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NEW ZEALAND MĀORI ENTREPRENEURS PAVE A DIFFERENT PATH

BY JOSEPH QUESNEL



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JOSEPH QUESNEL

Joseph Quesnel is a research fellow for the Frontier Centre for Public Policy who mainly focuses on Aboriginal matters and property rights. Presently based in eastern Nova Scotia, he is from northeastern Ontario and has Métis ancestry from Quebec. He graduated from McGill University in 2001, where he majored in political science and history. He specialized in Canadian and U.S. politics, with an emphasis on constitutional law. He also has a Master of Journalism degree from Carleton University, where he specialized in political reporting. His master's research project focused on reformist Indigenous thinkers in Canada. He is currently studying theology at the Atlantic School of Theology in Halifax. In the past while as a policy analyst, he was the lead researcher on the Frontier Centre's flagship Aboriginal Governance Index, which is measured perceptions of quality of governance and services on Prairie First Nations. For over two years, he covered House standing committees as well as Senate committees. Quesnel's career in journalism includes several stints at community newspapers in Northern Ontario, including in Sudbury and Espanola. He also completed a radio broadcasting internship at CFRA 580 AM, a talk radio station in Ottawa, and the well-known Cable Public Affairs Channel (CPAC). He is a past editor of *C2C Journal*, an online Canadian publication devoted to political commentary. He wrote a weekly column for the *Winnipeg Sun* and contributes to *The Taxpayer*, the flagship publication of the Canadian Taxpayers Federation. Quesnel's policy commentaries have appeared all over Canada, including the *Globe and Mail*, the *National Post*, the *Financial Post*, the *Vancouver Sun*, the *Ottawa Citizen*, the *Montreal Gazette*, the *Calgary Herald*, *Winnipeg Free Press*, among many other major papers. Over the years, he has been featured as a guest commentator on many radio and television news programs.



203-2727 Portage Avenue, Winnipeg, Manitoba Canada R3J 0R2

Tel: 204-957-1567

Email: newideas@fcpp.org

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P O L I C Y S E R I E S

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"Use the tools of the Pakeha (Māori word for European New Zealanders) for your bodily sustenance and the treasures of your ancestors to adorn your head."

- Sir Apirana Ngata (Māori statesman and leader of early 1900s)

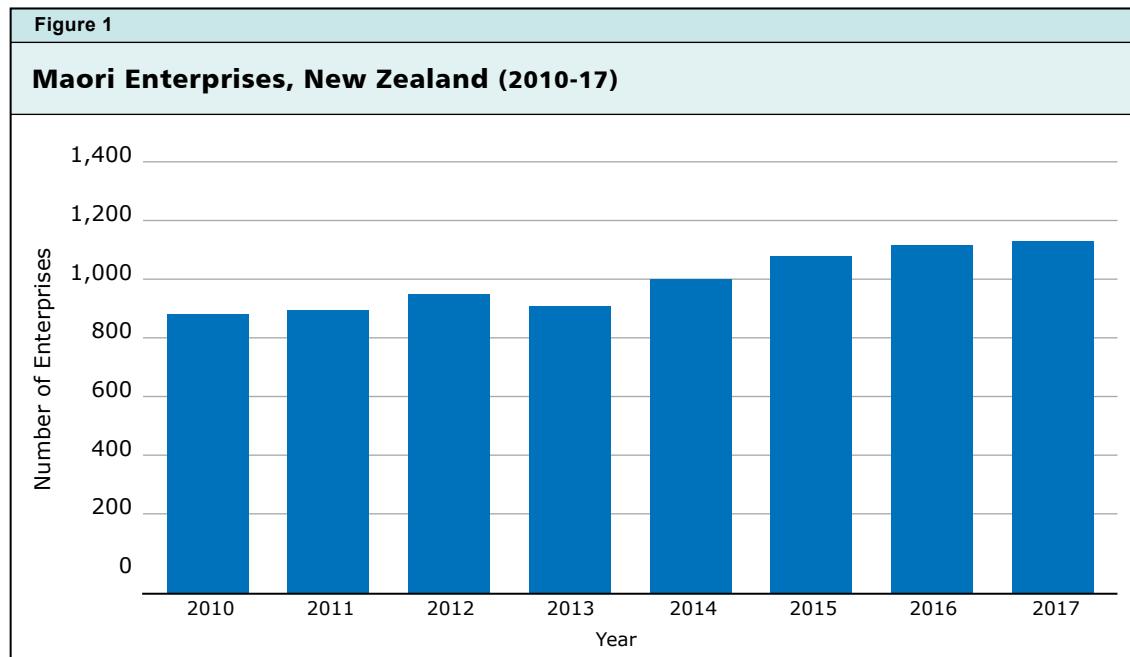
INTRODUCTION

The Māori people of New Zealand have always been entrepreneurial to some degree. They have had to adapt to the circumstances they were forced into. In the 2013 New Zealand census, there were approximately 600,000 people in New Zealand identifying as Māori, making up roughly 15 percent of the national population. Heavily urbanized and integrated, they are very involved in the country's business life.

Up until recently, Māori were not seen as entrepreneurial in business. According to one source, the mainstay of Māori livelihoods since the 1930s was employment in labouring jobs, such as professions in construction, forestry, fishing, health and education.

Over the last few decades, there has been an explosion in Māori entrepreneurship and business involvement. Of all the Indigenous peoples in this series, the Māori have become the most entrepreneurial and the most involved in New Zealand's business sector.

Māori businesses¹ now account for an economic asset base of more than NZ\$42.6B, according to the latest estimates.² Small and medium-sized enterprises make up the largest part of the Māori economy. In fact, the Māori economy is growing faster than New Zealand's economy.³



Source: New Zealand Statistics, 2018.

The Māori people do not receive financial transfers from the national government, like First Nations receive in Canada. Part of their entry into the modern economy is the settlement of land claims with the Crown.

Settlements⁴ under the Treaty of Waitangi,⁵ which was signed by Māori chiefs and representatives of the British Crown in 1840, are probably the single-most important factor in changing perceptions of the Māori economy.⁶ However, settlements made up only about one percent of the NZ\$36.9B Māori economic asset base back in 2010.

But settlement monies have made a big difference, no doubt. Post-settlement assets controlled by Māori tribal groupings called Iwis are worth about NZ\$6B and that is expected to double in a decade.⁷

In 2001 the asset base of the Māori economy was estimated to be worth \$9.4B, this figure rose to \$16.5B by 2006, and we now estimate it was worth at least \$36.9B in 2010.⁸

The majority of Māori assets lie within the agriculture, forestry and fishing industries. In the fishing industry, Māori investment contributes about 40 percent. Self-employed Māori have a combined asset base of \$6.6B assets and the remaining \$12.5B is owned by Māori trusts, incorporations, and other collectively owned enterprises, such as tribal organisations managing treaty settlement funds.⁹

It is the 15,600 or so Māori small and medium-sized enterprises, managing NZ\$26B in assets, that make up the largest part of the Māori economy.¹⁰ Bankers, investors and suppliers are drawn to Māori enterprises as potential partners, eager to understand how to modify their offerings and methods with this market in mind. Unlike in Canada where land claims and Indigenous consultation present obstacles oftentimes in partnering and making deals with First Nation communities, in New Zealand, investors are flocking to Māori businesses. The different history and environment of the Maori has played a larger role in that reality.

The Indigenous Māori people of New Zealand have a very different context than the Indigenous peoples of Canada and the United States. They are similar in terms of their historic trajectories, however. All were Indigenous people to their environment and had to contend with settlers from European countries and had to adapt to that reality. All signed treaties with the newcomers. All have rocked between an official policy of assimilation and integration and one focusing on separation and parallelism.

New Zealand in particular is unique because the Crown signed one treaty with all the Māori tribes (iwis), unlike in North America where the Crown signed treaties with multiple tribes, over a long period of time, and for different reasons and goals. Also, the Māori all speak one language despite the differences between tribes.

Māori and North American Indigenous peoples differ significantly also in the amount of urbanization and integration that has occurred. Almost 90 percent of Māori are living in urban environments, as opposed to their traditional rural homelands. They have largely adapted to their environments, while strongly maintaining their Māori cultural identity and language. Most Māori people—including the majority in the towns and cities—identify strongly as Māori and many are fluent in their language.

There are also networks of Māori agencies and associations in the cities that keep Māori in touch with their identity.

In an interview with Te Taru White—a Māori cultural and business leader—he made some very good points on the differences:

"The fact that New Zealand is very small relative to Canada and the United states means that it is not easy to sweep social issues and problems resulting from the oppressive state under the carpet... Māori here are not placed on reserves as if often the case in Canada and the United States but were part of the mainstream. It means that we had to probably face up to the poor state we were in a lot quicker and learn to be a lot smarter in working the system."¹¹

This means that without reserves or reservations, the Māori have integrated much more into the mainstream. Land is not "set aside" for Māori in the same way it is done in Canada and the United States. However, there does exist Māori land, which is subject to unique restrictions on alienation and protections. It is different than reserve land in our context. About 1.5 million hectares—or about six percent of the total land area—are Māori land. They also can own their own property individually in the cities, so there are opportunities for Māori entrepreneurs to acquire property and use it as collateral for loans, unlike First Nations living on reserve or Native Americans in the United States. The issue of lack of access to credit due to poor property rights is not a problem for Māori entrepreneurs. However, Māori, as less affluent than non- Māori people, still struggle with the lack of personal savings and assets to pledge as collateral.

Some Indigenous entrepreneurs/business leaders profiled in Canada or the U.S. emphasized that the reserve/reservation environment was not favourable to business activity or even a pro-business mentality because of the emphasis on chasing government loans and grants and the lack of an entrepreneurial class. In New Zealand, we see the opposite where the lack of that constraining environment has allowed for the creation of a vibrant Māori business and entrepreneurial class.

Calvin Helin, the B.C. Indigenous author of the best-selling *Dances with Dependency* (featured as one of the Canadian Indigenous entrepreneurs earlier), investigated the unique Māori economic situation. In *Dances with Dependency*, he argued that the change is due to events in 1984 where an economic meltdown prompted the New Zealand government to focus on a new policy direction for Māori that emphasized reduced government dependency, devolution of powers to Māori agencies, tribal re-development, and service delivery to Māori by Māori. There was little opposition because the policy direction matched the Māori desire for greater autonomy and responsibility for their affairs, similar to many Indigenous groups around the world.

Alongside this emphasis on economic independency and promotion of Māori business activity, there was a focus on improving Māori education and language. Schools began to focus on promoting and protecting Māori language.

Since then, it is indisputable that Māori have seen drastic improvements in their social-economic indicators. Or as Helin put it, "While challenges remain, today it might be fair to describe the Māori as much less state-dependent, more self-reliant,

dynamic and outward looking compared to the welfare dollar-chasing leadership of most North American tribes.”¹²

Māori involvement in the workforce is completely normalized and will only increase over time. Last year there were over 12,000 workers in Māori enterprises.¹³

Māori make up 13 percent of the current New Zealand labour force. But Stats NZ estimates the Māori labour force will double to make up one-fifth of New Zealand’s working age population by 2038.¹⁴

SIX LEADERS

Maruhaeremuri Nihonaho

Maruhaeremuri Nihonaho, 45, is an accomplished Indigenous video game designer from New Zealand. She came to entrepreneurship through a desire to combine her love of video game playing with her work experience. Always creative, she gravitated to creative hands-on courses in high school. She learned the computer programming and other skills that she needed for her business and proceeded to create opportunities for herself. She travelled to marketing and business conferences around the world to promote her video game ideas. Nihonaho put in countless hours away from home to make her entrepreneurial ideas succeed. As an entrepreneur, she advised other Indigenous entrepreneurs to be tenacious and learn how to deal with rejection. Her greatest challenge, she said, was finding the self-motivation to keep going.

Having lived in both the country and the cities of New Zealand, she feels she has kept one foot in the Māori world and one in the mainstream world. Strongly anchored in her Māori identity, she believes that exposure to both worlds is a distinct advantage, not an impediment.

Bailey Mackey

Bailey Mackey is an award-winning CEO of a video production company in New Zealand. Strongly identifying as Māori, Mackey believes that cultural identity is not incompatible with business success, even saying that drawing upon the “explorer” side of Māori cultural heroes has helped him develop as a person and entrepreneur. Through his production company, he can promote Māori culture and values. “Being Māori is a strength. We do a lot of overseas projects and being Māori gives you a unique point of view and view of the world.”

Growing up in the second largest Māori tribe (or Iwi), Mackey is also a fluent speaker of the Māori language, which has always given him an advantage in life. Growing up in a rural farming community, Bailey believes he acquired a strong work ethic from his father. “My father had a work hard, play hard mentality,” said Mackey.

He also learned to value education from his family. After flirting with reporting on Māori issues, he knew early on that he was destined for a career in communication. He found a great business mentor who was very important to him in providing knowledge, insight, and motivation.

He was one of the few profile subjects who had visited Canada and found some commonalities with his own experience in New Zealand.

Mackey discovered these struggles were common to other Indigenous populations in the world. He recalled one time where he visited the Tsuu T'ina Nation, a First Nation community in southern Alberta. “It reminded me of a rural Māori community,” he said.

He has adopted a “people first” mentality in his business and plans on expansion in the future.

Lee Timutimu

Lee Timutim, 43, is the founder and CEO of Arataki Cultural Trails, an IT firm based on the North Island of New Zealand. The tech startup company was founded in 2016 and is unique in that it is wholly owned and run by Māori tech entrepreneurs, all of whom bring their combined experience in Māori culture, information about the various tribes in New Zealand, and not to mention, IT experience.

Arataki offers a combination of traditional Māori storytelling and modern technology by providing a smartphone app (the Arataki app is available on Android and iOS) that features an immersive cultural experience by allowing users to access relevant Indigenous cultural information about various locations they travel to. Upon arriving physically at a point of interest, the app provides the user with relevant Māori place names, landmarks, history, proverbs, as well as songs associated with that area.

Combining his love of the beauty of New Zealand, he embarked on his business idea. Drawing upon the hard-working values he inherited from his single parent household with strong female figures, Timutim has been able to create a business that combines his love for traditional storytelling with his IT skills. He said he had to overcome a sense of learned inferiority among Māori people where they believe they are only suited for manual labour jobs.

Facing higher suicide rates, Timutim wanted to help younger Māori to find meaningful work. He also wanted them to take advantage of the booming tourism industry in New Zealand.

Lily Stender

Lily Stender, 49, is a Māori business leader and trustee of the Tolaga Bay Inn, a historic landmark business located on New Zealand's scenic North Island. The region has the distinction of being the first place in the world to see the sun rise. Facing a failing business, Stender, along with members of her family, decided to acquire the Inn and pub and restore it. The high costs associated with the restoration made the project not very profitable at the start. Turning the business into a charitable trust, she said, allowed them to focus on re-building the business from the ground up.

Turning the business into a "social enterprise model" has allowed the business to help deal with local poverty. "Our strengths lie in the ability to work together as a collective, utilizing our skills in a collaborative way. Our mindset is more suited to the social enterprise models, where there are positive social, environmental and economic outcomes."

Through her unique business, she has been able to leverage the enterprise for expanding Indigenous participation in the regional tourism industry and other industries, such as fishing.

In establishing her business, Stender mentioned that problem of many Māori entrepreneurs lacking assets to use as collateral for business loans. She pointed out that the collective nature of the existing Māori lands makes it difficult to obtain capital.

Kawana Wallace

Kawana Wallace, 27, is a co-founder and CEO of myReo Studios, a New Zealand-based software company providing bilingual (English and Māori) digital games targeted towards school-aged learners and unites te reo ("the language") Māori with computer programming and STEM education. Wallace is proud to have built a business that can help support young Māori programmers, designers, and techies to create their portfolios.

Wallace grew up on Indigenous Māori lands, which makes his situation unique to the vast majority of Māori who are heavily urbanized.

Wallace, despite his entrepreneurial experience, considers himself an educator, something he inherited from his parents. After reading a motivational entrepreneurial book from his uncle when he was only 13 years old, he began to look for opportunities in life.

Although he dropped out of high school, he recalls that practical and creative subjects held his interest. He enjoyed courses such as engineering, as well as metal and wood work. Wallace felt that the New Zealand school system was not particularly geared towards helping Indigenous children succeed.

His significant obstacle, he said, was in financing his business. He also had to deal with the reality that Māori programmers are pigeon holed as programmers only capable of doing Māori games and nothing else.

Wallace now is planning on collaborating with the New Zealand school system.

Chanelle Armstrong

For Chanelle Armstrong, 31, creating her family business Stay Native was a chance to turn a growing New Zealand tourism industry into an opportunity to promote self-reliance among the Indigenous Māori people.

Armstrong, like many Māori entrepreneurs, doesn't see any contradiction between successful business and a social enterprise model that looks out for the community interests. Stay Native is an online platform and business that consists of Chanelle, Chanelle's husband Te Ara Armstrong, mother-in-law Pam Armstrong, sister-in-law Chala Chase, and cousin Eliza Leuluai.

The basis of the idea is a single website that connects local and international tourists and visitors with authentic cultural experiences. The visitor becomes immersed in a unique cultural experience involving the host. The visitor and the host communicate through the website about what they want and payments are all arranged online as well. The hosts are not performers and do not rehearse the experience beforehand. It is a completely authentic experience where the host shares their own knowledge of their culture.

The idea is to link the burgeoning tourism industry in New Zealand with Māori workers who are needing meaningful work. Armstrong said that her business finds Māori people who have a valuable cultural experience or skills and helps to monetize that and create their own business. Getting over the stigma of monetizing culture is part of her struggle.

COMMONALITIES AND ANALYSIS

Many of the Māori entrepreneurs and business leaders profiled here grew up in the cities and towns of New Zealand, being as the Māori population is so urbanized and integrated into the mainstream. Financing was a problem for many of them, but not in the same way as Indigenous entrepreneurs in Canada and the United States. They often had to rely on their personal savings, which for a group that is low on the socio-economic scale already, would be a challenge. They are not frozen out of the economy due to land ownership restrictions because so few Māori people live in their traditional homelands.

It could be argued that the urbanization experience has forced the Māori population into being creative and entrepreneurial to survive in the new environment. Also, they have been socialized away from an environment similar to a North American reserve/reservation where there is a lack of business mentality and entrepreneurial spirit.

All the entrepreneurs/business leaders have some form of connection to their cultural identity. None of them found that an impediment to their business success. In fact, many capitalized on their Māori background to create a business. Bailey Mackey said it best when he said: "Being Māori is a strength." Lee Timutimu also drew upon Māori values and culture to find inspiration for entrepreneurship. Kawana Wallace targeted his computer games as a means to preserve the Māori language. Maruhaeremuri Nihoniho drew upon Māori inspiration for her video game business. Both businesses focusing on increasing tourism (the digital apps, for example) focused on Māori cultural tourism and bringing Māori into the tourism industry.

Modern Māori are drawing upon ancient Māori history and values using modern technology. Chanelle Armstrong and Lily Stender are using their business models to help tackle Māori poverty and unemployment. For many Māori, the social enterprise model seems to work because of its focus on drawing upon collective/community energy to build a business that benefits everyone. That model may not work for everyone, but it is one way to move forward. A commonality among Indigenous entrepreneurs/business leaders in all three countries profiled so far is their sense of community and of helping each other out. Now, that is not a sustainable financial model for most Indigenous businesses, but it is something to move forward on. Indigenous entrepreneurs need to work on individual entrepreneurship first.

Many of the subjects spoke about learning values, such as of that of hard work and the need for education, in their lives as instrumental in helping build their later entrepreneurial mindset. For example, Bailey Mackey said that his father instilled in him a belief in hard work and educational achievement. Most of the entrepreneurs were motivated by values that stressed tenacity, self-motivation, and a belief in the success of their product or service. They were not passive or cautious.

CONCLUSION

Māori entrepreneurs/business leaders have adopted a different path. Being urbanized and integrated and without any type of “reserves,” they have walked down a path of independence and creativity. Not receiving government transfers, as in the case of say Canada’s First Nations communities, the Māori must find self-reliance on their own. The New Zealand Māori have been the recipients of billions of dollars in land claims settlement dollars, which they are required to build on. The Māori are given a one-time payment of cash, assets and land and they are required to make them form revenue. That is the policy environment that Māori entrepreneurs and business leaders enter. That environment has yielded outcomes that emphasize Māori business enterprise and independence, over the Indigenous experience of North America.

Canada, with its emphasis on dependence, protection, and parallelism, would stand in contrast to New Zealand, in a negative light. Canada should work on encouraging First Nation entrepreneurs to own their own land in order to access capital and expand their own independent ventures. Only one First Nation in Canada—the Nisga'a Nation in northern British Columbia—has adopted real property rights, mainly to expand Indigenous entrepreneurship.

This may require a transformational shift among First Nation entrepreneurs and business leaders in Canada, but it would be worth it. As we have seen, there are many First Nation entrepreneurs and business leaders in Canada who are already adopting this path. We ought to help them along this path.

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