# Indigenous Entrepreneurship Research: Themes and Variations[1]

**Ana María Peredo**
Faculty of Business
University of Victoria
Canada
aperedo@business.uvic.ca


**Robert W. Anderson**
Faculty of Administration
University of Regina
Canada
Robert.Anderson@uregina.ca

# INDIGENOUS ENTREPRENEURSHIP RESEARCH: THEMES AND VARIATIONS

## Abstract

The purpose of this paper is to offer an overview of the current study of indigenous entrepreneurship. First, while there is broad agreement on the application of the term "indigenous," there are differences of emphasis and outright controversies about empirical description of indigenous people, especially concerning the role of ownership and private property in their culture and traditions.

Second, the concept of entrepreneurship is as controversial in this field as elsewhere in management studies. There are fundamental disagreements as to how flexible the requirements of entrepreneurship are, and whether true indigenous entrepreneurship can transform entrepreneurship into an authentic and distinctive form.

Third, the concept of indigenous entrepreneurship as a total concept is open to debate and discussion. Not only does it inherit the question of whether the notion of entrepreneurship can be culturally transformed, there is also a difference of approach concerning the location and ultimate goals of indigenous entrepreneurship. Fourth, there are a number of critical discussion points related to indigenous populations, and in turn, their relationship to entrepreneurial activities and enterprises. These include, but are not limited to, the pursuit of multiple goals, including social objectives; the notion of collective organization, ownership and outcomes; and a population's association with the land, characteristically leading to a high degree of environmental sensitivity, drawing on traditional knowledge and fostered by a sense of spiritual connection with the land and its resources. The theme of partnerships involving indigenous enterprises with other indigenous enterprises and non-indigenous bodies, is recognized as a vital topic demanding further attention.

The concept of entrepreneurship is a long-standing pillar of economic theory. From the beginning, the entrepreneurial notion represented forces of economic change that introduce new energy into systems of exchange and allowed these systems to produce the surpluses that contribute to one important aspect of human well-being. Beyond the well-being associated with economic surplus, other benefits are seen to flow from entrepreneurship. Blawatt (1998), for example, sees the following gains in entrepreneurial venture.

- Entrepreneurs drive the economy, creating new concepts, innovations, new ventures, employment and national wealth.
- Entrepreneurs bring a balance to a nation's economic system, offsetting concentrations of power, increasing competitiveness.
- Entrepreneurship serves the community first and society by providing an improved standard of living, social responsiveness, sustainable industry. It adds to the social and psychological well being of the community by providing an outlet for creative action.
- Entrepreneurship … offers third world countries the opportunity to become first world countrie*s* (Blawatt, 1998: 21)

Early on it was recognized that this broad concept of entrepreneurship could be used to understand and improve the condition of particular disadvantaged populations; so-called "under-developed" communities and regions (e.g.Danson, 1995). Only recently, however, has the notion has been applied by scholars of entrepreneurship to a particular sector within this category, to the indigenous populations of the world.

It is the purpose of this paper to give an overview of this relatively new, but vital, field of enquiry. Indigenous entrepreneurship is a growth area of scholarship not just because it appears to be a distinguishable subject, with its own characteristics and invitations to research, but also because it addresses an urgent problem -- how to improve the lot of a chronically disadvantaged segment of the world's population.

This paper identifies the principal themes that have emerged in studies of indigenous entrepreneurship, beginning with how the field is identified. It then outlines some main themes in the discussions concerning indigenous entrepreneurship, especially the fundamental issue of the relation between entrepreneurship and cultural values. The paper attempts to sketch where scholars have found themselves coming together, and where they have differed in direction and outcomes. Comment is offered on where the most urgent lines of enquiry appear to lie, and where the most promising directions of research seem located. The paper closes with an indication of the journals most given to publishing material concerning indigenous entrepreneurship.

## I. CHARACTERIZING THE FIELD

One set of issues in any emerging subject area concerns the delineation of the area itself. Scholars attempting to describe the field of indigenous entrepreneurship face a pair of obvious questions: (1) who are the indigenous people of the world? and (2) what is indigenous entrepreneurship? On both points, there is a contention among those working in this emerging field. Both questions are complicated by a distinction that is theoretically clear but in practice quite untidy—the distinction between the way that a field is delimited by definition, and the characterizations that emerge from empirical observation.

### A. The Concept of "Indigenous"

Several authors offer explicit definitions or near-definitions of the term "indigenous," ranging from the relatively simple to the complex. All seek to delineate sub-populations that are found world-wide, which differ in many respects but have one thing in common and that is their *"indigenousness."* The simplest approach to

identifying the indigenous is an "accepted self-identification" criterion. On this view, an indigenous person is one who identifies himself or herself as "indigenous," and whose self-identification is accepted by the indigenous community in which the person claims membership (e.g. Hindle & Lansdowne, 2005).

Foley (2003) expands the "accepted self-identification" definition with an explicit mention of an original connection with the land. Within this context, Lindsay (2005) writes, "an indigenous person is regarded as an individual who is an original owner of a country's resources or a descendent of such a person and which, in either case, the individual regards himself or herself as Indigenous and the Indigenous community in which they live accepts them as Indigenous." (Lindsay, 2005: 1)

Dana's (2006) concise definition employs an "ancient connection" criterion. He writes, "Indigenous nations are people whose ancestors were living in an area prior to colonisation, or within a nation-state, prior to the formation of a nation-state." (Dana, 2006: 1)

Other approaches tend to provide more specific criteria. For example, the United Nations, in a 1995 resolution, states,

> Indigenous or aboriginal peoples are so-called because they were living on
> their lands before settlers came from elsewhere; they are the descendants .
> . . of those who inhabited a country or a geographical region at the time
> when people of different cultures or ethnic origins arrived, the new
> arrivals later becoming dominant through conquest, occupation, settlement
> or other means (General Assembly The United Nations, 1995).

Peredo *et al.* (2004) provide the most detailed review of relevant characteristics. They review a number of definitions used for indigenous peoples, including those by the International Labour Organization (1991), The United Nations, The World Bank (2001), The Asian Development Bank (2000), and other writers and researchers. The authors suggest that there are six key, or common elements relevant to the concept of indigenous entrepreneurship: (1) descent from inhabitants of a land prior to later inhabitants, (2) some form of domination by the later inhabitants, (3) maintenance of distinguishing socio-cultural norms and institutions by the indigenous group, (4) an attachment to ancestral lands and resources, (5) often, but not always, subsistence economic arrangements, and (6) an association with distinctive languages. Not all elements are present in all cases, but in many cases of modern indigenous cultures, all six characteristics are present. In general, these characteristics, or some significant combination of them, serve to set apart indigenous people from those populations that came later.

Dana and Anderson (2006a) also note that indigenous people display remarkable heterogeneity across nations and even within particular communities. Governing myths, family and community organization, values concerning work, play, sexual roles and relations, are among the many matters where different indigenous groups exhibit striking differences. As Peredo *et al.* (2004) note, between 250 to 300 million people are estimated by the UN (General Assembly The United Nations, 1997) to fit the definition of indigenous. By any definition, indigenous are found on all populated continents and range from traditional hunter-gatherers and subsistence farmers to expert professionals in industrialized societies.

In addition, there is wide agreement that indigenous populations are

generally poor and otherwise disadvantaged in terms of various economic

measures.   The World Bank (2001), for example, opens its "Draft Operational Policy

Concerning Indigenous People" with the acknowledgement that, "indigenous peoples are

commonly among the poorest and most vulnerable segments of society," (World Bank,

2001: 1) an assessment echoed by all scholars of indigenous entrepreneurship (e.g.

Peredo, 2001; e.g. R. Anderson, 2004b, 2004; Berkes & Adhikari, 2005).

Scholars point out that indigenous people are, typically, not only poor but also

severely disadvantaged in terms of broader socio-political measures.  Indeed it is this

broadly defined, disadvantaged position that is commonly given as a reason for focusing

on indigenous entrepreneurship.  To many scholars, indigenous leaders and politicians,

entrepreneurial activity is seen as a potential instrument of relief within these chronically

impoverishment indigenous communities.  As Galbraith *et al.* (2006) note, "indigenous

entrepreneurial activities are often cited as the *"second wave"* of economic development,

with the first wave of economic development being direct governmental support and

wealth transfer policies (2006: 3).

*B.  Collective Social and Economic Organization*

Beyond being disadvantaged, other commonalities emerge among indigenous

people in spite of their diversity.  In particular, two general tendencies have attracted

comment and debate within the indigenous entrepreneurship literature. One of these is the

recurring theme of communal or collective patterns of social organization, including

property arrangements and distribution of resources. Dana (1995, 1996), for example,

draws attention to the "the Eskimo preference for a communal form of organization"

7

(1995: 65) in one indigenous community he studied in the sub-Arctic, and to

"the traditional values of these people, working collectively and sharing collectively, while disliking the concept of competition" (1996: 78) in another, quite distinct indigenous community.

Bewayo (1999) refers to "the communalistic culture known to be prevalent in black Africa," (1999: 2) while Peredo and Chrisman (2006) employ the concept of "community orientation" to describe the social organization of several indigenous communities in the Andes. "The more 'community-oriented' a society is, the more its members experience their membership as resembling the life of parts of an organism; the more they will feel their status and well-being is a function of the reciprocated contributions they make to their community." (Peredo & Chrisman, 2006: 11) They maintain that "community orientation" in this sense is a prominent feature of the indigenous communities they study.

Perhaps the most elaborate and generalized argument for this view is presented by Redpath and Nielsen (1997), using Hofstede's (1980) "cultural dimension" of individualism/collectivism. Redpath and Nielsen (1997) take this dimension to indicate the extent to which members of a society value individual over collective needs. In their view, "this dimension is the key to many core cultural differences between Native and non-Native cultures (and between indigenous and non-indigenous cultures throughout the world)." (Redpath & Nielsen, 1997: 329) They sharply contrast the individualistic emphasis of non-indigenous societies, especially those in North America, and the distinctly collectivist orientation they see in indigenous communities. Indeed they argue that the difference on this dimension underlies other cultural differences, such as "power

distance" (acceptance of unequal distributions of power and wealth), and is the

basis of organizational structure and behaviour of indigenous groups. (Redpath

& Nielsen, 1997: 336)

While there is widespread agreement on this tendency in indigenous communities,

there is a fundamental controversy on its origins and depth.  The scholars cited above,

and others (e. g. Tully, 1995; Bishop, 1999) take the view that indigenous cultures are, or

tend to be, "communal" or "collective" with respect to property and social arrangements,

and see this tendency as deeply-rooted in the cultural heritage of indigenous peoples.

However, a number of other scholars disagree with this assessment.

Galbraith *et al.* (2006), for example, mount a spirited attack on that basic

assumption. Citing a range of historical and anthropological scholarship, they argue that

pre-Colonial populations, in North America at least, possessed a strong sense of private

property, and lacked only the standardized economic institutions of later Europeans

necessary to make them full participants in the economic activity that is standard today.

Essentially, they argue that without the institutions, common language, and contractual

characteristics required to sustain an organization of non-related individuals (such as

employees and investors) the indigenous populations needed to access social capital

through the networks of related "clan" members in order to lower the economic costs of

economic transactions and productive activities.  And whenever possible, particularly

when the economics of production changed, as when indigenous populations adopted the

horse and firearm, pre-reservation trade and property ownership was generally done on

an individual or family basis.

Galbraith *et al.* (2006) do not deny that many current indigenous communities exhibit "collective" inclinations with respect to property and economic arrangements.  But they hold that it is not a cultural characteristic, but rather a comparatively recent phenomenon, born of either the forced reservation system and its collective land-tenure arrangements in many developed countries or the weak institutional structures commonly seen in "less developed countries." ( e.g. Galbraith & Stiles, 2003) Similar arguments have been made by other scholars of indigenous economics (e.g. T. Anderson, 1997; Miller, 2001; T. Anderson *et al.*, 2006).

As Galbraith *et al.* (2006) themselves argue, one's view on this matter of the cultural rootedness of collective and communal arrangements has powerful implications for one's view about how to foster and encourage indigenous entrepreneurship. It should be expected that this will prove to be an important strand in research concerning indigenous entrepreneurship.

The second cultural tendency that has drawn comment from some scholars is the inclination toward forms of social organization built around kinship rather than economic or other functional factors. In their summary of a reference work on indigenous entrepreneurship, Dana and Anderson observe that, "Social organisation among indigenous people is often based on kinship ties, and not created in response to market needs." (2006a: 6) Berkes and Adhikari (2005), investigating a number of indigenous entrepreneurial ventures involving integrated conservation and development in Central and South America, also note that many of these ventures are social enterprises, and involve networks of family members directly and indirectly.  The kin-based social organization of many indigenous communities is another factor which may be expected

10

to have implications for understanding and promoting entrepreneurial ventures among these communities.

*C. The Concept of "Entrepreneurship"*

What is meant by the term "entrepreneurship" within the concept of indigenous entrepreneurship?   It is fair to say that there is no consensus among management scholars as to what, precisely, constitutes entrepreneurship (Venkataraman, 1997: 120). It is therefore not surprising that treatments of indigenous entrepreneurship tend also to show considerable variety in the definitions, explicit or implicit, of the entrepreneurial element in the concept.  The "minimalist" definition of entrepreneurship, according to which it is simply the operation of a commercial enterprise (as in Siropolis, (1977: 23-24) cited by Dana, (1996), and echoed in several other publications.) Hindle and Lansdowne (2005), for instance, define "indigenous entrepreneurship" as "the creation, management and development of new ventures by indigenous people…."  (2005: 133) Dana (2006), who in one place subscribes (with minor reservations) to Casson's (1982) definition of an entrepreneur as someone who specializes in taking judgemental decisions about the coordination of scarce resources, tends to also take a similar "minimalist" approach in other publications regarding indigenous populations. Anderson (2004b), citing Drucker (1985), supplements the minimalist notion within the context of indigenous entrepreneurship with the idea of recognizing opportunity and the employment of technology to exploit opportunity by creating an enterprise. A still broader concept of entrepreneurship (in the indigenous setting and elsewhere) is offered by Peredo (2004), who adds not only the recognition and exploitation of opportunity but innovation, risk-acceptance and resourcefulness.

11

For purposes of discussing entrepreneurship in its indigenous forms, as in discussing the concept of the indigenous itself, many scholars tend to move beyond the definitional to an empirical grounding. Dana (1996), for instance, elaborates entrepreneurial possibilities with the identification of at least seven sub-kinds of entrepreneur ("Cantillonian," "Weberian," "Schumpeterian," "Barthian," "McClelland," "the Displacee," and the "Kirznerian"), all arguably species of the genus "entrepreneur" identified empirically.

It seems obvious that disparities in what is considered entrepreneurship will have an impact on scholarship concerning indigenous entrepreneurship. The need for an accepted concept of entrepreneurship is well recognized in entrepreneurship scholarship generally, and applies with at least equal urgency to the subject of indigenous entrepreneurship. It is to be expected that the refinement of this fundamental notion in its indigenous environment will be an important line of research in this emergent area.

*D. Indigenous Entrepreneurship: Two Paths*

Given the differences in opinion regarding both the fundamental nature of "entrepreneurship" and the critical elements that constitute the notion of "indigenous," it is not surprising that there are different opinions regarding the term, "indigenous entrepreneurship." The indigenous entrepreneurship literature tends to fall into two camps on matters concerning the location and/or the objectives of this form of enterprise. One approach—in some ways the most obvious—is to think of indigenous entrepreneurship as what goes on wherever people who are indigenous happen to be engaged in entrepreneurial activities. In discussing the challenges to indigenous entrepreneurship with respect to gaming related reservation economies, Galbraith and

12

Stiles (2003) for instance, consider the number of business start-ups by

indigenous people, whether individually or collectively, on or off reserves. Dana

and Anderson (2006a) appear to take a similar view.   On this account, indigenous

entrepreneurship is basically entrepreneurial activity conducted by indigenous people.

The contrary view is that indigenous entrepreneurship differs conceptually in its

situational context and/or its ultimate objects or goals. It must be admitted that here as

elsewhere the boundary between conceptual boundaries and empirical generalization is

not rigorously observed.  But there is a clear tendency on the part of many scholars to

consider entrepreneurship (however that is understood) that is indigenous to be restricted

to certain contexts. One restriction is to location, another is to its ultimate objective, a

third is to its form or organization.

For example, Peredo *et al.* (2004) indicate clearly that in their consideration of

indigenous entrepreneurship they are counting only indigenous ventures in certain

territories or locations.  Here indigenous entrepreneurship is necessarily undertaken as

something identifiable within an indigenous territory.  Thus indigenous entrepreneurs,

"may or may not be located in native homelands—many have been displaced or

relocated. But they are situated in communities of indigenous people with the shared

social, economic and cultural patterns that qualify them as indigenous populations."

(Peredo *et al.*, 2004: 12)

Indigenous entrepreneurship can also viewed in terms of its goals, objectives, or

mission, such as self-determination.  For example, Lindsay (2005) argues that indigenous

entrepreneurship is undertaken "for the benefit of indigenous people."  He continues by

connecting this with the "holistic" aims of indigenous entrepreneurship at furthering self-

determination on the part of indigenous communities, the preservation of

heritage, and other distinct social aims. Underlying many of these concepts is

the often implicit notion that this form of venture is, almost by definition, organized in a

certain way, that is, collectively. This is intimately connected with the idea that goals are

communal rather than individual. The connection is explicit in Lindsay and others, who

identify indigenous entrepreneurship as incorporating "entrepreneurial strategies

originating in and controlled by the community, and the sanction of Indigenous culture."

(Lindsay, 2005: 1)

The divergence may have considerable significance for the way in which

indigenous entrepreneurship is characterized empirically, and should therefore attract

some concentrated discussion. Research themes mentioned later in this paper (e.g.

compatibility with indigenous culture, and the tendency to land-based ventures and

partnership arrangements) are likely to be influenced significantly in their findings by

assumptions made restricting the concept of indigenous entrepreneurship in any of the

ways just mentioned.

## II. DOMINANT RESEARCH THEMES

Even though the field of indigenous entrepreneurship is still in comparative

infancy, a number of research themes have emerged in the literature.

### A. Indigenous Entrepreneurship and Culture

By far the dominant theme in indigenous entrepreneurship research to date is the

relationship between indigenous entrepreneurship and indigenous culture. The nest of

sub-themes located under this heading are captured in a symposium addressing

indigenous entrepreneurship presented during the 2004 Academy of

Management Annual Meeting.   The symposium introduction read,

Is there such a thing as "Indigenous Entrepreneurship"? If so, what distinguishes

it from other forms of entrepreneurship? Or is entrepreneurship universal, and

must all accommodate themselves to its essential requirements? If this is so, what

these essential requirements and what implications do they have for indigenous

entrepreneurship and enterprise? To come full circle, if an irreducible set of

essential entrepreneurship requirements exist, in satisfying these in ways

consistent with their particular culture, history and objectives, are various

Indigenous Peoples around the world developing differing models of

entrepreneurship and enterprise development, or is a common approach

emerging? (R. Anderson, 2004a: 5)

As we have seen, while there is a great diversity of opinion as to what constitutes

indigenous entrepreneurship it is arguable that the majority of scholars working in this

area believe that "indigenous entrepreneurship," clearly exists in some form (Peredo *et al*,

2004). What it is that distinguishes indigenous from other forms of entrepreneurship is

one of the richest areas of discussion and research. There are those, however, who appear

to suggest that the requirements of entrepreneurship are universal in a way that makes it

difficult if not impossible to reconcile with at least some indigenous cultural traditions.

Others scholars (e.g. Dana, 1996; Peredo, 2001), however, hold that the activity of

entrepreneurship should be understood more broadly, admitting of many forms and

adapting itself to different cultural and social settings. The continuum of opinion between

the "universalist" and "relativistic" views of entrepreneurship forms one of the most engaging areas of debate in indigenous entrepreneurship.

In this symposium, Stiles (2004) approached this issue via the question of whether indigenous peoples "can opt in to the process of global development on their own terms," and if so, whether that implies "a uniquely indigenous form of entrepreneurship in order to address the imperatives of Schumpeterian style economy building?" (2004: 1) He argued that there are historical reasons to be sceptical about the possibility of an indigenous entrepreneurship which succeeds both entrepreneurially and culturally. For example, he rhetorically asked, "how well have indigenous peoples in the past adapted to Schumpeterian style intrusions?" According to Stiles (2004), "in the case of virtually all people indigenous to the Americas, the answer is 'not well.' In fact the totality of their failure must be the focus of all that we say." (Stiles, 2004: 1) Stiles argued that the indigenous of North America quickly recognized the advantages of such European novelties as firearms, but failed to appreciate, "that European economic and social methods were also superior." (Stiles, 2004: 1) Stiles' contention that the failure to adopt the social systems needed to produce and/or acquire the goods they came to value, clearly suggests that the cultural endowments of the indigenous were, and presumably still are, difficult to reconcile with the "Schumpeterian intrusions" that might have rescued them. The implication is that the requirements of entrepreneurship are universal, and successful entrepreneurial responses require that indigenous people leave behind, or at least adapt, those features of culture which are incompatible. A truly indigenous form of entrepreneurship seems bound to fail.

The approach taken by Galbraith (2004), and later by Galbraith *et al.*

(2006) somewhat resembles these approaches, but differs in some important

respects. Galbraith *et al.* state that, "not surprisingly, individual entrepreneurial among

tribal members has been an abysmal failure." (2006: 27) The authors refer to elders'

reports  that "the more entrepreneurial indigenous individuals and families had moved off

the reservations to start businesses in the cities." ( Galbraith *et al.*, 2006: 24) This might

be taken as *prima facie* evidence for the conclusion, once again, that entrepreneurship has

its objective demands, and indigenous cultural values tend to conflict with them. But as

noted earlier, Galbraith *et al.* (2006) also argue that the "reservation culture" is, to a large

extent, a recent and artificial overlay. Pre-colonial indigenous populations were, they

contend, highly entrepreneurial. Their disadvantage was the lack of standardized legal,

contractual and linguistic institutions to support a more fully developed economic system.

And that lack was frozen in place by the collective land-tenure system that came with

reservations. On this view, then, the cultural adaptation needed to foster indigenous

entrepreneurship is largely the shedding of the alien property system enforced by

reservations, together with the acceptance of regularized social and legal patterns

demanded by developed economic exchanges. The suggestion remains that

entrepreneurship objectively requires certain detailed responses, but the idea that

indigenous culture is basically antithetical to those requirements is less evident.

Mitchell (2004), however, employed the apparatus of "transaction cognition"

theory to argue for universal requirements in entrepreneurship. Arguing that the theory

permits the identification of universal elements in entrepreneurship (see, e.g., Mitchell *et

al.*, 2002), Mitchell contended that "on-reserve" transactions (where, presumably, cultural

forces are fully in play) require more than three times the cognitions called for by *"off-reserve"* exchanges.

All three of the positions just described in the 2004 symposium tend to see entrepreneurship as embodying a set of demands that are largely universal in their scope, and they emphasize the tension between those demands and the cultural environments of the Indigenous. The conclusion drawn, or implied, is that if indigenous entrepreneurship is possible, it is likely to require significant cultural adaptation. The outlook furthest removed from this position is one that accepts the tension between entrepreneurship *as standardly conceived*, and indigenous culture, but goes on to argue that this merely calls on us to enlarge the standard conception of what entrepreneurship is. Entrepreneurship, on this view, is highly elastic in what it requires.

Dana (1995) and Dana and Anderson (2006a) are perhaps the most emphatic in their insistence that indigenous entrepreneurship takes place, but that it has markedly different characteristics from the non-indigenous varieties. They maintain that, "cultural values of indigenous peoples are often incompatible with the basic assumptions of mainstream theories" (Dana & Anderson, 2006a: 4), a position also argued by the Lockean scholar philosopher John Bishop (1999) and others (e.g. Tully, 1995). This approach tends also to undermine the "universality" of mainstream characterizations of entrepreneurship. For example, entrepreneurial activity need not even involve transactions, as in the case of "internal subsistence activity" (Dana & Anderson, 2006a: 8), but wealth is created and so entrepreneurship takes place. Similarly, Lindsay (2005) employs the language of "cultural value dimensions" to emphasize the contrast between indigenous entrepreneurship and non-indigenous. Likewise Peredo (2004), who believes

18

something recognizably entrepreneurial is common in indigenous societies, cites

Polanyi (1944) in challenging the universality of economic assumptions

underlying standard theories of entrepreneurship. Berkes and Adhikari (2005) concur

with Peredo and Chrisman (2006) in arguing that indigenous entrepreneurship may in fact

be an instrument for maintaining cultural values, and that entrepreneurship may be

conducted in a different way in keeping with those values, including "a community

emphasis, consensus decision-making, and a focus on sharing and cooperation, instead of

competition." (Berkes & Adhikari, 2005: 12) And while Morris (2004), in his study of

two sub-cultures in "relatively modernized" societies (South African and Hawaiian), is

perhaps closest to the "universalist requirements" position, concluding that there is no

need for different models of entrepreneurship to accommodate cultural differences, he

also finds significant differences in the values leading to entrepreneurial undertakings and

their goals among indigenous peoples.

What emerges from this sketch is the idea that responses to general question of

the relation between indigenous entrepreneurship and culture are formed in large part by

how one conceives of entrepreneurship. This is not just a matter of definition, but rather

how one conceives of venturing in relation to economic systems, and economic systems

in relation to social arrangements, culture and values. The ongoing search for an account

of what entrepreneurship is, and what its social, cultural and psychological requirements

might be, therefore takes on an added urgency in the context of the study of indigenous

entrepreneurship. The indigenous context particularly requires that the search be

conducted in a way which addresses those large questions of the cultural boundedness of

our conceptions of the values pursued entrepreneurially, the way that economic and other

19

transactions are socially contained, and the conditions that give rise to

recognizing and exploiting opportunities to create "value."

*B. Distinguishing Features of Indigenous Entrepreneurship*

Among those who agree that entrepreneurship is, to some degree at least, a

flexible concept, and that indigenous forms of entrepreneurship exploit this flexibility to

create distinctive kinds of venturing, there is a stimulating variety of proposals as to what

distinguishes the phenomenon.

Scholars of indigenous entrepreneurship who are inclined to see it as an

adaptation of entrepreneurship to indigenous environment almost universally comment

on the inclusion, even the superordination, of social aims in the goal-structures of

indigenous entrepreneurship. Morris, as noted above, tends to argue that entrepreneurship

takes similar forms across cultures. Nevertheless, he observes that in the two cases he

studied closely, "neither of the two samples placed much emphasis on wealth

generation." (2004: 2) Anderson, on the basis of his study of indigenous people pursuing

development in the Canadian context, comments, "Their goal is not economic

development alone, but economic development as part of the larger agenda of rebuilding

their communities and nations and reasserting their control over their traditional

territories." (2004b: 2)

*Community-Based Development Goals*

Peredo (2004), whose work on "Community-Based Enterprises" includes

indigenous populations in the Andes, goes even further. "The goals of these Community-

Based Enterprises are broad: they include at least social, cultural, political as well as

economic aims. In fact economic goals are generally a means to social ends." (Peredo,

2004: 3) Berkes and Adhikari (2005), who surveyed forty-two cases of

indigenous enterprise in "Equator Initiative" database, note that "the nature of

community benefits strongly suggests that indigenous entrepreneurships tend to focus on

social, community-based development." (2005: 18) Lindsay does not hesitate to

generalize the point, "Indigenous entrepreneurship is more holistic than non-Indigenous

entrepreneurship; it focuses on both economic an non-economic goals." (2005: 1)

The extent to which it is true that indigenous entrepreneurship is characteristically

different from non-indigenous entrepreneurship in its goal structures deserves close

study. The results will depend on, among other things, what one counts as indigenous

entrepreneurship.  The earlier division of opinion as to whether indigenous

entrepreneurship is necessarily or typically conducted collectively and in indigenous

communities, or may be undertaken by indigenous individuals wherever they happen to

be, will have a major impact on these findings. But the outcomes are of major importance

to those who wish to understand and foster indigenous entrepreneurship in its various

settings.

*Collective Organization*

A second characteristic singled out by many scholars is the "collective" or

"communal" nature of much indigenous entrepreneurship. T. Anderson's studies (1995,

1996, 1999) of indigenous development in Canada remarked that the foundation of that

approach was predominately collective, based in individual First Nations.  Lindsay

(2005) cites the work of Redpath and Nielsen (1997), referred to earlier, in support of the

view that indigenous entrepreneurship can be expected, generally, to be collective in its

approach.  Berkes and Adhikari (2005), in their review of more than forty indigenous

projects in Central and South America, refer repeatedly to communally owned

lands, tool banks and stocks of natural resources. The markedly collective

nature of the indigenous enterprises encountered by Peredo in the Andes led her to see

one of the distinguishing features of that enterprise as the "basic unit of

entrepreneurship." She argues that, "the entrepreneurial agent is not some individual but

the indigenous community as a group." (2004, 3. See also Peredo & Chrisman, 2006.)

*Environmental Sustainability*

A closely related feature often associated with indigenous entrepreneurship is a

connection with the land, especially with ancestral lands; a feature which we have seen

plays an important part in specifying who the Indigenous are. Berkes and Adhikari

address the question, "Does indigenous entrepreneurship have a distinctive features?" by

remarking that "One of the ways in which many indigenous groups are distinguishable

from other rural groups is their attachment to their ancestral lands and natural resources."

(2005: 1) Berkes and Adhikari (2005) echo Anderson (1999) and others in noting that a

conspicuous aim of many indigenous peoples is the recovery of their traditional lands.

It is perhaps part of this sense of connection with the land that the indigenous are

frequently said to demonstrate a strong environmental concern in their operations. Peredo

(2001) emphasizes the inherent sustainability of indigenous use of the land among

Quechuas and Aymaras. In summarizing a considerable body of research on indigenous

entrepreneurship, Dana and Anderson comment that, "Indigenous enterprise is often

environmentally sustainable." (2006a: 3) Berkes and Adhikari (2005) refer throughout

their review of indigenous projects reported in the Equator Initiative database to the

environmental sensitivity of the enterprises and their widespread success in recovering

and as well as preserving the natural habitat. This environmental awareness is taken by many to be a hallmark of indigenous enterprise. This concern for the environment is frequently linked with two other features ascribed to many or most indigenous undertakings: the use of "traditional knowledge," and the idea that the indigenous inherit a sense of a "spiritual" connection with the land.

Berkes and Adhikari (2005) note that indigenous enterprises often rely on traditional knowledge, defined by Berkes as "knowledge, practice and belief, evolving by adaptive processes and handed down through generations by cultural transmission, about the relationship of living things (including humans) with one another and with their environment." (1999: 27) They emphasize the additional resources available in that knowledge, and the requirement of indigenous political control over their assets in order to capitalize on those resources. Dana (2006) echoes the importance of traditional knowledge and its connection with ecological awareness.

The sense of a spiritual connection with the land is often seen as connected with traditional knowledge. In his discussion of traditional knowledge, Dana (2006) quotes McGregor (2004) in including within indigenous knowledge "principles and values such as respect, and recognition of relationships among all of Creation." (McGregor, 2004: 389) Jacob and Suderman (1994) make a clear connection between this sense of spiritual connection and environmental sensitivity.

Perhaps the salient characteristic of the native worldview, and the one which has the greatest relevance to sustainability, is that of a sacred perspective on the nature of the universe. The spiritual point of view

23

possesses the potential to inhibit a cavalier approach to the use of the

earth's resources. (Jacob & Suderman, 1994: 5)

*The Debate Regarding Cultural or Economic Forces*

Whether or not this concern for the environment is a typical feature of

indigenous—and this deserves further study—its roots in indigenous culture and tradition

has been hotly contested.  Several authors (e.g. T. Anderson, 1997; Miller, 2001;

Galbraith *et al.*, 2006) take an opposing point of view, and argue that the perceived

"environmental sustainability" or "ecological awareness" among indigenous populations

is simply good management of what are seen to be valuable, scarce and non-imitable

resources. When natural assets were viewed as plentiful or abundant, they argue,

indigenous populations had little concern for environmental maintenance.  These scholars

contend that until scarcity made itself felt, indigenous people were as exploitative as

other populations in their attitude to natural resources. Galbraith *et al*. (2006) are not just

bent on correcting what they take to be a romantic myth. They argue that the "tradition of

indigenous overkill continues into modern times on reservation land where tribal

members are not restricted by state environmental laws regarding the number or size of

animals that can be hunted." (Galbraith *et al.* 2006: 14)

Galbraith *et al*. (2006), in fact, argue that the commonly cited cultural

"philosophy of environmental protectionism;" and the proposal that its spiritual

connection exceeds other religions (see Galbraith, 2004) is simply a modern, romantic

myth.  They note that, "this is not to suggest that indigenous people were more or less

environmentally destructive that other cultures, but only that indigenous people tended to

be influenced by the same incentives of economic scarcity or abundance." (Galbraith *et*

*al.*, 2006: 11) This contention plays a part in their argument that (re-) instituting

individual property rights is an essential step in promoting viable indigenous

entrepreneurship, a theme also presented in economist Terry Anderson's research (T.

Anderson, 1997; T. Anderson *et al.*, 2006).

*Indigenous Entrepreneurship and Partnerships*

Another common theme in indigenous entrepreneurship is the role of partnerships

in developing vigorous and effective indigenous enterprises. In developing their

"research paradigm" for indigenous entrepreneurship, Hindle and Lansdowne (2005)

conducted interviews with a number of indigenous people in Australia and the United

States. Among the dominant themes that emerged (along with the degree of indigenous

"content" necessary to qualify something as indigenous entrepreneurship, and the the

issue of individuality versus collectivity) was the issue of how to manage partnerships

between indigenous and non-indigenous members of an enterprise.

This requires recognition that indigenous entrepreneurship often takes place in a

setting where non-indigenous individuals and corporations often collaborate with

indigenous people in an entrepreneurial undertaking. Anderson (1996) highlighted the

prominent role of partnerships, largely between collectively-owned indigenous groups

and non-indigenous corporations, in the development of indigenous entrepreneurship in

Canada. Anderson (1996) also drew attention to advantages for both indigenous groups

and non-indigenous businesses in these partnerships, while Hindle and Lansdowne's

study (2005) suggested some of the questions that must be faced in exploring this form of

enterprise. Berkes and Adhikari (2005) also explore the importance of partnerships

among the indigenous enterprises they studied. Many indigenous enterprises, they

discovered, had partnerships at several levels of organization. Some of these

partnerships were with non-government organizations (NGOs), others with

government and/or funding agencies. The importance of these partnerships, from fund-

raising to training and technical support, was explicit. However, there was less detail

regarding the partnerships between indigenous and non-indigenous businesses —possibly

due to the nature of the indigenous populations Berkes and Adhikari (2005) studied.

Differences in these partnership relationships, such as patterns of ownership and

governance, the role of cultural differences, and the differences between corporations and

not-for-profit organizations, will need further investigation.

### III.  RESOURCES

Indigenous entrepreneurship is clearly an emergent field. As the discussion in this

paper reveals, it is also a field that invites interdisciplinary research, as the resources of

sociology and anthropology, as well as economics, politics, history, philosophy and

religious studies interact with management scholarship in investigating the phenomenon

of indigenous entrepreneurship. It can be expected, therefore, that relevant material may

be published in a wide variety of journals, including several not usually consulted by

entrepreneurship scholars. It is nevertheless worth identifying several that have, at least to

date and a certain extent, been the principal source of discussions concerning indigenous

entrepreneurship.  These include the *Journal of Aboriginal Economic Development,*

*Canadian Journal of Native Studies, Journal of Developmental Entrepreneurship,*

*American Indian Quarterly, Journal of Small Business and Entrepreneurship, Canadian*

*Journal of Administrative Sciences, International Journal of Entrepreneurship and Small*

*Business.*  In addition, there are a number of recent edited volumes that are dedicated to

indigenous economic development and entrepreneurship.  Most recently these include Anderson, Benson and Flanagan's, *Self-Determination: The Other Path for Native Americans* (2006) and Dana and Anderson's *Handbook of Research on Indigenous Entrepreneurship* (2006b).

## V.  SUMMARY

The purpose of this paper has been to offer an overview of the current study of indigenous entrepreneurship. From the existent literature on the topic, the following appear to be some major themes and questions that have emerged.

First, while there is broad agreement on the application of the term "indigenous," there are differences of emphasis and outright controversies about empirical description of indigenous people, especially concerning the role of ownership and private property in their culture and traditions.

Second, the concept of entrepreneurship is as controversial in this field as elsewhere in management studies. What lends urgency to the question of its definition and its empirical features is the range of opinion as to how compatible the demands of entrepreneurship are with the cultural heritage of the indigenous populations of the world. There are fundamental disagreements as to how flexible the requirements of entrepreneurship are, and whether true indigenous entrepreneurship can transform entrepreneurship into an authentic and distinctive form.

Third, the concept of indigenous entrepreneurship as a total concept is open to debate and discussion.  Not only does it inherit the question of whether the notion of entrepreneurship can be culturally transformed, there is also a difference of approach

27

concerning the location and ultimate goals of indigenous entrepreneurship.

While some scholars appear willing to accept any kind of entrepreneurship involving indigenous people as "indigenous entrepreneurship", other scholars are inclined to restrict the concept to undertakings within indigenous territories and/or directed toward the communal goals of the indigenous population under study.

Fourth, there are a number of critical discussion points related to indigenous populations, and in turn, their relationship to entrepreneurial activities and enterprises. These include, but are not limited to, the pursuit of multiple goals, including social objectives; the notion of collective organization, ownership and outcomes; and a population's association with the land, characteristically leading to a high degree of environmental sensitivity, drawing on traditional knowledge and fostered by a sense of spiritual connection with the land and its resources.

Finally, the theme of partnerships involving indigenous enterprises with other indigenous enterprises and non-indigenous bodies, including NGOs, government agencies, funding organizations, non-indigenous individuals and corporations, is recognized as a vital topic demanding further attention.

References

Anderson, R. (1995). The business economy of the first nations in Saskatchewan: A contingency perspective. *The Canadian Journal of Native Studies, 15*(2).

Anderson, R. (1996). Corporate/indigenous partnerships in economic development. *World Development, 25*(9), 1483-1503.

Anderson, R. (1999). *Economic development among the aboriginal peoples of Canada: Hope for the future*. Toronto: Captus University Press.

Anderson, R. (2004a). Indigenous entrepreneurship: Is it, and if so what is it? (panel symposium proposal), *Annual Meeting of the Academy of Management*. New Orleans, LA, U.S.A.

Anderson, R. (2004b). Indigenous entrepreneurship: The 5 w's, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Anderson, T. (1997). Conservation—Native American style. *The Quarterly Review of Economics and Finance, 37*, 769-785.

Anderson, T., Benson, B., & Flanagan, T. (2006). *Self-determination: The other path for native Americans*. Stanford, CA: Stanford University Press.

Asian Development Bank. (2000). Policy on indigenous peoples.   Retrieved 15 June, 2004, from http://www.adb.org/Documents/Policies/Indigenous_Peoples/ippp-002.asp?p=policies

Berkes, F. (1999). *Sacred ecology: Traditional ecological knowledge and resource management*. Philadelphia, Pennsylvania: Taylor and Francis.

Berkes, F., & Adhikari, T. (2005). Development and conservation: Indigenous businesses and UNDP equator initiative. In L. Dana (Ed.), *Ethnic minorities in entrepreneurship*. London: Edward Elgar.

Bewayo, E. (1999). Will entrepreneurship lead to national development in Africa? *Proceedings of the Small Business Institute Directors' Association, Feb. 10-13* Retrieved 26 July, 2005, from http://www.sbaer.uca.edu/research/sbida/1999/31.pdf

Bishop, J. (1999). The Lockean basis of Iroquoian land ownership. *Journal of Aboriginal Economic Development, 1*, 35-43.

Blawatt, K. (1998). *Entrepreneurship: Process and management*. Carborough: Prentice Hall Canada.

Dana, L. (1995). Entrepreneurship in a remote sub-arctic community. *Entrepreneurship Theory and Practice, 20*(1), 57-73.

29

Dana, L. (1996). Self-employment in the Canadian sub-arctic: An exploratory study. *Canadian Journal of Administrative Sciences, 13*(1), 65-81.

Dana, L. (2006). Toward a definition of indigenous entrepreneurship. In L. Dana & R. Anderson (Eds.), *International handbook of research on indigenous entrepreneurship* (pp. in press). Cheltenham, UK: Edward Elgar.

Dana, L., & Anderson, R. (2006a). A multidisciplinary theory of entrepreneurship as a function of cultural perceptions of opportunity. In L. Dana & R. Anderson (Eds.), *International handbook of indigenous entrepreneurship* (pp. in press). Cheltenham, UK: Edward Elgar.

Dana, L., & Anderson, R. (Eds.) (2006b). *International handbook of research on indigenous entrepreneurship*. Cheltenham, UK: Edward Elgar.

Danson, M. (Ed.). (1995). *Small firm formation and regional economic development*. London: Routledge.

Drucker, P. (1985). *Innovation and entrepreneurship*. New York: Harper & Row Publishers.

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

Galbraith, C. (2004). The myths of indigenous entrepreneurship, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Galbraith, C., Rodriguez, C., & Stiles, C. (2006). False myths and indigenous entrepreneurial strategies. *Journal of Small Business and Entrepreneurship, 8*(2), 1-20.

Galbraith, C., & Stiles, C. (2003). Expectations of Indian reservation gaming: Entrepreneurial activity within a context of traditional land tenure and wealth acquisition. *Journal of Developmental Entrepreneurship, 8*(2), 93-112.

General Assembly The United Nations. (1997). Fact sheet no.9 (rev.1), the rights of indigenous peoples. Retrieved 9 June, 2004, from http://www.unhchr.ch/html/menu6/2/fs9.htm

Hindle, K., & Lansdowne, M. (2005). Brave spirits on new paths: Toward a globally relevant paradigm of indigenous entrepreneurship research. *Journal of Small Business and Entrepreneurship, 18*(2), 131-142.

Hofstede, G. (1980). *Culture's consequences—international differences in work-related values*. Beverly Hills, London: Sage Publications.

International Labour Organisation. (1991). Convention (no. 169) concerning indigenous and tribal peoples in independent countries. Retrieved 9 June, 2004, from http://www1.umn.edu/humanrts/instree/r1citp.htm

Jacob, J., & Suderman, B. (1994, 24-26 March). *Alternative visions of progress: The multiple meanings of sustainable development.* Paper presented at the Sustainable Development in the 21st Century Americas: Alternative Visions of Progress, University of Calgary, Canada.

Lindsay, N. (2005). Toward a cultural model of indigenous entrepreneurial attitude. *Academy of Marketing Science Review*   Retrieved 12 July, 2005, from http://www.amsreview.org/articles/lindsay05-2005.pdf

McGregor, D. (2004). Coming full circle: Indigenous knowledge, environment, and our future. *American Indian Quarterly, 28*(3/4), 385-410.

Miller, R. (2001). Economic development in Indian country: Will capitalism or socialism succeed? *Oregon Law Review, 80,* 757-859.

Mitchell, R. (2004). Issues of indigenous entrepreneurship, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Mitchell, R., Smith, B., Seawright, K., Peredo, A. M., & McKenzie, B. (2002). Are entrepreneurial cognitions universal? Assessing entrepreneurial cognitions across cultures. *Entrepreneurship Theory and Practice, 26*(4), 9-32.

Morris, M. H. (2004). Is entrepreneurship universal: A values perspective, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Peredo, A. M. (2001). *Communal enterprises, sustainable development and the alleviation of poverty  in rural Andean communities.* Unpublished Doctoral dissertation, Calgary: University of Calgary.

Peredo, A. M. (2004). Entrepreneurship and diversity, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Peredo, A. M., Anderson, R., Galbraith, C., Benson, H., & Dana, L. (2004). Towards a theory of indigenous entrepreneurship. *International Journal of Entrepreneurship and Small Business, 1*(1/2), 1-20.

Peredo, A. M., & Chrisman, J. (2006). Toward a theory of community-based enterprise. *Academy of Management Review, 31*(2), in press.

Polanyi, K. (1944). *The great transformation*. New York, Toronto: Farrar & Rinehart inc.

Redpath, L., & Nielsen, M. (1997). A comparison of native culture, non-native culture and new management ideology. *Canadian Journal of Administrative Sciences, 14*(3), 327-339.

Siropolis, N. (1977). *Small business management*. Cambridge, MA: Houghton Mifflin.

Stiles, C. (2004). Failures of indigenous adaptation: A historic case study, *Annual Meeting of the Academy of Management*. New Orleans, LA; USA.

Tully, J. (1995). Property, self-government and consent. *Canadian Journal of Political Science, 23*, 105-133.

Venkataraman, S. (1997). The distinctive domain of entrepreneurship research: An editor's perspective. In J. Katz & R. Brockhaus (Eds.), *Advances in entrepreneurship, firm emergence, and growth* (Vol. III, pp. 119-138). Greenwich, Conn.: JAI Press.

World Bank. (2001). Draft operational policies (op 4.10), indigenous peoples. Retrieved 9 June, 2004, from http://lnweb18.worldbank.org/ESSD/sdvext.nsf/63ByDocName/PoliciesDraftOP410March232001