38 The renaissance of Indigenous entrepreneurship
in Australia

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Introduction
The chapter argues that Indigenous entrepreneurship in Australia is not something that can or should be instilled by a patronising mainstream culture. Indigenous entrepreneurship existed before the twin attacks of a brutal, dispossessing invasion and the infliction of an initiative-destroying passive welfare system. Compared with America and Canada, Indigenous entrepreneurship in Australia is in decline but, through the development of culturally sensitive, community-supported education programmes, the renaissance of Indigenous entrepreneurship in Australia is a realistic possibility.

The growing policy importance of Indigenous entrepreneurship
Hindle and Lansdowne (2005) provide a definition of Indigenous entrepreneurship:

Indigenous entrepreneurship is the creation, management and development of new ventures by Indigenous people for the benefit of Indigenous people. The organizations thus created can pertain to either the private, public or non-profit sectors. The desired and achieved benefits of venturing can range from the narrow view of economic profit for a single individual to the broad view of multiple, social and economic advantages for entire communities. Outcomes and entitlements derived from Indigenous entrepreneurship may extend to enterprise partners and stakeholders who may be non-Indigenous.

In all nations with significant Indigenous minorities, the economic and social deprivation of Indigenous peoples has long been of deep policy concern, but both debate and administration of the issues – particularly the welfare issue – have not been in Indigenous control. Whether the intentions of non-Indigenous governance and aid agencies have been malicious or benign, the result of taking responsibility out of Indigenous hands has resulted in a handout culture (Pearson, 2000). Stimulation of Indigenous entrepreneurship has the potential to repair much of the damage through creation of an enterprise culture which fully respects Indigenous traditions but empowers Indigenous people as economic agents in a globally competitive modern world. There is growing worldwide awareness that policies directed to developing Indigenous entrepreneurship have the ‘win–win’ potential of enhancing Indigenous self-determination while eliminating much of the waste endemic to passive social welfare programmes.

Quantifying the failure of passive welfare policy
Today’s Indigenous Australians are the victims of brutal invasion followed by paternalistic infliction of a passive social welfare system that has all but destroyed the Indigenous capacity for economic autonomy.

It is estimated that there are just over 420 000 Indigenous Australians (see Figure 38.1). Over half live in New South Wales and Queensland but the highest regional concentration
(27.7 per cent) live in the Northern Territory. The following figures come from the Allen Consulting Group (2001). Compared to the non-Indigenous, Indigenous Australians are two and a quarter times more likely to die before birth. Their life expectancy is only two-thirds as long as a mainstream Australian. They have over 16 times the incarceration rate of non-Indigenous Australians. They need hospitalisation nearly twice as much. Their unemployment rate is nearly four times the mainstream average. Their children are subject to nearly four and a half times the number of protection orders. They are more than 47 times more likely to be living in a dwelling with ten or more people. They have less than half the mainstream retention rates for final year high school. The Indigenous have only a third of the rate of post-high school qualifications and only 68 per cent of the median weekly income of the non-Indigenous. The hospital admissions rate for Indigenous women, due to interpersonal violence, is over 47 times the rate for non-Indigenous women and the strongest causal factor is substance abuse.

Despite the existence of sporadic successes, it is fair, using the cited data, to conclude, in the aggregate, that Indigenous Australians, as nations and individuals, have suffered rather than benefited from the development of the mainstream Australian state. And it can equally be said that Indigenous welfare and adjunct policies – including those designed to foster entrepreneurship (Tesfaghiorghis and Altman, 1991) – have been and remain an aggregate failure. These conclusions can be derived dispassionately, from primary data sources. No selective choice of evidence or ideological bias is required. The litany of disadvantage occurs despite the Federal Government (Australia has six State and two Territory Governments who also contribute) spending $2.2bn or $21,450 per
Indigenous household (Office of Indigenous Policy, 1999, cited in Allen Consulting Group, 2001). I would make so bold as to argue that the spectacular failure of the passive welfare system means it would be preferable to give the money – all $21,450 per year – directly to each Indigenous household rather than to persevere in the bootless search for ever more layers of patronising bureaucracy. Even allowing for the low levels of education and financial sophistication prevailing among Indigenous Australians (itself directly attributable to failed policy), it would be stretching the argument to think that Indigenous households could do worse for themselves than the bureaucracy has done to them. Of course, to advocate such a thing would create a torrent of outrage in the mainstream community. So, rather than waste time wondering why a similar torrent of outrage does not descend on the system which wastes Indigenous welfare money indirectly rather than distributing it directly, I will simply advocate a better policy yet. The best policy would be an effort to work together to equip Indigenous Australians to determine their own economic destinies through the creation of Indigenous controlled enterprises of all kinds.

An historical perspective

One dominant anachronism must be dismissed before any meaningful discussion of Indigenous Australian entrepreneurship can commence. Many contemporary analysts within the dominant culture take the current economically depressed status and relative deprivation of Australia’s Indigenous population as ‘a given’, as though it had no temporal dimension. Combine this with a tendency to equate technological development with economic development and it becomes easy to forget how high a standard of living Indigenous Australians had prior to colonisation. Geoffrey Blainey (1982: v–vi) reminds us of this:

... if an Aborigine in the 17th Century had been captured as a curiosity and taken in a Dutch ship to Europe, and if he had travelled all the way from Scotland to the Caucasus and had seen how the average European struggled to make a living, he might have said to himself that he had seen the third world and all its poverty and hardship.

Indigenous communities in Australia were possessed of powerful entrepreneurial traditions, albeit traditions in harmony rather than at war with nature. For instance, Trudgen (2000: passim) points out on numerous occasions that the Yolnu people of Arnhem Land had thousands of years of trading history and commercial spirit before the White invasion. A brutal, land-robbing invasion followed by a debilitating passive welfare system totally devoid of cultural sensitivity have combined for over two centuries to suppress but not totally extinguish the Indigenous capacity for entrepreneurship. The vital point is that Indigenous entrepreneurial spirit is not something that never existed and has to be created or ‘instilled’ by a patronising mainstream culture. Indigenous entrepreneurship is something that has always existed and needs to be reborn under Indigenous auspices. Just as Indigenous culture is beginning an arduous renaissance, so can self-determined Indigenous economic development.

Cultural misunderstanding is the root of entrepreneurial suppression

Globally reconciliation of all kinds is a major theme in the relationship between the dominant state and Indigenous peoples. A review of extant literature and policy implementations shows that reconciliation is at the heart of the two related themes that dominate the
emerging field of Indigenous entrepreneurship (Hindle and Lansdowne, 2005): how do we reconcile tradition with innovation and how do we employ mutual cultural understanding to blend the best of both worlds?

The globally relevant answer to both questions is ‘hard work based on structured understanding’. Establishing empathy between mainstream and Indigenous cultures requires great efforts based on sensitivity to Indigenous heritage. It is especially important for members of the dominant culture to develop a deep rather than a superficial approach to the Indigenous understanding of time. Using Indigenous Australia as an example, we can begin by trying to understand the transtemporal nature of ‘The Dreaming’. It is a term (following Stanner in a paper first published in 1956) now commonly used as a collective noun to summarise the various ways that a great variety of Aboriginal traditions describe the creative era: the time when the worlds of nature and culture came into being.

Rose calls it ‘the heroic time which existed in the past and still exists today’ (Rose, 1987: 260). Stanner created the term ‘everywhen’ in an attempt to generate empathy for the idea. ‘One cannot “fix” The Dreaming in time: it was, and is everywhen’ (Stanner, 1987: 225). Edwards concludes: ‘The Aboriginal concept of time is therefore cyclic, rather than linear, but in the sense that each generation is able to experience the present reality of the Dreaming’ (Edwards, 1998: 79).

Here lies the great entrepreneurial excitement and vast future potential of The Dreaming in Australia, and of all Indigenous spiritual and cultural traditions, wherever they are found. These traditions offer, not a closed book of immutable scripture, but an open universe of continuous possibility. The allegories of Indigenous tradition can show the way to what might be, as well as what has been. This continuing and ever-present relevance of heritage, particularly spiritual heritage, is a dominant characteristic of all Indigenous peoples and nations. When applied to the challenge of entrepreneurship, far from creating a difficulty, Indigenous tradition, world-view, culture and values have the potential to be a powerful positive force: but only if they are properly and deeply understood by all who are committed to the development and education of Indigenous entrepreneurs, especially teachers coming from mainstream cultural traditions. There need be no paradox, no contradiction, no values sacrifice, no false dichotomy between heritage and innovation. The great teachings of many Indigenous traditions are rich in stories of brave-hearted men and women in quest of new knowledge, new ways of doing things, new discoveries leading to a better life for all the people. And that is the essence of ethical entrepreneurship in all cultures.

Contrasting Australia and North America

In Australia, the potential for Indigenous entrepreneurship to redress past failure has been widely, if patchily discussed (see Altman and Nieuwenhuysen, 1979; Howard, 1982; Fisk, 1985; Miller Report, 1985; Beckett, 1987; House of Representatives Standing Committee on Aboriginal Affairs, 1990; Moizo, 1990; Perkins, 1990; Brennan, 1991; Sanders, 1991; Mansell, 1992; O’Donoghue, 1992; Butlin, 1993; Centre for Aboriginal Economic Policy Research, 1993; Daly, 1994; Bourke, 1998; Roberts, 1998; Hunter, 1999; Schaper, 1999; Trudgen, 2000; Allen Consulting Group, 2001). However there is a big gap between discussion and action.

In Australia, Indigenous entrepreneurship is probably in decline. A ‘high-end estimate’ of the proportion of Indigenous Australians owning their own businesses, resulting from
several specially commissioned surveys, was given by Altman and McLennan (1996), cited in Schaper (1999: 89). For the year 1994, the proportion of Aboriginal males managing their own business either as owner-employers or as self-employed individuals was only 6.3 per cent, compared to the Australian average of 17.3 per cent. Among women, the discrepancies were 3.8 per cent versus 11.8 per cent. There is evidence that the relative proportions have declined during the last eight years. The Department of Foreign Affairs and Trade (www.dfat.gov.au/facts/indig business.html) estimates that there are approximately 3000 Indigenous people currently running their own businesses. Dividing by the ABS estimate of an Indigenous population of 420,000 (ABS, 2002) we obtain a figure of 0.7 of 1 per cent of the Indigenous Australian population engaged in business ownership. The flaw here is that the division only allows for one owner per business. Still the calculus is sufficient to indicate a declining trend since 1994.

In contrast, Canada and the USA demonstrate increasing levels of Indigenous entrepreneurship. The number of Aboriginal self-employed in Canada is growing at double the national average – and this holds for women as well as men. The movement to knowledge-based rather than solely resource-based Indigenous enterprise is well established. The creation of 12,710 new Aboriginal businesses between 1981 and 1996 has added 48,502 new jobs, of which 30,444 or 63 per cent are Aboriginal jobs. Aboriginal youth are more likely to be self-employed than all Canadian youth. Nineteen per cent of Aboriginal businesses are involved in export, compared with 4 per cent for Canada as a whole (Aboriginal Business Canada, quoted in Allen Consulting Group, 2001: 10).

America also shows high growth in Indigenous entrepreneurship (US Census, 2000). The number of businesses owned by American Indians in the US increased by 84 per cent between 1992 and 1997, to 197,300 compared with a 7 per cent increase for all US firms. Receipts of American Indian owned and Alaska Native-owned firms rose 179 per cent to $22 billion in 1997, compared with a 40 per cent increase for all US firms over the same period. Four states, California (13.5 per cent), Texas (8 per cent), Oklahoma (7.7 per cent) and Florida (5.3 per cent) accounted for 34 per cent of all American Indian owned and Alaska Native-owned firms (source: US Census Bureau website <http://www.census.gov/Press-Release/www/2001/cb01-87.html>) accessed 16 April 2002.

Clearly Indigenous entrepreneurship is an area worthy of policy attention in Australia. But policy cannot be paternalistic or it will not succeed.

The path to constructive policy is culturally sensitive education
In his interview for the GEM project (Hindle and Rushworth, 2002), Australian Indigenous leader Noel Pearson stressed the need to find ways to reconcile and blend the best in mainstream and Indigenous cultures as a major issue for Indigenous entrepreneurship. Given cultural insensitivity, what works for the mainstream may fail in an Indigenous context.

In his book, Why Warriors Lie Down and Die, GEM respondent Richard Trudgen articulated the main reason that well-meant policy initiatives fail. With reference to the Yolŋu people of Arnhem Land he wrote:

My colleagues and I believe there is nothing Yolŋu cannot learn. The only limitation is the capacity of the teacher to teach. Unfortunately, dominant culture teachers and trainers currently come to Arnhem Land with almost no preparation in intercultural education. If the dominant culture trained its professionals in the Yolŋu language, the Yolŋu world-view and Yolŋu cultural
knowledge base – and it is possible to do so – then Yolŋu would not have to do all the hard work to cross the cultural knowledge barrier. They could then receive the vital information they need to survive. (Trudgen, 2000: 120)

Despite all the problems, Indigenous respondents to both GEM Australia and the Hindle and Lansdowne (2005) study were also optimistic. They believed that the strength of Indigenous tradition was robust enough and the spirits of individual Indigenous people were adventurous enough that paths to economic self-determination can and will be found. No one expressed this more potently or joyously than Lenore Dembski, a female Aboriginal entrepreneur from Arnhem Land who, when asked what she thought was the biggest positive factor in the entire arena of Indigenous entrepreneurship, said:

Well it’s the fact that we – my Aboriginal people – we’re so smart. For thousands of years we found ways to live richly in a desert where other people might have just shrivelled and died. And despite all the mistreatment of the last two hundred years, we’re still here; we’re still trying. We’re resilient you know.

All respondents indicated a belief that paths can be found: that Indigenous and non-Indigenous people together can foster a renaissance of Indigenous entrepreneurship – if they are brave enough to smash stereotypes and break out of the bureaucratic straitjackets of failing systems of passive welfare. The key will be the development of truly culturally sensitive, community-supported education programs designed and championed by committed teachers and mentors from both the indigenous and mainstream communities.

The partners involved in developing any Indigenous entrepreneurship program might include (but not be limited to) selected Indigenous representative organizations; a self-selecting Indigenous group or community willing to receive and evaluate a pilot program; appropriate departments of state and federal governments; and universities with established programs in entrepreneurship education. The immediate focus should be creation of a culturally sensitive curriculum (including course materials and presentations in Indigenous language) and a mentoring program aimed at developing the entrepreneurial capacity of members of a self-selecting Indigenous community desiring to start new ventures or enhance the commercial range and viability of organizations currently in operation. The objective would be an adult education program, possibly supported by seed funding assistance, whose first measurable outcome would be production by course participants of business plans capable of attracting the debt and equity capital and whose second assessable outcome would be the local development of skills required for successful implementation of those plans in the form of commercially viable new ventures. A pilot program, if successful, could serve as the template for development of similar, culturally sensitive programs for a wide range of Indigenous groups and communities throughout Australia.

Through education it is realistically possible that Australian Indigenous entrepreneurship can be reborn. Who will be the midwife?

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