

## INDIGENOUS ENTREPRENEURSHIP: WHAT WHEN, HOW AND WHY?

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### ABSTRACT

Is this an area of legitimate academic endeavour, or has this become the social experiment of the business management minded scholar who perhaps sees it as a 'trendy - exotic' area of study? Correspondingly, do researchers view this as an area of study with a mythical bottomless bucket of government funding to support their academic conquest? Or is this a serious area of research that is desperately needed for government bodies, agencies and NGO's to understand economic alternatives that will improve the social standing of Indigenous people within what is stereotypically seen as a welfare dependant group within the greater Australian society. Existing literature will be reviewed.

Do we understand Indigenous entrepreneurship? This paper will begin to tackle issues not normally discussed outside of Indigenous networks. These issues are broad and cover a wide range that are not politically motivated, however the contemporary political environment that faces Indigenous Australia, and the Indigenous Australian Entrepreneur is not one of certainty.

The Indigenous Australian entrepreneur is not the exotic subject matter; the object of research. Rather; they are a member of Australian society whose economic, cultural and social well-being is ultimately the *purpose* of our research.

### INTRODUCTION

Indigenous Entrepreneurship what is it? When does it occur? How is it defined and why is it important?

Indigenous entrepreneurship can be best explained as the entrepreneurial process in the form of enterprise that encompasses the desire of an Indigenous person or persons to become self-reliant and socially cohesive (Peredo, Anderson, Galbraith, Hoing, and Dana 2004). Its existence is not limited to contemporary times for in Australia we have archaeological evidence that supports Indigenous Australian Aboriginal entrepreneurial activity that dates back some 8,000 years (Bluith 2002.). This is long before the birth of Christianity; or before the first stone was laid in an Egyptian pyramid and well before commerce within the modern European business framework that we understand and teach commenced. The impacts and existence of Indigenous entrepreneurship is arguably misunderstood both in modernity and also in the historical context.

Indigenous entrepreneurship as we understand it today has been called the second wave of Indigenous economic development (Peredo, Anderson, Galbraith, Hoing, and Dana 2004). The first wave has been described in the American context as direct government economic assistance (Stevens 2001). This statement is also applicable within the Australian situation in relation to government policy concerning Indigenous economic reform in the twenty-four years between the commencement of the Whitlam and the end of the Keating governments from 1972 to 1996.

The definition of the Indigenous Australian entrepreneur is varied however the author's original definition is still viewed as the most relevant in view of other scholars mixing Canadian literature with Australian literature thus creating a hybrid definition (Hindle & Rushworth 2002; Lindsay 2005). The author's definition of an Indigenous Australian entrepreneur is:

The Indigenous ... entrepreneur alters traditional patterns of behaviour, by utilising resources in the pursuit of self-determination and economic sustainability via entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of initial economic resources (Foley 2000:11)

The Indigenous Australian entrepreneur forces social change in the pursuit of opportunity beyond the social norms of what is generally a racist country (Foley 2006).

Why is Indigenous entrepreneurship important? Why do we study it? There is a desire among many of the world's 300-500 million Indigenous people to rebuild their communities or to just provide for their family (University of Minnesota 2003; Peredo, Anderson, Galbraith, Hoing, and Dana 2004). The dominant intrinsic motivator found within empirical data on Indigenous Australian successful entrepreneurs was the need to provide for their nuclear family (Foley 2006), not their communities, not their heritage (Lindsay 2005) it was their family. This is why Indigenous entrepreneurship is so important, when Indigenous Australia is experiencing such high rates of unemployment, poverty, sickness, incarceration and family dysfunction we need to become self-reliant and socially cohesive (Peredo, Anderson, Galbraith, Hoing, and Dana 2004). From a lifetime of participation in Aboriginal communities, it is the authors belief that Indigenous Australian's actively participating within the Australian economy can result in financial independence. This has often resulted in healthier well-educated offspring the product of functional households.

This paper broaches what may seem as two differing topics yet for the Indigenous scholar they have similarities as they both illustrate the difficulty that the Indigenous academic faces in the discipline that is Indigenous entrepreneurship. Firstly there is the difficulty experienced by Indigenous researchers when the academy accepts literature written by non-Indigenous scholars on the topic of Indigenous entrepreneurship; literature that is flawed in its generalisations and racial stereotyping. The use of the word 'Indigenous' has created poetic licence for some non-Indigenous scholars to encompass all and any Indigenous person covered within literature to be used in a slovenly manner which defaces the individuality of Indigenous cultural difference? This is specifically referring to Canadian and Australian Indigenous peoples being written about as if they are homogeneous.

This is of grave concern as we witness the post modern, post colonial academic construct and determine what is seen by some writings as flawed cultural models of Indigenous entrepreneurial theory (Lindsay 2005) a phenomena which in American literature has been partially explained as 'False Myths and Indigenous Entrepreneurial Strategies' (Galbraith, Rodriguez, and Stiles 2006:1). From the Indigenous Australian scholar's position (the author) there is a fear that if the non-Indigenous academic continues to publish without correction they in turn mislead the academy which then creates an ongoing domino effect of misrepresentation to the public and the policy maker. Once again we could face the risk of the naked savage syndrome dominating how the public see us. There is no room for exotic, foolish and what is deceitful academic rhetoric when our people are in an economic crises. Secondly this paper takes a sobering look at the growing discipline of Indigenous entrepreneurship in Australia from the Indigenous Australian scholar's perspective reviewing the current political environment that has resulted in Indigenous Australian 'social alienation' (Altman & Hunter 2003: 15). Related social issues will be discussed to attempt to understand why current policy on Indigenous economic development has been ineffective for almost a decade.

## METHODOLOGY & KEY PROPOSITIONS

The existing knowledge base of the discipline of Indigenous entrepreneurship in Australia is very limited. The fields of anthropology and sociology have been historically limited in their understanding of Indigenous economic activity, unwilling or unable to accept the dynamic nature of Indigenous products, value added production and or surplus economic cells restricted to kinship groups or the food production capability of geographic areas. They have not been able to accept and interpret these in contemporary business terminology. The field of business/management research until recent years has also been unable or unwilling to embrace Indigenous entrepreneurship as an area of academic rigour. This paper is not restricted to classical knowledge constructs. A synthesis of literature will be used to question the status quo and political environment that surrounds the research area of Indigenous Australian entrepreneurship.

### Background

At the grass roots level, Indigenous entrepreneurship in Australia for the last three decades was seen by many as a solution, possibly a quick fix to the economic woes and to a large degree a solution

to dependency on imposed welfare mindsets. Welfare for most Indigenous Australians only became available during the social reform period of the Whitlam years (1973-75). Prior to the 1970's the vast majority of Indigenous Australians scratched out a meagre existence on the edge of society, on the banks of creeks a few miles out of town, or in the city ghettos struggling to feed their children and /or pay the rent. Then again there were the countless families in treeless landscaped fibro cottages on the fringe of the urban sprawl who were also struggling to exist. This is what is least understood by current non-indigenous academics who write on Indigenous entrepreneurship, the majority of Australia's Indigenous population (72.6%) live in towns or cities (A.B.S. 1999; Foley 2005; Hunter 2004). The majority do not reside on mass in the rural remote, or the outback. More Aboriginal people live in western Sydney than reside in the Northern Territory (Commonwealth of Australia 2005b: ATSA2.).

The authors own research over the last fourteen years has been absorbed into correcting an undesirable socio-economic culture of poverty and welfare dependence that is the direct result of colonial and post colonial policy by the settler society. Entrepreneurship was seen as a medium for a limited few Indigenous people to escape the welfare rut and achieve financial independence which leads to self-determination. The author's early research set out to understand the successful Indigenous entrepreneur, and it achieved this goal (Foley 1999; 2000). However, in the resulting years the author has witnessed an Indigenous industry being created around the concept of Indigenous entrepreneurship by what appears to be over-generalising non-indigenous academics who are quickly becoming the recognised experts on Indigenous entrepreneurship.

They fill the void as there are almost no Indigenous scholars in this area and those that do exist are soon trampled under the titles of Anglo and sub-continent Professors whose 'experience' in this area obliterate the Indigenous opinion. There are exceptions however; a handful of culturally aligned non-indigenous scholars who respect the existence of the Indigenous voice. The differentiating factor that is important to understand is that just because you are Indigenous does not make you the same as other Indigenous people. Likewise; if you are an Indigenous Australian entrepreneur then this does not make you homogeneous with the Native Canadian or the Maori, and so on. Differentiate the literature into the respective cultural groups otherwise when you are:

... using western non-indigenous measurement scales to measure Indigenous entrepreneurship may result in differing scale results compared to western non-indigenous entrepreneurship results since we are not comparing "apples with apples" (Lindsay 2005:12)

Yet despite this well-meaning rhetoric, this author makes the classic mistake of generalising Indigenous literature which contains Canadian and Australian Indigenous examples (Lindsay 2005). If the reader is not astute they could mistakenly interpret generalised western 'Anglo' stereotypes ensuring that they are in effect comparing pineapples to apples and oranges to mangoes in their conclusions as the data is not defined.

Another extreme is the scholar who claims that 'the high failure rate of indigenous enterprises has as much to do with the lack of access to infrastructure as with profound incompatibility with many elements of the market system' (Banerjee 2004: 225). Firstly what statistical or empirical data is this based on as the Australian Bureau of Statistics cannot provide it and secondly the profound stereotype that Indigenous people are incompatible to the Australian market system economy is nothing short of a racial slur on the seventy odd percent of the Indigenous Australian population who live in the urban setting. Professor Banerjee fails to define his work opting for the generalised exotic concepts that currently plague this area of study.

The discussion on the non-indigenous academics who have become the expert on Indigenous entrepreneurship forms only a small part of this paper; however we must question has research into Indigenous entrepreneurship developed into an area of legitimate academic endeavour?

### **Indigenous (Australian) Entrepreneurship as a discipline in Australia**

Indigenous entrepreneurship was supposed to be an economic tool that could alleviate Indigenous poverty by business involvement; not academics incorrectly mixing cultural aspects of models and hypothesis into a jumbled mess of Native American entrepreneurship literature sautéed with extracts from Indigenous Australian research. The author is left wondering:

Has this become the social experiment of the anthropologically or business management minded scholar who perhaps sees it as a 'trendy - exotic' area of study that they can dabble in?

Does the misguided researcher also see this as an area of study that has a mythical bottomless bucket of government funding to support their academic conquest?

Or is this a serious area of research that is desperately needed for government bodies, NGO's and government agencies to understand economic alternatives that will improve the social standing of Indigenous people in general within what is stereotypically seen as a welfare dependant group within Australian society?

The first two questions remain unanswered for the author has no control over these attitudes, perhaps the exotic attraction will dissipate commensurately with the difficulty in finding research funding in the current political climate. The last question has a moral application. Indigenous Australian entrepreneurship is a very serious area of research that few people are taking an active participation in. It is relatively easy to write on the subject, it is however remarkably difficult to be an active participant, researching within the Indigenous business to assist in its growth and development.

One such researcher is Dr J. Bennet whose participatory based action research in the development of Guurrbi Tours is inspirational (Bennett & Gordon 2005). Unlike most published literature into Indigenous Australian entrepreneurship by non-indigenous researchers Bennet sought to research the concepts of Indigenous Australian entrepreneurship and social capital in a working context so that her Doctorate had positive constructive outcomes that actually involved the development and possible establishment of an Indigenous owned and controlled tourist operation Bennett 2004b and pers con. 2004). She achieved this in her work with Mr. Wilfred Gordon of Hopevale. Bennett was involved from the conception, through the planning, to the execution stages of the enterprise, monitoring, mentoring and at times being the odd jobs person but never interfering in the business establishment (Bennett 2004b). Her work illustrates the importance of highly skilled academics to work with Indigenous people to achieve business success. Rather than the Indigenous subject being the object of academic study (Bennett 2004b). Research such as this should be applauded for its positive outcomes .

The paper will now address issues not normally discussed outside of Indigenous networks. These issues are broad, covering a wide range and above all are not politically motivated, however the conclusions are an indictment on Australian society as we currently know it.

### **We are at War!**

'We are at war' exclaims the economist Boyd Hunter (2006: 51). In recent times we have witnessed (and suffered) the history wars fought by noted academics and politically connected unqualified historians in skirmishes of tit for tat over technical detail and interpretation of Australia's colonial history. This has been followed by a war on terror based on fictitious weapons of mass destruction (Hunter 2006). However we failed to witness a war that was raging in Australia, the war on poverty, *on Indigenous poverty!*

The war on poverty in Australia is not a pretty war; then no war is. The war reached a milestone with Professor Peter Saunders (2005) noting the coordinated skirmishes by the Centre for Independent Studies (CIS) against a report written by the Smith Family. The debate commenced with details regarding measurement, escalating into questions about cause and response which revealed stark differences in philosophy about 'choice, freedom, responsibility and the role of government' (Hunter 2006: 51) . The first casualty of this war when it relates to Indigenous Australia is truth and the lack of public debate (Hunter 2006). This same lack of truth recently prompted the Rhodes Scholar and Australia's award winning writer Richard Flanagan to state that:

[under the current government] ... we are more frightened ... we are less free, we are more unjust, we are more callous, there's a greater divide of wealth and power and the truth gets harder to get out (The 7.30 Report 2006)

This lack of truth and the ferocity in the public debate, notwithstanding the input of Federal ministerial comment, caused one of Australia's major welfare agencies (The Smith Family) to stop using the word poverty, eventually disengaging their organisation from poverty research (Hunter 2006). Perhaps the government and funded agencies did not like hearing that economic policies were not working therefore it is easier to stop using the word and don't research denying its existence? This type of political censorship is sinister.

The Howard Government has been accused of gagging public debate on numerous Indigenous issues that has resulted in a detrimental outcome to the improvement of socio-economic Indigenous aspirations. After its election, the previously accepted concept of Indigenous self-determination (which entrepreneurial activity is a key element of) was replaced with a political mindset of 'self-management'. Prime Minister Howard saw 'self-determination as a symbol of separatism' (Jobson 2004:1). The Aboriginal and Torres Strait Islander Social Justice Commissioner in his report to the

Attorney General in 2002 noted that this change in policy was against the United Nations recommendations, it also highlights the;

... governments reliance upon inflammatory, provocative untruths ... mysteriously made up ... [with] no historical precedent or basis in international law ... aimed at raising fear and opposition of non-indigenous people [towards Indigenous Australians] ... relied on this particular untruth ... raised the fear of succession ... a similar untruth is the representation of Indigenous aspirations for self-government ... it is an absurdity which is deliberately placed in order to prevent serious aspirations to be discussed in a calm, reasonable manner. ... each of these examples are smokescreens which are deliberate in their intent-that is shutting down ... [as] the government is not prepared to discuss issues with Indigenous people in good faith (Dr William Jonas 2002: 26-7)

This is the political climate that Indigenous enterprise is placed within. Another example to highlight the difficulty within the current environment that Indigenous people face involves Senator Vanstone who in describing the key aspects of the 'quite revolution' in Indigenous affairs under her stewardship gave support to giving a 'genuine voice' to Indigenous Australians (Gray & Sanders 2006: 26). Yet, only months before the same Minister placed a gag order on the newly appointed members of its National Indigenous Council. The peak body set up by the conservative government to debate amongst many issues, Indigenous enterprise. Normally these types of confidentiality agreements are enforced if it is in the nation's national security or commercial in confidence matters. Indigenous affairs committees do not fall into these categories, 'this is a clear attempt to shut down debate on Indigenous issues' (Australian Broadcasting Commission 2004: 1). Unfortunately this indicates an organised attempt to silence Indigenous attempts in self-determination which as mentioned before is the underlying concept of entrepreneurial endeavour by Indigenous Australians who when recognised in relation to employment, income, housing, education and health status have the lowest economic status of all Australians, 'without any qualification' (Altman 2000:v).

The Howard regime is very particular on their use of rhetoric that includes the well used phrase 'improve outcomes for Aboriginal people' under the twin mantras of 'practical reconciliation' and 'whole of government'.

Practical reconciliation has already been monitored after three Howard governments and 'there is no statistical evidence' to support that the policies and programs are delivering improved outcomes for Indigenous Australians (Altman and Hunter 2003: 16). During a time when Australia has experienced a rapidly growing macro-economy this would indicate contemporary shortfalls in this governments attempts to target the needy (Altman and Hunter 2003).

Dr Peter Shergold the Secretary of the Prime Minister and Cabinet described the new arrangements in Indigenous affairs as a 'bold experiment in implementing a whole-of-government approach to policy development and delivery' (Graham and Johnstone 2006; Gray and Sanders 2006). Yet based on the Council of Australian Government (COAG) trials set up in April 2002 they have been a dismal failure if the Bill Gray independent valuation of the Wadeye trial is anything to go by. Gray was asked to have a primary focus on what's working, what's working well, and what could be improved. When asked to sum up his work in three phrases he concluded 'not much, absolutely nothing, and a hell of a lot!' (Graham and Johnston 2006: 1). Gray found the bureaucratic red-tape had increased, not decreased as promised. The Aboriginal councils burden of administration has increased, prior to the COAG trial the community administered around 60 government agreements, this has increased to over 90, a 50% increase. And this is the 'whole of government' streamlining that Senators Ruddock, and then Vanstone and now Minister Brough have promised Indigenous Australia. The COAG trial has resulted in no government leadership, silo building, poor communication with minimal to no consultation to the Indigenous stakeholders (Graham and Johnston 2006). This is how Indigenous issues are managed since the demise of ATSIC, which was abolished by the Howard Government).

What concerns the author is that ATSIC once managed the small loans and the enterprise development programs. All ATSIC programmes have been given out to various government departments and agencies. Following ATSIC's demise the business loan functions and housing were taken over by the autonomous Government agency, Indigenous Business Australia (IBA). Before their position on the management of Indigenous programs is discussed we look at one more important factor.

A crucial element of business success and Indigenous entry into small business and entrepreneurial activity is the level and quality of education (Foley 2005). This is not new and the government has had countless reviews and reports substantiating the need for Indigenous education. Most if not all Australian's accept that a sound education is the valid right of Australian citizenship.

Yet to obtain an Indigenous communities acceptance to unpopular land rights legislation in effect forcing them to lease land to third parties under the governments terms, Minister Brough has told the Nguuu community in the Tiwi Islands that the Federal government will not deliver on a \$10 million funding commitment for a new school until the community has signed over Native Title on a 99 year lease. As Ms. Teresita Purintarameri from the Wangatunga women's group states, 'people feel blackmailed' (SBS News Bulletin 2006: 1) .

The validity of the Australian Governments support for Indigenous economic growth is illustrated by their actions, (or rather inaction) or perhaps bullying/blackmail as mentioned above, or as the Commissioner for Social Justice stated in his 2002 report;

... governments reliance upon inflammatory, provocative untruths ... mysteriously made up ... [with] no historical precedent or basis in international law ... aimed at raising fear and opposition of non-indigenous people [towards Indigenous Australians] ... it is an absurdity which is deliberately placed in order to prevent serious aspirations to be discussed in a calm, reasonable manner ... the government is not prepared to discuss issues with Indigenous people in good faith (Dr William Jonas 2002: 26-7)

As the Canberra based economist Boyd Hunter wrote; it would appear that we are at war (Hunter 2006: 52). The victims in this war are the poor; regrettably a large percentage is Indigenous Australians who are reliant on public policy that is failing them, public policy that should be encouraging micro-enterprise and economic development. The Honourable Kevin Andrews in 2004 voiced considerable support for Indigenous commercial development, improved living standards and increased opportunities for market participation through employment, property ownership and building a wealth for the next generation Andrews 2004: 8). Yet shortly after, in direct contradiction to these positive utterances the 2005 Federal Budget appropriation for the Indigenous Economic Development Strategy for the year 2005-2006 and the next four years to 2008-2009 was zero! (Australian Government 2005b: 4).

### **ENTREPRENEURSHIP IN AUSTRALIA 2006**

Previous research by the author has shown that entrepreneurial success in business can offer an escape from poverty, welfare dependence and/or poorly paid employment for some Indigenous Australians (Foley 2000). At the 2001 Census, there were 6,089 Indigenous Australians aged 15 years and over who identified as self-employed. Of these, 2,058 identified as employing other people 1,845 were in urban areas, only 200 self-employed Indigenous people employed others in remote areas (Hunter 2004: 91-3). As 72.6% of the Indigenous Australian population live in towns or cities (ABS 1999 & Hunter 2004: 86), of the 6,089 self-employed Indigenous Australians, 1,845 own Indigenous-operated businesses that employ people throughout urban and provincial Australia (Hunter 2004: 91). This statistic is significant as it is an indicator of entrepreneurial activity. These are self-employed people, not community organisations.

Literature on Indigenous Australian entrepreneurship can have a preoccupation that we are all 'culturally bound into communities' (Lindsay 2005: 2). This is false; in fact one Professor has gone as far as to state that '... Indigenous entrepreneurs will exhibit high collectivism/low individualism, low power distance, low uncertainty avoidance, and high femininity/low masculinity' in respect to 'the strength of cultural influences upon Indigenous entrepreneurs in Indigenous communities' (Lindsay 2005: 2). This author fails to define the concept of community, he ignores Indigenous law such as matrilineal / patrilineal, salt water or fresh water law, fails to understand the complexity of colonial disruption to communities by the mission era that mixed Indigenous nations into what was seen as one 'black' mass, and above all fails to accept or acknowledge the Indigenous Australian ability to participate within the urban environment of Australia.

The author questions, does empirical data exist in Australian to support the potentially misleading embrace of and fascination with Hofstede's findings (Hofstede 1993)? The blanket application regarding the concept of community based entrepreneurship to this author is insulting!

When comments on Hofstede theory and its applicability to contemporary Indigenous Australian entrepreneurs is analysed in a rational manner, it fails to consider the existence of the 'stand alone' urban Indigenous Australian entrepreneur which would repudiate the applicability or accuracy of the Lindsay (2005) paper. Based on the 2001 Census statistics (Hunter 2004) alone this paper does not acknowledge the urban entrepreneurs, rather it opts for the somewhat 'exotic' community (Lindsay 2005: 4). Subsequently the Cultural Model of Indigenous Entrepreneurial Attitude (figure 1) fails to acknowledge the environmental impediments that includes (but is not restricted to) poverty, lack of

access to financial capital, lack of social capital and above all the social destructive effect of racism (Lindsay 2005).

The Lindsay (2005) assumption that Indigenous enterprise is community based is also reflected historically in funding difficulties experienced by the Indigenous entrepreneur. What we do know about the concept of the Aboriginal community and what Lindsay has neglected to cover in his Cultural Model of Indigenous Entrepreneurial Attitude (figure 1) is the shortcomings of community-centred commercial and economic development that has been highlighted in the Indigenous Business Review (IBR) national study that found community-based businesses often lack appropriate governance mechanisms, so that cultural demands often determine the use of funds rather than 'prudent financial management' (IBR 2003: 46-9).

Cultural demands within community organisations can in fact change the internal functioning of its business as it 'changes the incentive structure within a business and allows diffusion of responsibility over a business venture' (McDonnell 1999:2). Within a community business the lack of responsibility and direction is often at odds with the essential ingredients of any successful business, that is, profit orientation and sound commercial management skills (including asset accumulation and maintenance). When social demands override profit requirements and responsibility is not defined, business failure is inevitable when liabilities exceed assets. It is on this basis that the former Aboriginal and Torres Strait Islander Commercial Development Corporation (CDC) was criticised for forming partnerships with Indigenous communities rather than individuals (McDonnell 1999).

The Miller Report in 1985 identified important deficiencies in the administration of enterprise programs, yet almost two decades later the deficiencies in the management and administration of Indigenous business loan programs are still a matter of concern (IBR 2003). The former Aboriginal and Torres Strait Islander Commission (ATSIC) implementation of business loan programs within the framework of overall economic development for communities was not successful, resulting in ad hoc and often unsuccessful business creation (IBR 2003). ATSIC was the dominating Indigenous business financier for over a decade; until they were disbanded by the Howard Government and the business loan function taken over by IBA in March 2005 (Australian Government 2006:1). ATSIC had continual difficulty in achieving their goals in business development lending. In 1991 the Royal Commission into Aboriginal Deaths in Custody criticised ATSIC's stringent commercial eligibility requirements: this resulted in the establishment of the Indigenous Business Incentive Program (McDonnell 1999). In contrast to the Royal Commission findings, the recent IBR report noted unsatisfactory due diligence by ATSIC staff in the monitoring of these loans (IBR 2003: 28-9).

A frustrating picture emerges regarding Indigenous economic development.

Bureaucratic misjudgements have played a part in the failure of some Indigenous community-based businesses. This is of concern because these failures inevitably reinforce negative stereotypes of Indigenous Australians— including the popular belief that Aboriginal people cannot manage their own financial affairs.

The IBR report highlighted (which is stereotypically determined as the 'community enterprise') that 'business development should be separated from social and welfare issues' (IBR 2003: 28-9). In general Indigenous economic and entrepreneurial development has been hampered by funding practices that warrant greater attention to informed planning and coordination of communities in lieu of the 'stand alone' urban entrepreneur.

The frustration is compounded when many government publications regarding Indigenous economic reform often make reference only to Aboriginal communities. There is little recognition of the socio-economic category of the individual Aboriginal entrepreneur. Even the Miller Report (1985) continually refers to community development when it is discussing the development of the urban individual.

The individual Indigenous Australian business person needs to be recognised so that this vital area of Aboriginal commerce can be nurtured to allow the subsequent encouragement of new Indigenous enterprises (Foley 2006).

The recognition of the needs of individual Indigenous Australians is further hampered by the dearth of information on the urban Indigenous entrepreneur. The National Aboriginal and Torres Strait Islander Social Survey 2002 (NATSISS) has no qualitative or quantitative data regarding Indigenous self-employment. Some explanation of these statistics is provided however the sample size is too small for any substantial analysis. The lack of detailed data on Indigenous self-employment raises the

important question: how can government policy be informed if the basic building blocks of empirical data are not available?

The problem of responsible reportage is further illustrated by the IBR's observation that there is 'no one central agency responsible' for the collection and collation of data on Indigenous economic development (IBR 2003: 23). The IBR finding could be expanded to include the monitoring of Indigenous business programmes.

Prime Minister Howard was correct in his 2004 election statement when he claimed 'Indigenous Australians [should] get better value for this [Government] money' (Loughnane 2004: 2). At that time, Indigenous Australians were not receiving value for money in terms of the delivery of informed and responsible government services.

In reviewing value for money, the IBR also provided another example of the poor delivery of value as they undertook preliminary research on 100 businesses based on data given to it by the Office of Aboriginal and Torres Strait Islander Affairs (OATSIA), ATSIC and IBA (IBR 2003: 18). It selected just 32 subjects for case-study analysis from a narrow spread of businesses by industry and a broad range of geographical locations in remote, rural and urban areas. Some of these were community-based organisations. The validity of the IBR findings are questionable as they cover a broad geographic area and a narrow sample of business entities from a very limited sample group restricted to clients of OATSIA, ATSIC and IBA (IBR 2003: 18). The research by their own admission did not include stand-alone non-government funded Indigenous businesses that evolved within a competitive commercial environment. By contrast, they only assessed businesses that enjoyed either direct government assistance or indirect financial assistance at below market rate interest.

Once again: how can the government develop informed and responsive commercial, economic and business programmes for Indigenous Australians when it has not adequately researched the commercial private-owned Indigenous Australian venture?

There are two distinct forms of Indigenous business ventures. They are the stand-alone commercial businesses, be they sole traders, partnerships or proprietary limited companies incorporated under the *Australian Commonwealth Authorities and Companies Act 1997*, (ACAA) and 'community' based businesses incorporated under the *Aboriginal Councils and Associations Act 1976* or one of the many state associations Acts. They differ according to their process of incorporation, their business philosophies that assign relative priorities to commercial and social interests, and their governance or reporting requirements.

The commercial, stand-alone, urban Indigenous entrepreneur operates in the capitalist or market economy. By contrast, the community venture often has taxation concessions, is usually a not-for-profit organisation, and can be a registered charity (Stanley 2002). A community-based Indigenous business enterprise arguably falls within a 'grey' area of business classification. The author questions whether government policy and funding have best served the interests of either group, especially when in Australia Indigenous entrepreneurship is 'probably in decline' Hindle (2005: 9).

With the demise of ATSIC the business development program was taken over by the IBA which is a Commonwealth Statutory Authority based in the ACT with approximately 150 staff managing the portfolios of Indigenous Housing and Indigenous Business Assistance. It self promotes itself as the 'lead agency in the development of Indigenous economic policy making, as well as an effective programme deliverer' (Australian Government 2005: 1). Yet as recently as 2005 it was a small body of only 15 staff that specialised in joint ventures and equity finance with Indigenous businesses. Outside of small and often under-resourced State based small business agencies the IBA is recognised as the peak government agency in small business/entrepreneurial development. It's the only one! In March 2005 it took over the 'legal' assets of ATSIC, the Home Ownership Programme and the Business Development Programme. These programmes were retagged to become IBA Homes and IBA Investments (Australian Government 2006: 1).

In the twenty months of managing IBA Investments there has been little evidence of programme delivery. No press releases with exception to the tactical February press release (Australian Government 2006b: 1-2) whereby IBA withdrew from its partnership in micro-enterprise development with the disgraced Hillsong Emerge organisation (Hansard 2005: 19162). What is outstanding however is that this espoused key agency that self promotes itself as the 'lead agency in the development of Indigenous economic policy making' (Australian Government 2005: 1) enjoyed a small office of some 15 staff. In approximately March 2005 their staff increased from 15 to 150 (Australian Government

2006b: 1-2) yet in the financial year 2004-2005 they experienced ninety six staff reductions (Commonwealth of Australia: 2005: 121).

It is not difficult to comprehend in the commercial sense the efficiency and market delivery of products if an organisation that is experiencing massive growth also within the same period experiences a loss of two thirds of its workforce, possibly within less than three months. If this is the lead agency it is not difficult to understand the perilous position Indigenous Australian entrepreneurship faces. Staff at this agency declined to speak to the author to discuss the delivery of their services and other questions.

## CONCLUSION

It is evident that the academy needs to review the quality of peer review on publications on the topic of Indigenous entrepreneurship, not to stifle debate, rather to improve the quality and content of publications. Research also needs to be focused on positive outcomes such as the Bennett (2005) example; researchers need to become participants in Indigenous enterprise.

Lastly and perhaps the most important result is the need for improvement in the delivery of program support in whole of government that will make a difference. A major problem for Indigenous Australians and the nation is that economic research suggests that the plight of Indigenous Australia may in fact become worse over the next decade (Altman and Hunter 2003).

This has far reaching social and economic implications for the Australian economy and society if it remains unchecked.

Equality of living standards, of entrepreneurial hope, of commonality in health and education with mainstream Anglo Australian society are urgently needed. Indigenous Australia should not be bribed before it can obtain schooling, nor should it have agencies that do not deliver services. Reconciliation is about dialogue, entrepreneurship is about opportunity recognition and access to resources. If the Indigenous Australian is to become an entrepreneur they need the tools to:

... alter traditional patterns of behaviour, by utilising resources in the pursuit of self-determination and economic sustainability via entry into self-employment, forcing social change in the pursuit of opportunity beyond the cultural norms of initial economic resources (Foley 2000: 11)

The Indigenous Australian entrepreneur is not the exotic subject matter; the object of research. Rather; they are a member of Australian society whose economic, cultural and social well-being is ultimately the *purpose* of our research.

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