INDIGENEITY AN ASSET NEVER A BARRIER TO INDIGENOUS BUSINESS SUCCESS

Empowering Indigenous Entrepreneurs Worldwide – Cross National Lessons

BY JOSEPH QUESNEL

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TABLE OF CONTENTS

INTRODUCTION

Without a doubt, Indigenous entrepreneurs and business leaders in all the four Anglosphere countries looked at in this study all face challenges and obstacles. To begin with, they come from the most marginalized and disadvantaged populations in their respective nation-states. Unfortunately, they have the highest rates of poverty, exposure and involvement in criminality, addiction, and domestic violence than other demographics. But, if anything, this study shows that Indigenous entrepreneurs and/or business leaders are rising above these obstacles and finding purpose and meaning in their life to overcome all this. In that important respect, this profile series is a testament to Indigenous resilience and hats off go to these 24 individuals who participated in this study.

So, in terms of the main socio-economic indicators, including educational achievement, they are behind other groups. That seems to be a universal Indigenous experience. That comes from an accumulated historic disadvantage, but it is also largely attributable to the political and policy environment that Indigenous communities find themselves in now. If anything, this series has demonstrated that Indigenous entrepreneurs and/or business leaders in Canada, the United States, New Zealand, and Australia are capable of great success just like any ethnic group or community. They also respond to opportunities like any other group. They see an opportunity to meet an unfulfilled need in the marketplace or they add value to the economy through ingenuity, adaptability, and determination. There is certainly something universal in the entrepreneurial mindset and experience. Indigenous entrepreneurs and business leaders just adapt those values to their own experience. For example, many of the Indigenous entrepreneurs profiled tap into their own cultural experience to the economy. They either focus on a product or service that is already common in the Indigenous experience and expand it to the wider marketplace, or they showcase what Indigenous people are already all about to their benefit (e.g. cultural tourism in New Zealand and Australia). This means that culture, values, and identity are not impediments to business success, but often happen *because of it.*

This study has looked at 24 individual entrepreneurs and business leaders from four separate countries. Therefore, there are obvious differences, but also many commonalities. Throughout this final paper, these differences and similarities will be discussed and explored. Although all the Indigenous communities studied here have indicators below the mainstream population, it seems that some countries have better records of business success than others. As an aside, there is strong evidence that the Sami Indigenous communities of the Nordic states have the highest socio-economic indicators of any Indigenous community in the world. This is largely due to a high rate of welfare state integration of Sami communities. However, these groups are outside the scope of this profile series.

There is evidence that the Aboriginal and Torres Strait Islander people of Australia have some of the worst indicators—including life expectancy for both sexes—than other groups. All the groups studied in this project have treaty or paternalistic relationships with the states they live in and most have land ownership restrictions. However, New Zealand Māori have these land restrictions to an extent, but most Māori do not inhabit these traditional homelands, although they benefit from large land ownership due to land settlements. From a business and entrepreneurial perspective, the New Zealand Māori are best poised for business success.

URBANIZED ENTREPRENEURS

Indigenous entrepreneurs and/or business leaders tend to do better when they originate or live in an urban environment. They are better able to take advantage of mainstream economic and educational opportunities. Many Indigenous entrepreneurs/ business leaders studied here originated in rural environments, but eventually relocated to urban centres to take advantage of the wider market or higher education opportunities. Many entrepreneurs profiled also spoke about living in two different worlds—the rural Indigenous and the urban mainstream. Clearly, these entrepreneurs were able to maintain their Indigenous identity and attachment and succeed in the mainstream world at the same time. This was true of entrepreneurs and/ or business leaders from all four countries studied, but especially New Zealand and Australia. Thus, this study looks favourably upon Indigenous urbanization or "co-mingling" in both worlds as a better predictor of success. Indigenous businesspeople do not need to fear the cities or the mainstream world. They must work within it and adapt to it to a certain extent to tap into wider business markets and success. This also means urban educational institutions need to work with Indigenous communities to help Indigenous entrepreneurs succeed.

EDUCATED WORKFORCE AND EXPOSURE TO BUSINESS OPPORTUNITIES AND TRAINING

Like many entrepreneurs from other communities, Indigenous ones can also succeed in spite of educational achievement. In fact, it seems that the entrepreneurial mindset and temperament is unsuited to certain inflexible and structured aspects of post-secondary education. Many entrepreneurs are not suited for structured programs in many fields. They tend to be trailblazers in whatever area they gravitate to. In the entrepreneurs profiled here, there are many examples of individuals who struggled in the structured and formal education environment or tended towards practical subject areas. However, it would almost go without saying that future entrepreneurs would benefit from essential numeracy and literacy skills. These skills help entrepreneurs and/or business leaders to understand and appreciate emerging business trends and opportunities. It is no secret that Indigenous communities around the world lag behind in educational achievement. High dropout rates plague many communities. Indigenous peoples also are not well represented in various educational areas.

It would seem that a good use of public policy pressure and resources would be the expansion of Indigenous educational achievement. Education systems in all four countries profiled here need to be better resourced and expanded. In some countries, educational standards and resources spent per pupil in Indigenous educational systems lag behind the mainstream. It is worth noting that New Zealand has prioritized and expanded Māori education. New Zealand has helped increase Māori educational achievement while also focusing on Māori language proficiency at the same time. There is no necessary contradiction.

Thus, any country that wants Indigenous people to be more entrepreneurial should focus on producing the best primary and secondary school system for Indigenous people, either on their rural homelands

or in the urban centres. These schools should be relevant for Indigenous people but should also avoid any type of lowered standards. Indigenous people in schools need to be exposed to high standards and to financial literacy. Indigenous people also must have targeted exposure to the business world to see what opportunities it could offer them. As stated in a previous country report, often Indigenous entrepreneurs are the first in their family to start a business. A business culture—or even a strong private sector itself—is new to many Indigenous communities. They need to be exposed to role models of Indigenous businesspeople to see that they can aspire to that kind of achievement. Governments must also ensure that Indigenous people in the homelands or in the cities have exposure to training programs that can provide them with technical skills if they wish to become entrepreneurial.

PROCUREMENT AND LAY ASIDES?

It is unavoidable to notice that Indigenous business success in some countries with large Indigenous minorities is helped and accelerated by preferential procurement policies and Indigenous business "lay aside" programs that help Indigenous entrepreneurs and/or business leaders find markets and contract opportunities. In the United States, for example, there is an extensive network of Native American businesses that owe their business survival and success to Indigenous preferential programs, mostly with the federal government itself. Australia also owes its explosion in Indigenous Australian business growth to a federal procurement policy. There is similar pressure for Canada to adopt stronger and more widespread federal procurement policies favourable to Canada's First Nations population.

This study appreciates this reality and adds a cautionary note: Indigenous communities should not become completely dependent on procurement policies. Procurement policies are very helpful in allowing Indigenous communities that are disadvantaged to access markets and opportunities. However, they should be abandoned once Indigenous communities reach closer parity to the mainstream. One reason is that preferential policies, like all discriminatory policies, breed resentment and conflict. They are also on their face contrary to the goal of an equal playing field for all businesses. Therefore, any policy regime should use preferential policies sparingly and with a definite sunset clause. At some point, the aspiration is to abandon all preference in favour of simple equal access. In terms of Indigenous sense of dignity, Indigenous entrepreneurs want to feel like they earned their market share and success due to their talent and perseverance, not their ethnic identification. In other words, Indigenous businesspeople don't want to feel the sting of tokenism.

ACCESS TO CAPITAL AND
LAND OWNERSHIP

By far, access to capital is the most important obstacle to Indigenous business success, just as it is for other entrepreneurs and/or business leaders. However, this obstacle is much worse for Indigenous communities. As stated, Indigenous peoples in all four countries studied here are the worst off in terms of socio-economic indicators. They already lack financial resources and assets. And yet Indigenous entrepreneurs and/or business leaders are the most dependent on personal savings for their business. Many of the entrepreneurs profiled here had to seek funding from family members to finance their businesses, thus leading to the higher number of businesses run along the "social enterprise" model. Many entrepreneurs also were financed by targeted loans and grants for Indigenous peoples. Obviously, these programs are important and should continue to allow Indigenous people to continue to enter into the business world, but government needs to better allow Indigenous people to leverage their own resources and assets.

In all of the Indigenous examples, there are restrictions on land ownership in their respective countries. Often, land cannot be sold or transferred, preventing it from being used as an economic asset to use as collateral for loans. In most cases, entrepreneurs of all backgrounds must rely on home ownership as a collateral. However, Indigenous people living on Indigenous lands are not able to access this. A difference in the countries studied, however, is that some of the Indigenous peoples live outside their traditional homelands in mainstream urban centres. Thus, they are able to obtain mortgages and leverage property assets.

In some of these countries, such as in Canada and the United States, policy makers and politicians do not actually deal with the problem of lack of land ownership among Indigenous people, but adopt stop-gap measures that attempt to bypass the symptoms of lack of property tenure. Some countries lend money but have the government guarantee the loan, thereby undercutting personal responsibility and putting the government on the hook in case of foreclosure. Legislation should aim to provide Indigenous entrepreneurs and/or business leaders with their own assets that they can take personal responsibility for.

INDIGENOUS SENSE OF COMMUNITY AND SOLIDARITY AS POSITIVES

In the vast majority of profile subjects, there is a strong sense of Indigenous identity and connection to a community, whether to one's own individual community or the wider Indigenous identity. Most display both sense of connections. In many profile case studies, there is a desire to not just advance the entrepreneur, but also the community one hails from. Indigenous entrepreneurs help their families and their communities, and many belong to wider Indigenous associations that seek to advance Indigenous peoples. There is a sense of solidarity and community that most Indigenous entrepreneurs and/or business leaders bring to their venture. This also explains why for many Indigenous entrepreneurs social enterprises are part and parcel of the Indigenous experience. This experience transcended all four countries studied here.

This sense of solidarity is positive when it means that Indigenous entrepreneurs and businesspeople help their community and expand the benefits of their business to their community. There is also a multiplier effect when Indigenous entrepreneurs and/or business leaders hire other Indigenous people, which is shown clearly in multiple countries studied here. Indigenous communities are improved, and the quality of life increases.

This solidarity has negative effects if it makes Indigenous entrepreneurs ashamed of their individual success. Indigenous societies have cultivated a strong sense of egalitarianism that can act to hinder individual success when it is perceived by individual Indigenous people as acting against the group. Indigenous entrepreneurs need to be proud of their success and not feel any guilt about going out on their own in search of opportunity and profit. Indigenous communities, after all, succeed as a whole when more individual entrepreneurs are created and nurtured. Ultimately, most Indigenous entrepreneurs and/or business leaders end up giving back to their own communities as private individuals. They want their success to help others.

RACISM?

Contrary to some assumptions, this profile series has shown that many of the entrepreneurs and/or business leaders did not experience racism or discrimination in their struggle to be successful businesspeople. Some did experience racism of sorts related to lowered expectations. Many did not experience complete acceptance that Indigenous people could enter into and succeed in the business area they sought to enter. If anything, their experience proved that Indigenous people could enter fields that they were not deemed to be strong in, such as the STEM fields.

Indigenous entrepreneurs and/or business leaders are fighting racism and discrimination by succeeding in their fields. They are fighting it in the most important way and not by lowered expectations. They are fighting it by proving to both Indigenous peoples themselves and the non-Indigenous world that they can succeed in any field and be as affluent as other communities.

This is why it is important to not allow procurement and other ethnic preferential policies to come to define Indigenous success in the long term. They raise some justifiable concerns that some Indigenous success is not achieved fairly, but through preference. This is why preference must be targeted and short term.

VALUES AND ROLE MODELS

In many of the profile subjects, there is an experience of being taught good values, such as the value of hard work and being educated. Sometimes these values skip a generation as they are taught from grandparents, but they tend to be present in the backgrounds of Indigenous entrepreneurs.

It is important that young Indigenous people have positive role models in their lives. Unfortunately, many have negative role models in their lives. Some of the entrepreneurs profiled here had criminal role models in their lives or had family and friends who struggled with addiction and violence. Of course, this is not to recommend that people face these obstacles in their lives, but it is undeniable that these tough circumstances, for many people, serve to build character and act as a motivating force to overcome adverse conditions and to make something of one's life.

Some of the role models found meaning in spirituality and faith, while others adopted a strong personal philosophy. This study is neutral on some of these aspects, but does believe that ensuring that Indigenous people have strong families and are taught strong values is important for success. In practical terms, this means that policies help not hinder families, and perhaps organizations that help to teach positive values and role models to Indigenous peoples will help them in their adverse circumstances.

CONCLUSIONS

This profile series has shown that Indigenous people can be just as entrepreneurial, innovative, adaptable, and productive as any other group in society. Like any group, they take a catalogue of their skills, assets, and knowledge to add value to the economy in the best way they can.

The good news is that the desire and the drive to succeed is in plentiful supply among Indigenous communities. Indigenous people are succeeding at business and are increasingly doing so in all the countries studied in this series. The bad news is that Indigenous people still face ongoing obstacles that act to keep down business success. Indigenous people continue to lack financial resources or assets to build businesses or to achieve their dreams. They are more reliant on personal and family savings than others. If they live on Indigenous lands, they cannot use these lands as assets. Indigenous people are also educated at a lower level than other communities and are not exposed to business success. Thus, for some of these recommendations, the emphasis is on building up Indigenous people themselves.

Laws should not act to deter Indigenous people from achieving their entrepreneurial dreams. Indigenous people should also be as educated and informed about business as other communities. We all deserve to exist on a level playing field. There is limited room for targeted preferential programs to help Indigenous people in isolated regions find markets that might not exist in their communities.

Indigenous people are becoming more urbanized than ever. Younger Indigenous people are not satisfied living in isolated areas and in poorer circumstances. Younger Indigenous people are also just as tech savvy and eager to discover the wider world. Most importantly, Indigenous people want to maintain their cultural identity and values while living in these mainstream environments. For Indigenous entrepreneurs, tapping into these Indigenous values and experiences is actually quite a draw and can be turned into commodities and services that the wider world wants. While Indigenous people should not feel that they have to focus on or commodify their

cultures to be successful, there is nothing wrong with monetizing their experiences. There is a clear demand for it all over the world.

This profile series has also made it very clear that Indigenous entrepreneurs and/or business leaders need to tap into urban environments to better succeed. Urban centres are better in terms of economic and educational/training opportunities for Indigenous businesspeople. Many successful Indigenous entrepreneurs already live in the cities or at least have office presences in these major cities. Government policies should help Indigenous people live and succeed in the towns and cities, or at least maintain some presence there to tap into opportunities. Also, Indigenous governments and communities should not fear Indigenous businesspeople being exposed to or moving to or maintaining some form of presence in the urban centres. This is one major reason why the New Zealand Māori model of strong urbanization is the best for transferring Indigenous entrepreneurial success to all countries studied in here.

POLICY RECOMMENDATIONS

1. Policy makers and politicians should ensure that Indigenous peoples are able to live and succeed in urban areas, or at least maintain some sort of presence in these environments for their business to succeed. Policies should encourage Indigenous urbanization in a major way.

2. Governments must immediately move to allow Indigenous people access to their own lands by removing most restrictions on land, especially the economic ones that prevent Indigenous businesspeople from using lands as collateral for business loans.

3. Governments in all countries with Indigenous peoples should invest immediately in ensuring that Indigenous people have equal primary and secondary schooling, as well as post-secondary skills and entrepreneurial training.

4. Federal governments with Indigenous peoples should adopt targeted and short-term preferential procurement policies that encourage the national government to contract with Indigenous firms. These policies should be encouraged until Indigenous firms reach a degree of parity with other firms in terms of their proportional access to the economy.

5. Governments—both mainstream and Indigenous ones—should adopt policies that act to build Indigenous families and communities and encourage community and faith-based or Indigenous spirituality-based groups that teach positive values to work with Indigenous communities. Exposing young Indigenous people to successful entrepreneurial role models should also be encouraged.

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