

TOWARD A THEORY OF INDIGENOUS ENTREPRENEURSHIP

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ABSTRACT

Indigenous populations throughout the world suffer from chronic poverty, lower education levels, and poor health. The ‘second wave’ of indigenous development, after direct economic assistance from outside, lies in indigenous efforts to rebuild their ‘nations’ and improve their lot through entrepreneurial enterprise. This paper suggests that there is a distinguishable kind of activity appropriately called ‘indigenous entrepreneurship’. We believe that entrepreneurship among the indigenous—approximately 300 million strong worldwide—has a rich potential for rebuilding indigenous communities.

We begin by defining the indigenous population and noting some general facts about their numbers and distribution. In an effort to discern the potential for economic development on indigenous peoples’ own terms, we then explore three frameworks for understanding efforts at development, including indigenous development: modernisation theory, dependency theory and (at somewhat greater length) regulation theory. After distinguishing ‘indigenous’ from ‘ethnic’ entrepreneurship, we conclude by identifying a number of lead questions that present themselves at the outset of an enquiry into the nature of indigenous entrepreneurship.

PAPER

Introduction

Entrepreneurship and enterprise development take on different forms, and are motivated by a variety of factors. Over the past two decades there has been a proliferation of research investigating entrepreneurial behaviours in both Western and non-Western industrialized economies. While we now have some generalized understanding of certain aspects regarding the motivations and strategies of entrepreneurs, and their important contribution to economic development, there remains a question whether these generalizations are, in fact, applicable to indigenous peoples. The purpose of this paper is to introduce indigenous entrepreneurship as a promising sub-field subject area deserving further scholarly attention. We further identify some of the more pressing questions that arise within this relatively unstudied area.

Background

Over the years, indigenous people around the world have suffered greatly as the result of shifting economic forces, advancing technologies, encroaching population centres, social acculturation, and colonial expansion. Once self-reliant and socially cohesive, to varying degrees indigenous communities have suffered both geographical and population dislocations. What receives less attention, but is also important, is the degree of cohesion that remains and the desire among many indigenous people to rebuild their communities on a traditional and culturally grounded foundation (Anderson, R., 2002).

Around the world, indigenous population groups suffer from chronic poverty, lower education levels, and poor health. As a result, an often-stated dual objective of indigenous leaders is to rebuild their ‘nations’ and improve their socio-economic circumstances (e.g. Harvey, 1996; Lurie, 1986; Vinje, 1996). Within this overall multi-objective mission, many indigenous people see entrepreneurial activity as a central element in supporting this endeavour. For example, this is for example certainly accurate regarding the Aboriginal Peoples of Canada, the First Nations, Metis and Inuit; and in Perú, the Quechuas and Aymaras. Among these peoples, entrepreneurship and business development are widely accepted as the key to building a more vibrant economy leading to nation re-building (Anderson, R. B. & Giberson, 2004).

This involvement in the private sector through entrepreneurial activity has been called the “second wave” of indigenous economic development, with the “first wave” being direct economic assistance (Stevens, 2001). The actual entrepreneurial forms can vary dramatically, ranging from the broad collective efforts of the Maori in New Zealand (Frederick & Henry, 2004) to the individual entrepreneurial spin-offs from the tribal casino gaming of the Kumeyaay bands in California (Galbraith, C. & Stiles, 2003). Regardless of the form, entrepreneurial enterprises remain at the heart of indigenous economic development.

We suggest that these enterprise related activities exemplify a distinguishable kind of activity we call ‘indigenous entrepreneurship’. In this paper we intend to not only delineate some of the principle features captured by this topic area but also to elaborate something of the circumstances in which this form of activity takes place and to articulate some of the ways in which this type of entrepreneurial undertaking may be understood.

Who are the indigenous?

To begin with, we must define the various agents involved in indigenous entrepreneurship. In essence, who are the indigenous?

A useful, albeit somewhat politically charged, definition is that framed by the General Council of the International Labour Organisation in 1989. According to their convention, formally ‘entered into force’ in 1991, indigenous people are,

Peoples in independent countries who are regarded as indigenous on account of their descent from the populations which inhabited the country, or a geographical region to which the country belongs, at the time of conquest or colonisation or the establishment of present State boundaries and who, irrespective of their legal status, retain some or all of their own social, economic, cultural and political institutions (International Labour Organisation, 1991).

The United Nations employs a similar definition, generally omitting references to maintaining social, economic, cultural and political institutions. A 1995 resolution, for instance, states that,

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).

Mme. Erica-Irene Daes, former Chairperson of the UN Working Group on Indigenous Populations, provides another widely used definition. She designated certain peoples as indigenous because they are descendants of groups which were in the territory of the country at the time when other groups of different cultures or ethnic origins arrived there; because of their isolation from other segments of the country's population they have preserved almost intact the customs and traditions of their ancestors which are similar to those characterized as indigenous; and because they are, even if only formally, placed under a State structure which incorporates national, social and cultural characteristics alien to theirs.

Beyond this matter of definition lies a richer characterization of the real-life indigenous condition. In identifying the target group for its policies on indigenous people, the World Bank declines to adopt a formal definition, choosing instead to specify a number of typical characteristics which are relevant to considering a group indigenous. Some of these echo elements in the above definitions, but others extend to a fuller account of indigenous circumstances. The Bank identifies indigenous peoples by their possession in some degree or other of some of the following (World Bank, 2001):

- a. close attachment to ancestral territories and the natural resources in them;
- b. presence of customary social and political institutions;
- c. economic systems primarily oriented to subsistence production;
- d. an indigenous language, often different from the predominant language; and
- e. self-identification and identification by others as members of a distinct cultural group

The Asian Development Bank (Asian Development Bank, 2000) takes a similar approach. In their Policy Statement for Indigenous People, the bank writes,

A starting point would be to define indigenous peoples on the basis of characteristics they display. Two significant characteristics would be (i) descent from population groups present in a given area, most often before modern states or territories were created and before modern borders were defined, and (ii) maintenance of cultural and social identities, and social, economic, cultural, and political institutions separate from mainstream or dominant societies and cultures.

While definitions of “indigenous” may vary from institution to institution, and from researcher to researcher, they generally contain three core elements which we employ for our operational definition of ‘indigenous’: (a) descent from populations inhabiting a region prior to later inhabitants, (b) geographical, political, and/or economic domination by later inhabitants or immigrants, and (c) maintenance of some distinctive social-cultural norms and institutions. Attachment to ancestral lands and their resources, modern subsistence economic arrangements and distinctive languages help fill out the picture without suggesting that all indigenous peoples display all these characteristics.

In addition, indigenous populations have also been associated with more sociological and psychological dimensions, such as a “collective” or community-based orientation, a sense of historical mistreatment by the dominant culture, a general desire to control their own economic resources, and to participate in the general economy “on their own terms.” However, there is substantial debate among researchers regarding the historical context and root causes of many of the more sociological and psychological dimensions often associated with indigenous populations.

Depending on the definition employed, estimates of the indigenous world population vary. At the high end it is estimated that the total population identified as indigenous ranges from 300 million to 500 million individuals worldwide, and that the population represents as much as 80% of the cultural diversity on this planet (Indigenous Peoples’ Human Rights Project, 2003). The UN estimates approximately 250 to 300 million individuals, with approximately

5,000 different groups that fit the UN definition of indigenous. Overall, because of differences in definitions, the quality of population census between countries, and the self-reporting aspects of population estimates it is difficult to obtain a more accurate estimate.

Regardless of the definition or estimates of size, one must begin by acknowledging the remarkable diversity of the world's indigenous peoples. Their communities are distributed throughout the continents of the earth, and their members range from traditional hunter-gatherers and subsistence farmers to the expert professionals recognised in industrialised nations. Some indigenous populations have remained essentially the same for hundreds of years, even into the modern era, while others have been highly integrated into the dominant cultural and economic society. In some countries, such as Bolivia, the indigenous population is a majority, but in most countries they are minorities of varying size.

One indisputable feature that sharpens the dilemma of economic development is the widespread and chronic poverty of almost all indigenous people. The World Bank, for example, prefaces its Operational Policy on Indigenous People with the declaration that "indigenous peoples are commonly among the poorest and most vulnerable segments of society (World Bank, 2001)." Despite the enormous diversity of indigenous populations and their circumstances, relative economic deprivation characterizes that vast majority of indigenous populations. Confronted with these depressing economic statistics, many, but certainly not all, modern nation-states have recognized the plight of their indigenous communities. For this reason, indigenous people, along with other poor populations of the world, have long been the target of a wide range of initiatives, efforts and programs to assist in economic development.

Due largely to the leadership of indigenous people themselves, these initiatives have increasingly been aimed beyond the improvement of socioeconomic circumstances. 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. The following excerpts from 1993 Draft United Nations Declaration on the Rights of Indigenous Peoples capture a sense of this larger agenda:

RECOGNIZING the urgent need to respect and promote the inherent rights and characteristics of indigenous peoples, especially their rights to their lands, territories and resources, which derive from their political, economic and social structures and from their cultures, spiritual traditions, histories and philosophies,

Article 21

Indigenous peoples have the right to maintain and develop their political, economic and social systems, to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities. Indigenous peoples who have been deprived of their means of subsistence and development are entitled to just and fair compensation (Economic and Social Council Commission on Human Rights, 1993).

The presence of this larger agenda is one of the forces that differentiates Indigenous entrepreneurship. It is the major tool by which many Indigenous groups are striving "to be secure in the enjoyment of their own means of subsistence and development, and to engage freely in all their traditional and other economic activities."

Part of understanding the position of indigenous peoples, and the potential use of entrepreneurial activity as an economic development engine, is understanding the underlying approaches by which modern economic development efforts for indigenous peoples have been, and are currently being framed. It is also within this critical role of economic development that indigenous entrepreneurship research can be understood. We turn now to that challenging subject.

Development and Indigenous Peoples

Over the years there have been numerous indigenous uprisings and protests, similar to those experienced in England with the advent of the industrial revolution (Polanyi, 1944). A common theme surrounding these debates has been the indigenous right at various levels to plan and control their own development. It should be noted that their insistence has not been so much on integration or isolation—issues which often seem to monopolize the debate—as it has been on the right to self-development (Peredo, 2001). Much like the battle for labour rights fought in the 19th and early 20th centuries, indigenous peoples world-wide are actively asserting their rights over resources in a variety of ways. The short story is that there is more than one way of ‘framing’ the processes that have been undertaken by ‘developed’ nations in order to benefit those who are ‘undeveloped’, including indigenous populations.

The desire of indigenous peoples to rebuild their communities raises two fundamental issues. First, can indigenous people participate in the expanding global economy and its rapidly advancing technological changes with a degree of self-determination; and if so, how? The answer to the latter part of the question depends on the answer to the first, and the answer to the first depends on what we can learn from different perspectives regarding how we define and evaluate socio-economic development. For the purposes of this paper, we consider three broad perspectives: modernization theory, the radical perspectives represented by dependency theory, and the emerging contingent perspectives represented by regulation theory. Our aim in this section is not to recommend one particular framework for understanding these efforts, though we mention some perceived deficiencies, and we discuss one at far greater length than the others. Our overall objective is to capture what we can from each of the perspectives, and by implication to issue an invitation to continue this search for still better ways of understanding the wide variety of efforts often termed ‘development’. One very specific object in this enquiry is to discover whether there may be a way of negotiating a constructive participation of indigenous people into the global economy in a way that allows them to preserve what is important to them as indigenous peoples.

(a) ‘Modernization’ or ‘assimilation’ models

Modernization theory (Inkeles & Smith, 1974; Kuznets, 1973) has dominated much of the economic development paradigms and practice since the 1950s. A number of notions contribute to this theory. First, it sees development as passing through various stages. It implies that in order to progress and develop, traditional societies have to move toward modernity (Crewe & Harrison, 1998). ‘Modernization’ and ‘development’ came to be used as synonymous terms. Secondly, monetary income and, therefore, economic growth are regarded as key elements in measuring the quality of life. Thirdly, humans are or should be motivated by self-interest and rational economic behaviour (Burkey, 1993; Crewe & Harrison, 1998). From this point of view the development of a country is measured in economic terms, with the expectation that ‘underdeveloped’ countries will over time assume the qualities of industrialized nations (Burkey, 1993). One of the underlying assumptions of modernization is

that traditional culture, social structures, and differing languages are barriers to progress, as the following quotation illustrates:

Pre-existing social relations...family, kinship and community, constitute obstacles to business enterprises and achievement.... Successful capitalism involves some rupturing of existing social relations and possibly the diminution of affective relations to leave more space to impersonal, calculating forms of social interaction believed to characterize the market economy (Moore, 1997, p. 289).

This general orientation has led to several neo-classical economic approaches to economic development; approaches that inevitably reside in some notion of assimilation. Modernization or “assimilation models” essentially argue that cultural divisions and differences ultimately interfere with efficient economic product and the differential advantages that individual nations might enjoy. Attempts to apply this framework for economic development, however, have not led across the board to the accelerating spirals of development it was hoped would result, and in fact, we know that broad based assimilation has not occurred with any great frequency – at least in the short-term. The complexities of the poverty dynamic in different settings, and need to respect local cultures and knowledge increasingly created dissonance for modernization scholars and practitioners. The ‘green revolution’ of the 1970s was a striking example of the way that growth could be produced while development lagged and poverty even increased. The negative growth and debt crises that ensued in some countries toward the end of the century called into question the simple implementation of modernisation programs (George, 1988).

However, many developmental economists still argue for broad-based modernization programs with an underlying belief that past barriers to economic growth have been primarily politically motivated to the overall detriment of indigenous populations. To some extent, the move toward economic globalization via institutions such as the World Trade Organization (WTO) and regional trade agreements, such as NAFTA is ultimately grounded upon a modernization or assimilation foundation. Whether the modernization movements represents opportunity or threats to indigenous people is still open to debate and discussion, but regardless of ones political, social, or economic orientation, the modernization framework should not be discounted from academic discussion.

(b) Dependency Models

In a historical sense, dependency models of economic development emerged not only as a critique of the failure of the modernization agenda to deliver the anticipated development outcomes, but even more fundamentally to draw attention to what is seen by some as a new form of colonization. In this analysis, the multinational corporation, the developed industrialized nation states and the global institutions such as the World Bank, IMF, GATT and later the WTO are cast as the villains (Hancock, 1989; Klitgaard, 1990). Rather than leading the ‘underdeveloped’ to a ‘developed’ state, within the lens of dependency models the actions of the developed world are seen as the basic (through conquest and colonialism) and continuing (through economic exploitation) cause of underdevelopment. According to the dependency critiques, participation by the underdeveloped in the global capitalist economy as it is currently constructed can only exacerbate their circumstances, not improve them (Baron, 1957; Cardoso & Faletto, 1979). The evidence since the Second World War certainly offers some support for this view. While certainly debatable as to the reasons, the gap between the rich and the poor within and among some states, particularly in Africa, has widened, not closed in spite of six decades of development efforts of various types (United Nations

Development Programme, 2001), while other countries, such as India, have fared well, and still others regions, such as Latin America, have remained essentially unchanged.

The application of dependency models have led to programs such as import substitution, aimed at pursuing growth by developing internal resources without reliance on unbalanced trade with large and powerful outside nations. These programs, however, have also proved largely unsuccessful. It has been argued that part of the problem with dependency based models of economic development is that is more oriented to a critique of modernisation than developing a theoretically sound approach to development of its own. Indeed, according to Hettne (1982), the development perspective arising from dependency theory appears to be little more than modernisation theory applied to the locus of a nation state.

Even as modified in recent years some argue (So, 1990), the modernization and dependency perspectives present incompatible views of the relationship between a ‘developing’ people/region and the ‘developed’ world. In particular circumstances, one or the other of these approaches can often adequately explain *what happened*. However, when applied in any particular circumstance to offer insight into *what might happen*, the two produce conflicting answers, thus they providing contradictory guidance to groups searching for a path to development as they perceive it.

(c) *Contingency Models*

In the closing three decades of the 20th Century, the conflict between the modernization and dependency perspectives led many to conclude that both theories are incomplete (as distinct from mistaken); each describing a possible but not inevitable outcome of interaction between local regions seeking what they regard as a better form of life, and the global economy. In this vein, Corbridge (1989) states that there has been a powerful trend towards “theories of capitalist development which emphasize contingency ... a new emphasis on human agency and the provisional and highly skilled task of reproducing social relations” (Corbridge, 1989, p. 633). As Tucker (1999) notes, this allows “for the possibility of incorporating the experience of other peoples, other perspectives and other cultures into the development discourse” (Tucker, 1999, p. 16). Development need not be as defined by the ‘developed world’ and the interaction between a particular people and the global economy need not be as envisaged by the modernization or dependency perspectives; it can be something else entirely. Why not that which is being sought by indigenous people—development as they define it?

There has been substantial discussion about the increasing flexibility in modern economic production and consumption, and its impact on the strategies of the modern firm (Boyer, 1999; Galbraith, C. & DeNoble, 2002; Harmon & Peterson, 1990). From a broader perspective, Toffler (1980) labelled this phenomenon the “third wave” as contrasted with the industrial “second wave” and the agricultural “first wave”. Toffler and other economic futurists of the modern era have all noted that new technological developments such as computers, robotics, bio-technology, global communication, and nano-technologies are forcing a much more de-centralized, de-massified, and non-synchronised post-industrial society; a system that is fundamentally different than 19th and 20th century industrial economies. The hope, it is argued, is that this process will open the way for economically efficient development that is more sensitive to intra-state differences, including those of the indigenous populations. In other words, they highlight the ‘electronic cottage’ or efficiently flexible micro-economies that are now possible for historically underdeveloped populations. Within this framework several different economic development approaches have been suggested which attempt to accommodate the nature of increasing contingency and human agency. We discuss one of these models, that is “regulation theory,” to illustrate the potential for indigenous entrepreneurship.

According to Hirst and Zeitlin (1992), “regulation theory” executes, “a slalom between the orthodoxies of neo-classical equilibrium theory and classical Marxism to produce a rigorous but non-deterministic account of the phases of capitalist development that leaves considerable scope for historical variation and national diversity (Hirst & Zeitlin, 1992, p. 84).” expanding on this notion of variation and diversity, Elam (1994) says that on one hand, national and regional units are constantly in a state of flux as they adjust to the influences of the global economy. All must accommodate themselves at least to some extent to its hegemony. At the same time, these broader global influences “are seen as having essentially local origins” (Elam, 1994, p. 66). This translates into a counter-hegemonic potential in terms of the activities actually undertaken by people as they negotiate their way locally through the global economy. It is not simply a case of conform or fail. Indigenous peoples may thus be able to move from a primarily inward orientation towards an outward oriented approach (Migdal, 1975).

Recognizing the increasing flexibility of modern economic systems, regulation theory analyzes the global economy “in terms of a series of *modes of development* based on combination of the currently ascendant *regime of accumulation* and a variety of *modes of social regulation*” (Hirst & Zeitlin, 1992, pp. 84-5). The regime of accumulation determines the general possibilities for the economy. Scott (1988) says it “can be rather simply defined as a historically specific production apparatus ... through which surplus is generated, appropriated, and redeployed” (Scott, 1988, p. 8). Importantly, with respect to geographic scale, the regime of accumulation is a “relationship between production and consumption defined at the level of the international economy as a whole” (Hirst & Zeitlin, 1992, p. 85); it is what most refer to as the ‘global economy’. As a result, Scott (1988) argues that stability in the global economic system is

dependent on the emergence of a further set of social relations that preserve it, for a time at least, from catastrophic internal collisions and breakdowns. These relations constitute a mode of social regulation. They are made up of a series of formal and informal structures of governance and stabilization ranging from the state through business and labor associations, to modes of socialization which create ingrained habits of behaviour . . . (Scott, 1988, p. 9).

Hirst and Zeitlin (1992) agree, stating that a mode of social regulation (MSR), “is a complex of institutions and norms which secure, at least for a certain period, the adjustment of individual agents and social groups to the over arching principle of the accumulation regime (p. 85). While regulation theory does not prescribe the exact nature of a particular mode of social regulation, it is generally agreed that a regime of accumulation does not create or require a particular mode of social regulation; “each regime, in short, may be regulated in a multiplicity of ways” (Scott, 1988, p. 9). Because modes of social regulation are based on such things as “habits and customs, social norms, enforceable laws and state forms” (Peck & Tickell, 1992, p. 349) unique modes “can exist at virtually any territorial level—local, regional, national, global” (Storper & Walker, 1989, p. 215).

Another aspect of regulation theory—its historicity—adds further strength to the argument that modes of social regulation, and therefore modes of development differing considerably one from another, can and do emerge at every geographic scale. Corbridge (1989), echoing the “cyclical” or “wave” arguments of Toffler (1980) and other historically based economic futurists, argues that regulation theory indicates that the global economic system has gone through four stages in the Twentieth Century. In stage one, the system was in equilibrium. Stage two was a period of crisis or disequilibrium resulting from a shift from the extensive to

the Fordist regime of accumulation. Equilibrium returned in stage three when suitable modes of social regulation emerged. The fourth (current) stage is also one of crisis caused by a failure of the monopolistic mode of social regulation (in all its variants) to accommodate a "selective move from mass production (the Fordist regime accumulation) to various forms of flexible production" (Norcliffe, 1994, p. 2).

Forces resulting in the shift to the new flexible regime of accumulation include: (i) technical limits to rigid fixed capital production techniques, (ii) working class resistance to Taylorist and Fordist forms of work organization (Jessop, 1989), (iii) a change in consumption patterns "toward a greater variety of use values ... [that] cannot be easily satisfied through mass production" (Amin & Malmberg, 1994, p. 12), (iv) the increasing mobility of capital and the resulting ability of transnational corporations (TNCs) to move among spatially-bounded regulatory jurisdictions in the pursuit of greater profits (Leyshon 1989), and (v) in the face of this internationalisation of capital, the inability of national Keynesian policies [all variants of the of the monopolistic mode of social regulation] to avert crisis (Komninos, 1989).

Everywhere and at every geographic scale—community, subnational region, national, supranational regions and globally—indigenous or not, people are struggling to develop modes of social regulation that will allow them to interact with this new flexible regime of accumulation. Within this framework both the nature of flexible regimes of accumulation and overlapping models of social regulation are emerging. Goldman (1995), for example, writes that the flexible regime exhibits "a distinct set of relationships, interdependencies, and forms of interaction among suppliers, producers, distributors, and customers. It demands new approaches to organizing, operating, and measuring the performance of both individual companies and clusters of cooperating companies (p. 1)."

Thus the theory of the firm radically changes from a hierarchical transactional process described by Williamson (1975), to one of varying modes of alliances and relational contracts (Galbraith, C. & Kay, 1986; Kay, 1997; Teece, 1980). Goldman (1995) again notes that in "a competitive environment of continuous and unanticipated change" companies are finding it "advantageous on the grounds of cost, speed, or market penetration, to utilize only some company-owned resources, combining them with others available in other companies" (pp. 6-7). Similarly Dunning (2003) writes

We are moving out of an age of hierarchical capitalism and into an age of alliance capitalism. This is placing a premium on the virtues needed for fruitful and sustainable coalitions and partnerships (be they within or among institutions), such as trust, reciprocity, and due diligence (p. 24).

This leads us to a discussion of the modes of social regulation emerging in response to the demands of the flexible regime of accumulation. In response to the change in the regime of accumulation, the nature of the regulation is changing. Several authors have noted a shift in the locus of regulation from the nation state in two directions—to the supra-national and the local (Amin & Malmberg, 1994; Scott, 1988). Dicken (1992, p. 307), for example, emphasizes that successful participation in the global economic system "is created and sustained through a highly localized process" and that "economic structures, values, cultures, institutions and histories contribute profoundly to that success."

Under regulation theory, the firm appears to open a number of opportunities for indigenous enterprises and entrepreneurial efforts. This is due both to the changing regimes of accumulation arising from the increasing flexibility and decentralization in both production

and consumption activities, as well as the changing models of social regulation, as hierarchical models of the firm evolve into alliance and relational based organizations.

Indigenous People and Modern Institutional Forces

It is important to emphasize that in this discussion of indigenous entrepreneurship we are considering the entrepreneurial activities of indigenous people in their indigenous setting. They 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. The characteristics of entrepreneurship among indigenous people who migrate individually or in relatively small groups, especially to urban areas, may well be different from the populations we propose to study. It is tempting to suppose that their behaviour may more closely resemble that of ethnic enclaves (see below). But that suggestion represents a distinct area that merits its own study.

Given the well-recognized increasing flexibility of modern production systems and consumption behaviours, indigenous populations, as defined above, appear to now have a greater opportunity to efficiently and effectively participate in the modern economy while still maintaining those cultural characteristics they self-define as indigenous culture. As a group, indigenous people in a particular community are likely to adopt their perspective on the global economy as a response to their direct experience with actors in the global economic system.

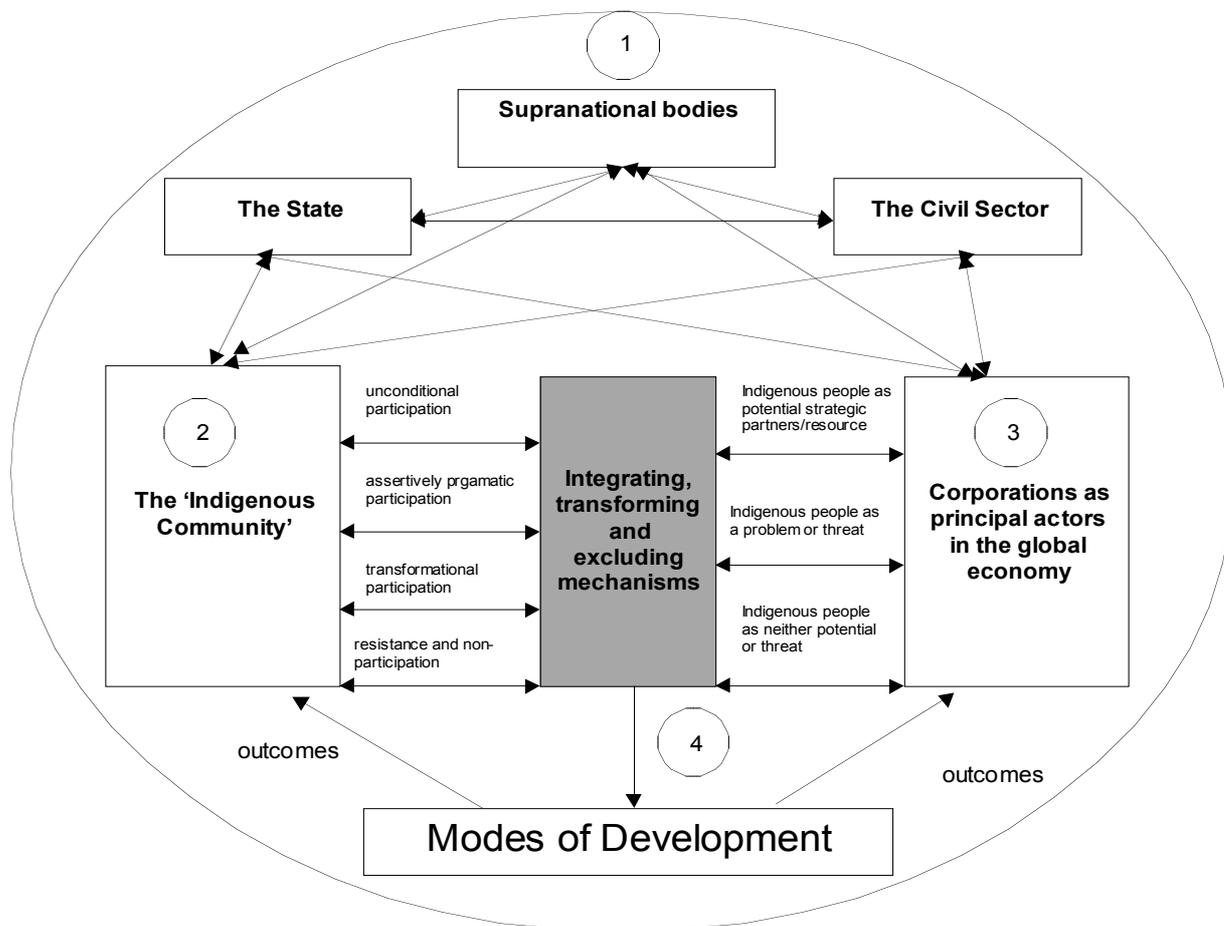
The four groups of actors with whom indigenous peoples are probably most familiar (and therefore constitute the face of the global economy) are (i) the exogenous economic entities such as corporations with which they interact as suppliers, customers and/or employees; (ii) the ‘state’ at local, sub-national, national and international levels; (iii) a myriad groups of the civil sector including non-government agencies (NGOs) of all types and special interest groups such as Amnesty International, the World Council of Indigenous People, the Sierra Club, etc.; and (iv) global and supranational bodies, such as the WTO, the UN, the World Bank, the European Economic Union and NAFTA.

Figure 1 attempts to capture this complex and dynamic relationship. Corporations are most closely associated with the regime of accumulation; indeed for many indigenous groups they are the face of the regime of accumulation. That it is not to say that corporations are not influenced by and do not influence the mode of social regulation; of course they are, and they do. The state at all its levels is most closely tied to the mode of social regulation. Indeed, the sum of the actions of the state at all levels constitutes the bulk of the mode of social regulation at any particular time and place; the bulk but not the entirety. The organizations of the civil sector also play an important role directly and through their influence on the state and on corporations. Increasingly supra national bodies are taking on a powerful role in the economy that is more than the expression of the collective voice of member states. They are becoming a regulatory force unto themselves, with considerable impact on states, corporations and communities. For example, according to Szablowski (2002) the World Bank, through its policy on loans associated with the mining industry, is having considerable impact of the relationships that are emerging among mining corporations, local groups (often indigenous) and nation states.

It follows that the mix of integrating, transforming and excluding mechanisms adopted by a particular community in its approach to the global economy, and therefore the mode of development that emerges, is heavily influenced by the particular face of the state, global and supranational bodies (e.g. indigenous peoples in Mexico right now are able to appeal to a

NAFTA panel on genetically-modified corn), and the civil sector and corporations that a community sees now and has seen in the past. This 'face to face' meeting, while heavily influenced by local circumstance, occurs within the context of the dominant global regime of accumulation and multiple, overlapping and often conflicting modes of social regulation.

Figure 1: The Global Economy



Areas of Investigation

1. the impact of the "state", the "civil sector" and supranational bodies on the on the multiple overlapping modes of social regulation and and therefore on the participants in the global economy, and the influence of the participants on the "state" and the civil sector.
2. Indigenous approaches to economic development including current circumstances and objectives, approach to participation in the global economy including strategies for participation transformation and/or resistance, expected outcomes, actual outcomes.
3. Corporate responses to Indigenous issues, particularly motivating forces, strategies, expected outcomes, and actual outcomes.
4. Expected and actual Modes of Development emerging from the inter-relationships among #1, 2, & 3 in particular places, at particular times, and changes over time.

Indigenous groups that choose to 'opt in' to the global economy are not at the end of the process—they are at the beginning. To successfully 'opt in', on their own terms or not, they must identify business opportunities and then marshal resources and develop organizations to realize the potential that these opportunities have to satisfy their economic and other development objectives. This is the process of entrepreneurship for indigenous communities. It combines elements of both the creation and sustaining power of small business with the desire for broader socio-economic development within the community. Here entrepreneurship can be more precisely conceived of as an economy-building, Schumpeterian process. Morris (1998) captures the nature of this process by stating, "entrepreneurship is a universal construct that is applicable to any person, organization (private or public, large or small), or nation" and that "an entrepreneurial orientation is critical for the survival and growth of companies as well as the economic prosperity of nations (2)". Expressing a similar view, Raymond Kao et al. (2002) define entrepreneurship as, "not just a way of conducting business; it is an ideology originating from basic human needs and desires ... entails discovering the new, while

changing, adapting and preserving the best of the old (44).” Other authors, such as Blawatt (1998), Drucker (1985), Fiet (2002) and Moran and Ghoshal (1999) express similar views.

Indigenous Entrepreneurship v. Ethnic Entrepreneurship

How is indigenous entrepreneurship different from the more commonly discussed “ethnic” entrepreneurship? Are there fundamental differences, or is it a difference of academic semantics? These are reasonable questions. It is our argument that while there are certainly some areas of theoretical overlap, such as co-members sharing a common language, cultural identity or even a sense of historical domination, there are also fundamental differences.

First, ethnic entrepreneurship almost always addresses the issues of immigrant populations and the situation of relatively newcomers to a particular region or nation (e.g. Portes & Bach, 1985). In addition, ethnic entrepreneurship typically examines the economic interactions with a particular area of relatively new settlement, and the forces, such as social capital, that are brought into an area by the immigrants (e.g. Light, 2004). In contrast, indigenous groups, as discussed previously, almost always involves individuals that have a close attachment to ancestral territories and the natural resources in them. Indeed a prominent goal of many indigenous peoples is the recovery of access to and use of their traditional lands. Apart from re-establishing a connection with the indigenous patrimony, these lands and the resources they include frequently represent a basis for the capacity to engage in entrepreneurship and development. So while the topics of social capital and relational networks are important to understanding indigenous entrepreneurship, the historical context and sources of such capital and network links may be quite different.

Second, indigenous entrepreneurship is often connected with the notions of community-based economic development, whereas ethnic entrepreneurship typically involves enterprise development at the individual or family level. And while this certainly does not preclude individual entrepreneurial behaviour within indigenous communities, this is usually viewed by leaders and governments as a component of economic development, rather than a strictly individual initiative.

And third, since in many countries indigenous people have obtained quasi-governmental or “nation” status, the economic factors of business enterprise are much more formally linked to, and perhaps indivisible from broader cultural and political factors. Certainly, these differences do not imply that the study of indigenous entrepreneurship stands in isolation from the study of ethnic business enterprise, or even from the general field of entrepreneurship. For example, topics of social capital, networks, cognitive styles, technology adoption, competitive positioning, and entrepreneurial incentives are universal concepts in the field of entrepreneurship, but they must be carefully analysed and properly understood within the basic historical differences between immigrant co-ethnic populations and indigenous populations.

Leading Questions

What we have attempted in this paper is to consider different perspectives of the process of ‘development’ among disadvantaged populations such as indigenous peoples, with a view to increasing our understanding of what goes on in this process and what it is reasonable to expect. Indigenous entrepreneurship is a response to this. In one sense, it is uncontroversial that there is such a thing as indigenous entrepreneurship. There are indigenous people (as defined at the beginning of this paper) engaged in entrepreneurial enterprise. Of course the question remains as to what direction indigenous entrepreneurship should, or does take. We

argue that it depends—it depends on the historical, economic, and cultural conditions of the indigenous community under investigation.

Anderson (1999), for example, conjectures that Aboriginal entrepreneurship in Canada has distinctive features, both in its process and its objectives. He claims that the Canadian aboriginal approach to economic development is predominantly collective, centred on the community or ‘nation’ for the purposes of ending dependency through economic self-sufficiency, controlling activities on traditional lands, improving the socio-economic circumstances, strengthening traditional culture, values and languages (and the reflecting the same in development activities). According to Anderson, these objectives are obtained by means of creating and operating businesses that can compete profitably over the long run in the global economy, forming alliances and joint ventures among themselves and with non-Aboriginal partners to create businesses that can compete profitably in the global economy, and building capacity for economic development through: (i) education, training and institution building and (ii) the realization of the treaty and Aboriginal rights to land and resources.

Similarly, Peredo (2001) reports research among indigenous peoples in three Andean countries affirming that Andean indigenous peoples pursue their own development based on collective activity, traditional lands, traditional values, specially respect for the common patrimony and common good, and pursuing multiple goals in order to reach the common good. Within the Andean community this is obtained by means of “Community-Based Enterprise” (CBE), defined as a community acting corporately as both entrepreneur and enterprise in pursuit of the common good. CBE is therefore the result of a process in which *the community* acts entrepreneurially, to create and operate a new enterprise embedded in its existing social structure. Furthermore, CBEs are managed and governed to pursue the goals of a community in a manner that is meant to yield sustainable individual and group benefits over the short- and long-term.

On the other hand, many historians and anthropologists (e.g. Bailey, 1966; Foreman, 1970; LaVere, 2004; Shipek, 1982) have reported that prior to European influence for example, many Native American communities in the Southwestern United States exhibited individual incentives, personal property ownership, rights of inheritance, hierarchical social structures, differences in wealth acquisition, taxes on labor, the ability to conduct warfare, and maximum use of individual capital and exploitation of natural resources that parallels European village communities of the same age. Galbraith and Stiles (2003), for example, argue that the artificial community-based land tenure and ownership system of the modern reservation system forces a more collective orientation on entrepreneurial behaviours than the historical culture might suggest.

In fact, these debates about indigenous entrepreneurship and economic development provide the core argument as to why further investigation, research, and discussion is needed. Regardless, however, of the differences in historical backgrounds and cultural frameworks there is general agreement that economic development in these communities must be built upon entrepreneurial enterprises. This raises a number of issues that need further investigation. These include,

- Does entrepreneurship among indigenous people display distinctive combinations of entrepreneurial features? Do indigenous history, tradition and culture appear to promote, or inhibit, any of these features?

- Are the goals of indigenous entrepreneurship significantly different from non-indigenous entrepreneurship in neighbouring locations?
- Are indigenous people fundamentally or naturally more “collective” or community based in their entrepreneurial activities as often suggested, or do other legal, economic or structural characteristics mask other entrepreneurial traits embedded in indigenous communities?
- For collective entrepreneurial efforts, what are the appropriate methods for organizing such enterprises, and how should classic problems such as “free-riders”, “agency costs” and “wealth distribution” among the indigenous community be managed?
- For purposes of economic development, what is the appropriate mix of collective entrepreneurial enterprises with individual entrepreneurial enterprises? Some indigenous groups, for example, such as the Tohono O’odham and the Apache tribes of Arizona specifically target and fund individual entrepreneurial efforts over more tribal-based economic development efforts whereas other indigenous peoples, such as the Andean and Canadian tribes, concentrate more on community based enterprises.
- Are there different cognitive processes among indigenous people that affect entrepreneurial dimensions such as start-up motivations, entrepreneurial orientation, opportunity recognition, self-efficacy, and network participation? Do potential differences in the way indigenous people recognize and process patterns influence their entrepreneurial decisions?
- Do language, metaphorical stories, parables and other culture defining characteristics shape the manner in which indigenous populations view the economic and social world about them. It has been suggested, for example, that certain entrepreneurial cognitive processes, such as metaphors, do not travel well across cultural boundaries. Do these differing perceptions affect both the way entrepreneurial efforts are conducted and the appropriate mix of business activities for significant economic development?
- Can the clustering and entrepreneurial behaviour of indigenous people be examined and understood by models that are not as culturally laden as existing frameworks for understanding indigenous entrepreneurship? Do the successes of applying theoretical models such as the economic theory of clubs, institutional economics and resource dependency translate to the world of indigenous entrepreneurship?
- Do the agents of indigenous entrepreneurship (e.g. individuals, families, informal associations or communities acting collectively) tend to be the same as or distinct from non-indigenous entrepreneurship in neighbouring locations?
- Does indigenous entrepreneurship in different locations (within nations and around the world) show significantly similar and distinctive patterns of entrepreneurial features, and/or goal structures?

Although there are many more questions one could pose, we provide these as a starting point for future dialogue. We believe such questions highlight the importance of further research in the area of indigenous entrepreneurship.

Postscript

The study of Indigenous populations is not simply an exercise in analysing outliers in the global world-system. Rather, it provides a source for the theoretical and empirical analysis of entrepreneurship relevant to the development of generalisable theory applicable in many environments including, but by no means exclusive to, indigenous communities. Research in this area should provide insight into the impact of globalisation forces on many communities (indigenous or not), and the possible responses of individuals and community that can balance the needs of individuals, communities, and economic institutions. From a theoretical perspective, this research is relevant to virtually every nation-state, ranging from classic notions of indigenous peoples in impoverished industrialized economies, to communities such as the Basques, the Welsh, the Chechnians, and the Scots.

From a purely instrumental point of view, global actors, including trans-national corporations, are recognizing the necessity of ensuring shareholder value in terms of ethical and social development towards long-term sustainability. All nodes that interact with market forces, including the State, the Civil bureaucracy, and Corporate entities, have an interest in promoting community development that leads to long-term economic development of markets, including the provision of jobs, the sharing of resources, and the support of relevant and situated communities.

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