvantaged, Indigenous entrepreneurs in Australia and New Zealand. To our knowledge, this is the first article to compare and contrast them. The article takes an eclectic methodological approach to piece together

extant literature and to discover new empirical knowledge about Indigenous entrepreneurs in these two countries. For Aboriginal Australians, we selected fifty urban Indigenous entrepreneurs for qualitative semi-structured interviews (Foley, 2006). For Māori, we use the GEM 2005 national New Zealand survey of 1962 randomly selected adults stratified by regions (of whom 958 self-identified as Māori) and compared them with 106,495 randomly selected adults in 35 other countries (Frederick, 2006). We also carried out 41 in-depth interviews with Māori entrepreneurs and Māori experts in entrepreneurship (mentors, advisors, etc). One of the limitations of this approach is that we must make conclusions across two differing data sets collected by different analysts (the two authors). However, with these data we can highlight the cross-cultural characteristics, disadvantages and advantages of Indigenous entrepreneurship among the Māori of New Zealand and the Aboriginal peoples of Australia.

Entrepreneurship amongst Māori new zealanders

Polynesian settlers arrived in Aotearoa (in te reo, or Māori language, “Land of the Long White Cloud”) about the 10th century. Aotearoa was visited briefly by the Dutch navigator Abel Tasman in 1642. However, it was not until 1769 that the British naval captain James Cook and his crew became the first Europeans to explore New Zealand’s coastline thoroughly. The word Māori meant “usual or ordinary” as opposed to the “different” European settlers. Before the arrival of Europeans, Māori, or Indigenous Polynesian inhabitants of New Zealand, had no name for themselves as a nation, only a number of tribal names. The original meaning of European New Zealanders, the settlers, was a person from England. With time, European New Zealanders became the word to describe fair-skinned people born in New Zealand. We use the word European New Zealanders here in the sense of the New Zealand census as a European New Zealander. Māori actually have a history of enterprise upon which to draw. The Māori Wars of the 1860s were fuelled not only by the settler’s hunger for land but also because Māori had become such successful entrepreneurs that they controlled a large share of the commerce throughout the country. Sutch (1964) describe how Māori were involved with export of produce to Australia and various other countries. To some degree Māori entrepreneurial abilities were the subject of envy by European New Zealanders. Firth confirms that Māori had an entrepreneurial streak at colonisation. Theirs is a culture of innovation. They return cunning with respect as this may increase one’s *mana* (spirit or respect). Māori dignify labour and reprove idleness. As Firth (1929: 183) said, “The deep interest taken in work, the commendation of it in proverb and in song, as well as by public opinion, the close attention paid to quality, the administration of skill, the wide fame accorded to acknowledged experts and the preservation of their names in tribal memory--all this comprises a definite social attitude in favour of industry”. Māori were also fervent adopters of technology (Dell 1987, Sinclair 1959, Walker 1986). Best known is the Māori use of the muskets to the great cost of the settler forces. Less well known is the history of Māori adaptation of European agriculture and shipping methods as well as their rapid adoption of books and use of publishing.

According to our survey data, Aotearoa (Māori New Zealanders) exhibits very high rates of Total Early-Stage Entrepreneurial Activity (TEEA). Table 1-A shows that Aotearoa at 17.7% and New Zealand at 17.6% were surpassed globally only by two other countries (Thailand and Venezuela). Aotearoa and New Zealand both significantly exceed the United States and the United Kingdom. Knowing the entrepreneurship rates and the adult

population size, we can calculate the numbers of entrepreneurs. There are approximately 444,000 entrepreneurs in New Zealand of which 56,000 are Māori (Table 1-B.)

Table 1 Total Early-Stage Entrepreneurial Activity prevalence rates, Top-Ten countries, 2005

Country	A. Entrepreneurial Activity			B. Numbers of Entrepreneurs			C. Proportions			D. N
	TEE A Overall (%)	TEE A Opportunity (%)	TEE A Necessity (%)	Total (m)	Total opportunity (m)	Total necessity (m)	Opportunity amongst all (%)	Necessity amongst all (%)	O/N Ratio	
Venezuela	25.0%	15.6%	9.4%	3.75	2.34	1.42	62%	38%	1.65	1,856
Thailand	20.7%	13.9%	5.0%	8.68	5.82	2.09	67%	24%	2.79	2,000
Aotearoa	17.7%	14.8%	2.6%	0.056	0.046	0.008	83%	15%	5.74	958
New Zealand	17.6%	16.2%	1.3%	0.444	0.409	0.032	92%	7%	12.73	1,004
Jamaica	17.0%	10.0%	6.0%	0.39	0.23	0.14	59%	35%	1.66	2,031
China	13.7%	7.3%	6.2%	109.12	58.06	49.47	53%	45%	1.17	2,109
United States	12.4%	10.4%	1.5%	23.07	19.38	2.69	84%	12%	7.20	1,530
Brazil	11.3%	6.0%	5.3%	13.12	6.94	6.18	53%	47%	1.12	2,000
Chile	11.1%	8.2%	2.9%	1.09	0.80	0.28	73%	26%	2.82	1,733
Australia	10.9%	9.3%	1.3%	1.38	1.17	0.16	85%	12%	7.13	2,002
World Average/Total	9.1%	6.7%	2.0%	185.94	113.30	67.71	75.5%	20.2%	6.11	

Source: *Global Entrepreneurship Monitor 2005*

These data allow us as well to differentiate according to the reasons that motivate entrepreneurial behaviour. People start businesses either because they want to exploit a perceived business opportunity (*opportunity entrepreneurs*) or because they are pushed into entrepreneurship because all other options for work are either absent or unsatisfactory (*necessity entrepreneurs*).

Table 1-A shows that there is a variation across countries in their opportunity- and necessity-entrepreneurship rates. Aotearoa and New Zealand distinguish themselves in terms of the proportion of opportunity entrepreneurs amongst all entrepreneurs. About 83% of Māori entrepreneurs are opportunity entrepreneurs, a value comparable to Canada

and the United States. This is surpassed by the general population of New Zealand's entrepreneurs, of whom 92% are opportunity entrepreneurs, the highest rate in the world. Māori have twice the rate of necessity entrepreneurship than New Zealand (general population). About 15% of Māori entrepreneurs are necessity entrepreneurs, a rate which puts it in the same rank as Singapore, Austria, and Italy. It is inaccurate to say that most Māori are necessity entrepreneurs.

Amongst identified opportunity entrepreneurs, we asked whether the most important motive for pursuing this business opportunity was (1) To have greater independence and freedom in your working life; (2) To increase your personal income and wealth; or (3) Just to maintain your personal income. The logic behind this question is that entrepreneurs in some countries may be driven more by *wealth creation* while in others entrepreneurs may choose this career path to maintain an *independent life-style*. In both the Aotearoa and the New Zealand samples, there are twice as many independence-driven opportunity entrepreneurs as there are wealth-driven entrepreneurs. This value has important implications for the "lifestyle versus wealth creation" debate. This may confirm the notion that New Zealand is a country of lifestyle entrepreneurs, and that Māori are no different from the rest of the population (McGinn, 2005). New Zealanders, whether Māori or European, do not see wealth as the primary reason to enter the entrepreneurial world.

Our interviews reveal that Māori are bringing together capital with human and physical resources in businesses focused on land, coastline, fisheries, tourism and mineral deposits. Also, tribal non-profit organisations that deliver social services to Māori are benefiting from the growing level of management, business and entrepreneurship expertise in Māori communities. Māori are also increasingly aware that they must move from commodity-based production to value-adding and a greater orientation towards generating profits and building business capacity.

A source of strength within Māoridom relates to Māori culture and society itself, especially its extraordinary renaissance over the last thirty years. The development of a separate Māori education system, the burgeoning interest in Māori language and culture and a revision of Māori history from a Māori perspective are the most notable example of this resurgence in identity, pride and culture. These strengths are complemented by government policies and programs that support Māori education and development and foster alliances between Māori, government, educators and business.

The prevailing sense of pride in things Māori, the celebration of the *haka* (war dance), the Māori version of the national anthem at sporting events, and the growing use of Māori terms and place-names are important acknowledgements of Māori culture for Māori people. These strengths are enhanced by tribal entrepreneurial success stories such as Ngai Tahu Corporation, Kaikoura Whale Watch, Whakatu Incorporation, Mangatu Incorporation, Paraninihi Ki Waitotara Trust, Federation of Māori Authorities, Tohu Wines and Mai FM, the most popular radio station in Auckland. Other entrepreneurial successes not linked to tribal entities include Tamaki Tours (tourism), Wai Ata Productions (film and video production), Taylor Made (animation and graphics), Kaitaia Fire (condiments), Mana Media, the Green Juice Company (kiwi fruit products) and River Mill Bread (wheat products). Taken as a group, the initiatives are an example of the potential of Māori, tribal and urban, to foster entrepreneurship and develop and grow robust businesses.

In the end, Māori entrepreneurs face a number of dilemmas. Many do not speak their language well, which opens up a rift with their elders. Tribal elders (*kaumātua* and *kuia*) may exercise power on the *marae* (in a traditional setting), but they generally feel powerless in today's world of technology and change. Equally, outside of traditional contexts, members of the younger generation may have little respect for their elders because they perceive them to be ill-equipped to lead in the modern world. There is a tension between traditional models of leadership, in which status is derived from age and descent, and the models of leadership that apply to the business world, based on the concept of merit. Young Māori resent the wasted and lost opportunities that arise from a mismatch between leadership capability and the nature of the opportunity. Māori entrepreneurs fight battles on several fronts. They have all the usual problems in getting their business off the ground. They may have to wrestle with the wider family group (*hapu*) to be culturally accepted. Finally, Māori entrepreneurs have a hard time being accepted as successful in the business world dominated by European New Zealanders.

Indigenous entrepreneurs in Australia

The Indigenous inhabitants of Australia consist of two distinct groups. The first comprises what is commonly referred to as the mainland Aboriginal people. Mainland Aboriginal Australians comprise 89.4% of the estimated 410,000 Indigenous population (ABS- Australian Bureau of Statistics, 2001). The second group are the Torres Strait Island people who are from an archipelago of some 274 islands; only 17 inhabited which are located between the northern tip of Cape York Peninsula and the southern tip of Papua New Guinea, a distance of only 150 kilometres. The Torres Strait Island people have a Melanesian heritage. The 2001 Census identified only 6.4% of the Australian Indigenous population as being of Torres Strait Islander origin (ABS, 2001). The ethnic composition of mainland Aboriginal Australians is complex; Australian Aboriginal people are not all the same. Whilst there are similarities, there are however many cultural differences. When these are combined with over 400 different language groups, the result is a diverse nation of many individual Aboriginal clans.

Aboriginal people live in all states and mainland territories of Australia, with the highest population concentrations are in the states of Queensland and New South Wales. One of the most widespread misunderstandings (fuelled by stereotyping and the tourism industry) is that they predominantly reside in the "outback". This is incorrect as the majority of Indigenous Australians (72.6%) reside in metropolitan areas (Australian Bureau of Statistics 1999; Hunter 2004). Indigenous Australians are in the main an urban people who suffer high welfare-dependency, few marketable skills, less work experience and a much lower, almost non-existent, economic base (see ATSI 1998; Fisk 1985; Hunter 1999). They are "the most socially, economically and culturally disadvantaged group in Australian society" (Commonwealth of Australia, 1992).

To say that Indigenous people are "disadvantaged" is a truism. Indigenous people are caught in a spiral of discrimination that is scarcely conducive to authentic entrepreneurial activity. They experience discrimination and prejudice in the workplace. They have extremely high levels of unemployment (Fisk 1985; Spicer 1997) and in general lack marketable skills and have an almost non-existent capital base. In addition many suffer cultural deprivation with social hopelessness, fuelled by an indifferent welfare system. To build an enterprising spirit amongst such a discriminated group is a formidable task.

There has been little research on Indigenous entrepreneurship in Australia (Hindle and Rushworth, 2002) however a seminal study in this area is Foley's "Successful Indigenous Australian Entrepreneurs" (2000). This preliminary study provides a definition of successful Indigenous Australian entrepreneurs which is:

The Indigenous Australian entrepreneur alters traditional patterns of behaviour, by utilising their resources in the pursuit of self-determination and economic sustainability via their entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of their initial economic resources (Foley, 2000).

This work indicates that the Indigenous Australian entrepreneur is motivated more by a need to correct negative social perceptions and racial discrimination than by a need for wealth creation. The study identified that the major motivator for being entrepreneurial was to provide for the entrepreneur's children and to give them a better life than what the entrepreneur had experienced. Not necessarily a necessity entrepreneur as many left stable/semi-stable employment to maximise an opportunity. This and subsequent work by this author indicate a pursuit by the Australian Indigenous entrepreneurs to achieve social control. This is an act of self-determination by the Indigenous entrepreneur for both themselves and their children (Foley, 2006).

Indigenous Australians have suffered post-colonial policies of segregation, assimilation and the forced removal of children in systematic government controlled programs that have uprooted and dispersed mainland Aboriginal people. A driving factor of their business activities is to ensure that their children are protected to some degree and do not suffer the same indignities to their human-rights as that which they have experienced. These discriminatory Government programs were curtailed only as recently as the early to mid 1970s. The same research also indicates that the Indigenous entrepreneur may risk losing links to the Indigenous community and culture because the requirement for success in business may clash with Indigenous cultural norms and this is an area that requires further understanding (Foley, 2003).

The true state of Indigenous entrepreneurship in Australia is unknown; it is likely in a state of decline. The estimated proportion of Indigenous self-employed in the labour force was 2.4%. This was one third of the non-indigenous rate of 7.3% (Fuller et al., 1999: 100, 120-121). The number of Indigenous Australians actively engaged in small business indicates a declining trend since 1994 (Hindle and Rushworth 2002; Schaper 1999). The sobering fact is that "Indigenous Australians remained three times less likely to be self-employed than other Australians" (Hunter, cited in Australian Bureau of Statistics, 2004).

Estimating the needs and numbers of Indigenous Australian entrepreneurs has always been problematic. Data collection has been spotty. Hunter (2004) did estimate that at the 2001 Census, of the 18,972,350 total Australian population, there were only 6,089 Indigenous Australians aged 15 years and over who identified as self-employed. Of these, just 2,058 identified as employing other people, with 1,845 in urban areas (Hunter, 2004). But neither the National Aboriginal nor Torres Strait Islander Social Survey of 2002 nor did the government-funded Indigenous Business Review contain qualitative or quantitative data regarding the Indigenous self-employment sector. This lack of knowledge and the resultant bureaucratic under-estimations have played a part in the failure of some Indigenous businesses. For example the Warai pastoral enterprise on the Finnis River in the Northern Territory which received considerable funding from several

government departments and agencies without adequate consultation and coordination between the government and community stakeholders. No research or planning was undertaken by the bureaucrats to ensure the existence of the necessary financial management tools to run a business (Fuller and Parker, 2002). This Aboriginal enterprise floundered and did not achieve its potential due to poor planning and lack of synchronisation of basic commercial business practice.

Lack of information and co-ordination also has had the reverse effect, namely unwarranted elevation of poor examples. One well-recorded example is the presumed success of the Cape York Partnerships (CYP), a network of interlinked locally controlled Aboriginal enterprises. CYP is founded on the premise that the Cape York community needs to take an entrepreneurial approach to meeting its social needs (Pearson 2001). CYP has provided the impetus for the establishment of Indigenous Enterprise Partnerships (IEP), a non-profit organisation that channels philanthropic and corporate resources into indigenous development (see Indigenous Business Review, 2003: 63). The CYP may have potential as a social reform however its adherence to co-operative management for community-based businesses lacks appropriate governance mechanisms. Cultural demands can in certain scenarios determine the use of funds rather than prudent financial management.

This lack of what is perceived in Western doctrines as 'proper' governance has cultural complications and is complicated in its application. Cultural focus "changes the incentive structure within a business and allows diffusion of responsibility over a business venture" (McDonnell, 1999). The result is that within a community business, the lack of responsibility and direction is often at odds with the essential ingredients of any successful business, namely, a profit orientation and asset accumulation. When social and cultural demands override profit requirements and when responsibility is not defined, business failure is inevitable. It is on this basis that the defunct Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC) was criticised for forming partnerships with Indigenous communities rather than individuals (McDonnell, 1999). As a consequence, a frustrating picture emerges regarding Indigenous economic development through entrepreneurial activity. The co-operative or community-based business has not been a success nor has it been well-managed.

There are some more positive examples. Indigenous Business Australia has had some success as an autonomous public-private joint venture partner in the upper end of the Indigenous entrepreneurial industry. It had a sound record of Indigenous business development. Unfortunately, it has grown to enormous bureaucratic size, and this puts a strain on its ability to maintain core values and success. Where once it was a specialist and prudent investor/advisor it has now become a process centre, the one-stop shop Indigenous business provider.

The creation of the Indigenous Stock Exchange, where a trading floor where ideas meet capital has also been an innovative step in Indigenous economic development (Schwartz, 2004). The primary goal is to support the development of 1000 new strong and sustainable Indigenous businesses across the country by 2008. The world's first mobile trading floor, it convenes within Indigenous communities to enable entrepreneurs to put forward ideas for businesses and investment. The concept was launched by Aboriginal entrepreneur Kevin Fong and the ISX has generated more than \$200,000 for Aboriginal

businesses. Another measure of its success was its prestigious tech award for economic development at the Silicon Valley Tech Museum.

Good and bad, decades of government programmes, public sector goodwill, NGO assistance coupled with the Indigenous Stock Exchange have finally produced the critical mass necessary to start some Indigenous people in the direction of economic independence. These synergies have generated enterprises such as Malabama Tours, the first indigenous owned and operated tourist enterprise to provide a link with other Indigenous tours and walks in the region from Cairns to Cooktown; Northern Indigenous Pastoral Alliance (NIPA), which brings together Cape York and Kimberly pastoralists and is working on a franchise model to improve management practices; Yaba Yabaju, specialising in coastal habitat walks, interpretive talks, night spearing and fishing; Dacou Gallery, a 100% owned Aboriginal gallery in Adelaide; Gavala, another 100% owned Aboriginal gallery in the tourist precinct of Darling Harbour in Sydney; Anagu Tours, which run the tours around Uluru and Mutitjula in the Northern Territory; and Lombadina Aboriginal Adventures in Broome.

There are many diverse businesses, and they are not all in the tourism industry. There is a plumbing supplier in Brisbane, a spare parts retailer in Newcastle, an apiarist in Victoria, a wool and cereal farmer in South Australia, a furniture maker in north central Tasmania and on it goes. There are numerous significant commercial accomplishments that point the way to a self-sufficient future for some of Australia's Indigenous people as confirmed in recent qualitative case study research (Foley, 2006).

Having said this however it must be noted that the Australian Indigenous history of dispossession, assimilation, child removal and other previous colonial policies has created a legacy of a lack of social and financial capital that is passed on between generations. Indigenous Australia did display entrepreneurial practice in the pre-colonisation period. The aqua-culture industry of the Gunditjmara people of Lake Condah in western Victoria (Builth 2002; Salleh 2003) and the extensive enterprise interaction of the people in Arnhem land with other clans hundreds of miles to the south and the Macassans from what is now Indonesia (Diamond, 1999) are just two illustrations. The current dilemma of the lack of social and financial capital when combined with an uncertain future due to the increasing poor health and education statistics has and will result in successive generations who do not accrue assets (that includes basic life skills) that they can bequeath as they are all too often deceased in what should be the prime of their working life. This has created a continuous 'catch up' cycle where successive generations of Indigenous Australian's are caught within a social trap of hopelessness as they are placed well below what is accepted as the 'average' Australian economic social position. Entrepreneurial activity has proven to be a mechanism that has helped a few Indigenous people to climb to a position where they are financially independent. More work however is needed to tackle the basic needs of health, housing and education to provide stability within Indigenous households. Policies do not have to be invented, they exist. They just require governments that have the fortitude to implement them. Perhaps then, Indigenous Australians will have the same opportunity as 'other' Australians and entrepreneurial opportunity recognition will increase in proportion.

Conclusion

We began by examining the concept of "disadvantage" as it relates to entrepreneurs. The literature suggests that disadvantaged people might actually become entrepreneurs more

frequently that other people. Disadvantaged entrepreneurs come in a rainbow of ethnicities and cultures, and it is fair to say that the Indigenous peoples of Australia and those of New Zealand have vastly different backgrounds and histories.

Yet both peoples 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 many Māori and Aborigines reside in large cities, they sometimes also suffer the geographic isolation of residing in neighbourhoods with high unemployment and lack of essential contact networks with the larger community. Both 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

As researchers, our greatest challenge is finding reliable data on which to base comparisons. We used extensive in-depth interviews with Aboriginal Australians. For Māori New Zealanders, beyond in-depth interviews we were able to draw on empirical data from the GEM 2005 survey. However, data allowing rigorous comparison of the entrepreneurial activity of Māori New Zealanders and Indigenous Australians still do not exist. New Zealand has the best data over time. Indeed, the GEM 2005 survey of Māori New Zealanders is the largest empirical survey yet on indigenous entrepreneurship. Within these limitations, existing indicators are analysed to provide an overview of their social and economic circumstances as it relates to entrepreneurship.

The contrast between the two peoples' entrepreneurial activities could not be greater. According to our data, Australian Aboriginal entrepreneurship may actually be on the decline, but numerous interesting examples exist. The number of successfully run Aboriginal small businesses in Australia remains very low. Some of the impediments to success include an economic tradition not steeped in capitalism and a lack of capital. Indigenous Australians often exist isolated and alienated within an economy that is so different to their communal environments. To be successful in business they must survive in the consumer driven capitalistic environment of mainstream business society. Business success may even result in them becoming isolated from their own families and support networks.

In contrast, the Māori of New Zealand have excelled at establishing an entrepreneurial culture. Māori are ranked globally in terms of measures of early-stage entrepreneurial activity. The total early-stage entrepreneurial activity of Aotearoa (Māori New Zealanders) was surpassed only by two countries. Māori entrepreneurs are largely opportunity entrepreneurs, but wealth creation is not as important a motivation as is independence.

Taking the year 1800 as a reference point, both peoples lived in a state of splendid sustainability until the advent of British colonialism. The subsequent one hundred years led to very different experience. Australia became Britain's penal colony while New Zealand was settled by relatively affluent aristocratic and laboring classes. To be sure, both peoples suffered extensive discrimination, indeed genocidal policies that nearly wiped them out by the turn of the nineteenth century. But the bellicose nature of Māori served them well against the interests of the Crown, and they eventually concluded the Treaty of Waitangi, which distributed a fair share of New Zealand's wealth to them and whose benefits many still continue to plough back into entrepreneurial enterprises. The

differences could also be cultural. Māori have historically been an enterprising lot keen to adopt and utilise new technologies and methods of business. Culturally, Aboriginal Australians do not seem to have the enterprising legacy that would propel them to become entrepreneurs today.

Is it true, as the literature suggests, that disadvantaged people might actually become entrepreneurs more frequently than other people? Here we must conclude that the evidence from Australia and New Zealand is mixed. For Māori, their position of disadvantage coupled with a history and cultural attitudes favouring enterprise portends a favourable future for their entrepreneurial endeavours. For Indigenous Australians, their disadvantage is compounded by a continued legacy of inequity and by internal factors that do not encourage an enterprising culture.

The field of Indigenous Entrepreneurship Research continues to develop as native peoples all over the world (re-)discover that entrepreneurs, as Kofi Annan (2004) 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

- Aboriginal & Torres Strait Islander Social Justice Commissioner. (2005). Social Justice Report 2004. (1) 2005. Sydney: Human Rights and Equal Opportunity Commission.
- Anderson, R.B. (2002). "Entrepreneurship and Aboriginal Canadians: A Case Study in Economic Development," *Journal of Developmental Entrepreneurship* 7 (1), 45.
- Annan, Kofi (2003). "Secretary-General Launches Commission on Private Sector and Development at Headquarters Press Briefing", July 27. Retrieved on May 4, 2006 from <http://www.un.org/News/briefings/docs/2003/UNDPbrf.doc.htm>
- Aboriginal and Torres Strait Islander Commission (ATSIC) (1998). "As a Matter of fact." Canberra: Australian Government Publishing Service
- Australia. (1991) National Report / by Commissioner Elliot Johnston. Final Report of the Royal Commission into Aboriginal Deaths in Custody. Vol 2. Aboriginal Disadvantage. Canberra: Australian Government Publishing Service.
- Australian Bureau of Statistics (1999). Aboriginal and Torres Strait Islander Australians: A statistical profile from the 1996 Census. Retrieved May 6, 2006 from <http://www.abs.gov.au>.
- Australian Bureau of Statistics (2001). Summary of Findings: Estimated Indigenous Population. Retrieved March 1, 2006 from <http://www.abs.gov.au>.
- Australian Medical Association (2005). Launch Position Statement on Aboriginal and Torres Strait Islander Health, 5 October. Retrieved May 6, 2006 from <http://www.ama.com.au/web.nsf/doc/WEEN-6GV25A>
- Bennett, Scott. (1999). White Politics and Black Australians. Crows Nest: Allen & Unwin.
- Beresford, Quentin. and Paul Omaji, (1996). Rites of Passage: Aboriginal Youth, Crime and Justice. South Fremantle: Fremantle Arts Press.
- Builth, Heather. (2002). *The Archaeology and Socioeconomy of the Gunditjamara: A Landscape Analysis from Southwest Victoria, Australia*. Unpublished PhD thesis, Department of Archaeology, Flinders University, Adelaide. Pp. 8-12
- Chiste, K. B. (1996). *Aboriginal Small Business and Entrepreneurship in Canada*. (New York: Captus Press, 1996);
- Commission on the Private Sector Development (2004). Unleashing Entrepreneurship: Making Business Work for the Poor. Report to the Secretary-General of the United Nations. New York: United Nations Development Program. Retrieved May 6, 2006 from www.undp.org/cpsd.
- Commonwealth of Australia, (1992). Aboriginal Deaths in Custody, Overview of the Response by Governments to the Royal Commission. Retrieved May 6, 2006 from <http://www.austlii.edu.au/au/special/rsjproject/rsjlibrary/rciadic/>
- Dana, Leo-Paul. ed. (2006). *The Edward Elgar Handbook of Research on Indigenous Entrepreneurship* (2006 forthcoming).
- Dana, Leo-Paul. (1995). "Entrepreneurship in a remote sub-Arctic community". *Entrepreneurship Theory and Practice* 20(1) (1995): 5772
- Dell, S. (1987). "The Māori book or the book in Māori". *New Zealand Libraries* 45(5), 98-101.
- Diamond, Jared. (1999). *Guns, Germs and Steel: the Fates of Human Societies*. New York: W.W. Norton and Company.

European Commission (2003). *Building the Information Society in Europe: A Pathway Approach to Employment Interventions for Disadvantaged Groups* (Dublin: Itech Research, 2003: 29).

Firth, R. W. (1959). *Economics of the New Zealand Māori* (Being the 2d ed. of *Primitive economics of the New Zealand Māori*. New York: E.P. Dutton and company, 1929.). Wellington, N.Z: R. E. Owen, Govt.Printer.

Fisk, E. K. (1985). *The Aboriginal Economy in town and country*. North Sydney: Allen & Unwin.

Foley, D. (2006). "Does Business Success Make You Any Less Indigenous?" Presented at Third AGSE International Entrepreneurship Research Exchange, February 8-10 2006 Auckland New Zealand

Foley, D. (2000). "Successful Indigenous Australian Entrepreneurs: a Case Study Analysis". Aboriginal and Torres Strait Islander Studies Unit Research Report Series. Vol. 4, 2000. Brisbane : Merino Lithographics. ISSN 1322-7157

Foley, D. (2003). "An examination of Indigenous Australian entrepreneurs", *Journal of Developmental Entrepreneurship* 8(2), 133-151.

Foley, D. (2004). "Understanding Indigenous Entrepreneurs: A Case Study Analysis". Unpublished Doctoral Thesis, University of Queensland.

Foley, D. (2006). "Indigenous Australian Entrepreneurs: Not Community and Not in the Outback". Centre for Aboriginal Economic Research, The Australian National University DP. 279/2006. Canberra: Centre for Aboriginal Economic Research.

Frederick, H. (2006). *Global Entrepreneurship Monitor Aotearoa New Zealand*. Unitec School of Management & Entrepreneurship Research Report Series, Vol. 4, No. 1. Auckland: Unitec New Zealand. Available at www.gemconsortium.org

Fuller, D. and Parker, L. (2002). *Indigenous Economic Development in Northern Australia: Opportunities and Constraints*. Rockhampton: Central Queensland University Press.

Fuller, D., Dansie, P., Jones, M. & Holmes, S. (1999). "Indigenous Australians and Self-Employment". *Small Enterprise Research: The Journal of SEANZ*. 7(2): 5-28.

Hagen, E.E. (1962). *On the Theory of Social Change* (The Dorsey Press, 1962).

Hindle, K. and Lansdowne, M. (2002). "Brave Spirits on New Paths: Towards a Globally Relevant Paradigm of Indigenous Entrepreneurship Research". Paper presented to the Babson College Kauffman Foundation Entrepreneurship Research Conference 2002. (University of Colorado at Boulder. June 2002).

Hindle, Kevin and Rushworth, S. (2002). *Sensis GEM Australia 2002 Focus Report: Indigenous Entrepreneurship in Australia*. Melbourne: Swinburne University of Technology.

Humphreys, M.A. and McClung, J. (1982). "American Indian entrepreneurs in the Southwest". *Texas Business Review* 56 (4), 187-192;

Hunter cited in Australian Bureau of Statistics (2004). Indigenous Australians continue to face labour force market inequality. Retrieved May 6, 2006 from <http://abs.gov.au/AUSSTATS/abs@.nsf/mediareleasesbyTopic/7A197C079500BA55CA256E20007A3BA5?OpenDocument>

Hunter, B. (1999). "Three Nations, not one: indigenous and other Australia poverty". CAEPR Working Paper no. 1/1999. Canberra: The Australian National University.

Hunter, B. (2004). Indigenous Australians in the Contemporary Labour Market. Australian Census Analytical Program. Canberra: Australian Bureau of Statistics. Retrieved May 6, 2006 from http://acsr.anu.edu.au/APA2004/abstracts/2B_Hunter.pdf

Indigenous Business Review (2003). "Report on Support for Indigenous Businesses 2003". Canberra: Government of Australia. Retrieved May 6, 2006 from <http://www.atsia.gov.au/Media/Reports/#sub3>

Jenkins, J.R.G. (1992). "An appraisal of aboriginal entrepreneurship in the Canadian arctic". *Die Veranderte Welt* (1992): 401-411;

McDonnell, S. (1999). "The Grameen Bank micro-credit model: Lessons for Australian indigenous economic policy". CAEPR Discussion Paper No. 178, Center for Aboriginal Economic Policy Research, Australian National University, Canberra. Retrieved May 6, 2006 from <http://eprints.anu.edu.au/archive/00000695/>

McGinn, Daniel (2005). "The Trouble With Lifestyle Entrepreneurs: New Zealand's business owners have struck a work-life balance that many of their American counterparts would envy. So why is this becoming a national crisis? And what's the lesson for us?" *Inc Magazine* (USA), July 2005.

Miller, M. (1985). Report of the Committee of Review of Aboriginal Employment and Training Programs. Canberra: Australian Government Printing Service.

Moreton-Robinson, Aileen. (2000). *Talkin' Up To The White Women: Indigenous Women and Feminism*. St. Lucia: University of Queensland Press.

Neill, Rosemary. (2002). *White Out: How Politics is Killing Black Australia*. Crows Nest: Allen & Unwin.

Nnadozie, E. (2002). "African Indigenous Entrepreneurship: Determinants of Resurgence and Growth of Igbo Entrepreneurship During the Post-Biafra Period," *Journal of African Business* 3(1), 49+.

Pearson, N. (2001). "What Cape York Communities Can do for Themselves" and other articles at <http://www.capeyorkpartnerships.com/noelpearson/index.htm>

Peredo, A.M., Anderson, R.B., Galbraith, C.S., Honig, B., & Dana, L.P. (???) "Towards a theory of indigenous entrepreneurship", *International Journal of Entrepreneurship and Small Business* 1(1/2), 1-20.

Scase, R. & Goffee, R. (1980). *The Real World of the Business Owner* (London: Croom Helm), p. 29, cited in John Willsdon, "Homosexual Entrepreneurs: Different but the Same", *Irish Journal of Management* 26(1) (2005) 107-122.

Salleh, Anna. (2003). 'Aborigines may have farmed eels, built huts'. *News in Science*. ABC Science Online. 13 March. <http://www.abc.net.au/science/news/stories/s806276.htm> pp 1-2.

Schaper, M. (1999). "Australia's Aboriginal small business owners: challenges for the future". *Journal of Small Business Management* 37(3): 88-93.

Schwartz, L. (2004). "Capital idea for Aboriginal business", *Sydney Morning Herald*, 10 September. Retrieved May 6, 2006 from <http://www.eniar.org/news/isx.html>

Shapiro, A. (1975). "The Displaced, Uncomfortable Entrepreneur", *Psychology Today*, November 1975, pp. 83-8.

Sinclair, K. (1959). *A History of New Zealand*. London: Penguin.

Spicer, Ian (1997). *Independent Review of the Community Development Employment Projects (CDEP) Scheme*. Woden, ACT: Australian Government Publishing Service.

- Stanworth, M.J.K. & Curran, J. (1976). "Growth and the Smaller Firm: An Alternative View", *Journal of Management Studies* (13), 95-110.
- Stavenhagen, Rodolfo (2006). *Mission to New Zealand, Report of the Special Rapporteur on the situation of human rights and fundamental freedoms of indigenous people*, UN Doc E/CN.4/2006/78/Add.3, Retrieved May 6, 2006 from <http://img.scoop.co.nz/media/pdfs/0604/srnzmarch06.pdf>
- Sullivan, A., and Margaritis, D. (2000). "Public Sector Reform and Indigenous Entrepreneurship," *International Journal of Entrepreneurial Behaviour & Research* 6(5), 265.
- Sutch, W. B. (1964). *The Māori Economy: A Survey to the time of the coming of the European*. A paper prepared for the opening address to the New Zealand Federation of Māori Students at Victoria University of Wellington Wellington.
- Walker, R. (1986). Cultural Sensitivity to the Sanctity of Wananga (Knowledge). *Archifacts* (2), 72-76.