

GROUP 6:

RISE OF THE INDIGENOUS ENTERPRISE



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Facilitating an Indigenous
Enterprise Leap

Introduction

Indigenous businesses have one of the highest growth rates in both Canada and New Zealand.^{1,2} However, in this increasingly interconnected world, a focus and/or reliance on national markets alone is limiting, and possibly detrimental in the long term for Indigenous businesses.

International trade and exports could serve as a real opportunity for future Indigenous economies and will strengthen the path and capacity for self-determination among Indigenous Nations. The cultural richness inherent in Indigenous business has much to offer, particularly to high value, niche markets.

"Facilitating international trade, especially for Indigenous Peoples should be a primary objective for both the federal governments of Canada¹ and New Zealand.²



However, accessing the international market requires a solid foundation and a competitive edge for high commercial growth. Innovation is typically driven by embracing science, technology, and creativity in order to identify opportunities to create market breakthroughs. However, considering the existing business support ecosystem available to both Māori and Indigenous Peoples in Canada, it is clear that several improvements are needed.

The Issue

Recent research underscores how sophisticated and engaged Indigenous business are at the national level. However, given the sophistication of markets globally and the barriers to these markets that Indigenous enterprise still encounter today, facilitating growth in international trade requires a significant entrepreneurial leap for Indigenous Peoples in both countries.

Both government and non-governmental supports exist for Indigenous entrepreneurs, however, much can be done to improve the accessibility and navigation of this landscape. Based on our own personal experiences and conversations with other Indigenous working professionals in both countries, we identified a number of significant gaps in the Indigenous entrepreneurial eco-system.

For example, while there is plenty of support available for individual Māori entrepreneurs in New Zealand, less than 10% of exports in 2016 were made by small and medium sized ('SME') Māori businesses,⁴ signalling that additional supports are needed to underpin growth in this area.

Approximately 24% of Indigenous SMEs in Canada are involved in international commerce, however the majority of Indigenous-owned businesses which export are predominantly small, with ~80% having less than 20 employees.⁶

- The relatively small size of businesses may reduce the resources available to navigate the complex ecosystem of support available to entrepreneurs in Canada.
- Many of the businesses we spoke with knew that supports existed, but expressed frustration with the time and energy it took to try to find them.

Indigenous businesses inherently face additional challenges to achieve commercial growth, including geographic remoteness, discrimination and constraints on financing. Peers expressed a lack of financial support and issues with access to financial institutions to assist Indigenous entrepreneurs in both countries to make the leaps between phases of growth in a significant and sustained way.

- For example, a recent survey noted that just under one-third (29%) of Indigenous businesses in Canada had no current lending relationships with banks, credit unions, or government lenders, and even fewer had relationships with Aboriginal Financial Institutions.⁶

International legal and economic orders have failed to consider Indigenous interests in their development and often operate at the detriment of Indigenous peoples. Poor social well-being indicators are a symptom of failure by nation-states to consider the interests of Indigenous peoples. The solution is to provide space for Indigenous peoples, including Indigenous enterprise, to have influence over the laws, regulations, and policies affecting their economies. In many ways, the United Nations Declaration on the Rights of Indigenous Peoples is an economic rights document. Canada has already recognized these substantive economic rights through the proposal of an Indigenous Chapter into the New NAFTA negotiations.¹⁰

This review indicates both countries will benefit from growing the entrepreneurial spirit of Indigenous peoples through the development of a comprehensive, wide-reaching entrepreneurial support system, however the Indigenous populations in both countries experience challenges in accessing and navigating the current systems.

In order to facilitate an Indigenous enterprise eco-system leap, we have identified two key success factors:

- Implement an effective, comprehensive, and coordinated Indigenous enterprise support eco-system in order to foster enterprise that is grounded in Indigenous values, knowledge and connection with place.
- Foster a long-term, holistic Indigenous business environment which integrates Indigenous culture, commerce, creativity, innovation, and STEAM.

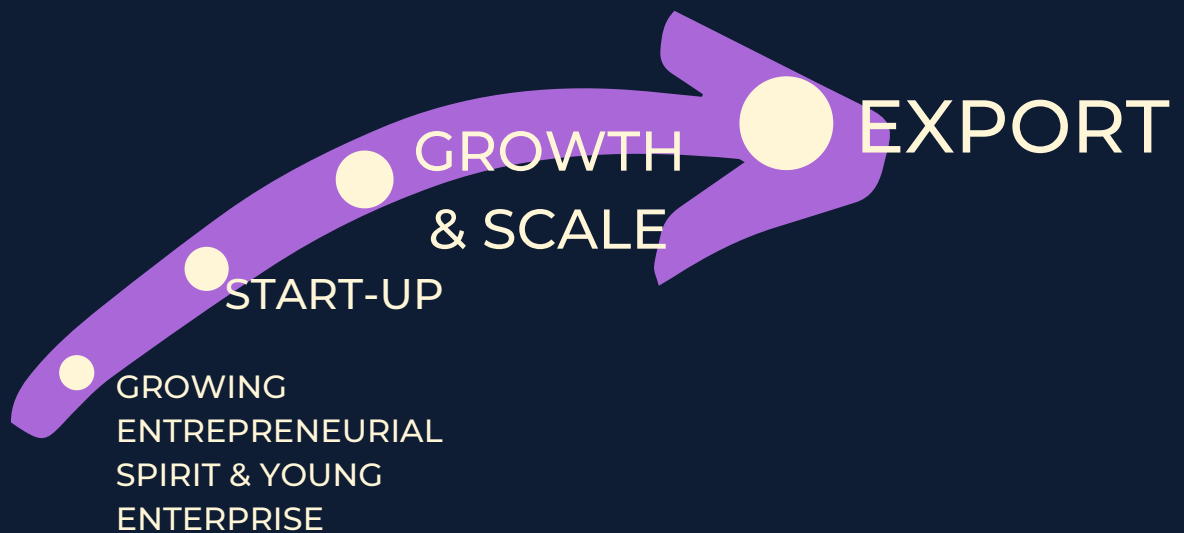
Enterprise LEAP

In order to facilitate an enterprise leap, we recommend appointing working groups tasked with performing a full review of the Indigenous entrepreneurial ecosystems in both countries. A map outlining the stakeholders, resources available, and potential gaps should be developed and then discussed with the end-users in each country. The map should be reviewed with key stakeholders before being finalized. We expect this process to take up to 6 months.

Regular collaboration between the two countries will assist in reciprocal learning and implementation of best practices. We recommend this review occur in tandem and that challenges and findings are discussed on a regular basis between both working groups.

A plan can then be developed to address these gaps and support businesses in making the entrepreneurial leap from start-up to an export-ready business.

Enterprise LEAP System



Our objective is to find ways to support Indigenous entrepreneurs make leaps through the enterprise system. The transitions between stages is where the hard work, challenges and growth pains occur.

Sustainable Indigenous business requires a holistic approach that celebrates what makes Indigenous business unique. Some elements of such an approach are outlined below.

A Modern Indigenous Approach



Indigenous businesses who embrace a widely integrative and cross-disciplinary collaborative approach, underpinned by strong Indigenous values, will be well positioned to attain enterprise leaps.

The Harvard Project on Indian Economic Development determined that cultural match was a strong determining factor in sustainable economic development in Indigenous Tribes. Case studies on Membertou and Osoyoos Indian Band in Canada, who have succeeded in sustainable enterprise, cite culture as integral to their business success. A strong cultural heritage has allowed them to “overcome adversity and develop economic strength.”¹⁰

Furthermore, through continued virtual and physical exchanges between Indigenous Peoples, we will inspire younger generations to start new businesses, connect existing ones and explore together how Indigenous businesses can harness their cultural competitive comparative advantages.

Recommendations

Appoint a working group in each country to develop a cohesive, comprehensive, and coordinated review of the Indigenous enterprise ecosystems in each country

Prioritize the development of a joint working group which will further explore the key components which foster a holistic Indigenous enterprise approach

Conclusion

Indigenous business has consistently been proven to be one of the highest growth areas of commerce in both countries. Ensuring businesses an adequate base of support is available to entrepreneurs in both countries is important; and making sure they know how to navigate it is key to ensuring Indigenous entrepreneurs have all the tools they need to be successful.

The world is in turmoil and many businesses, particularly Indigenous businesses, are threatened by the impacts of COVID-19. We believe the key to facilitating an acceleration of the development of this support ecosystem is the Indigenous-led exchange of information, experience and people between entrepreneurs and government officials in both countries.

There is an incredible amount of cross-learning to be done in both countries and we - as Indigenous Professionals - are best placed to lead.

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