



Centre for Aboriginal Economic Policy Research
The Australian National University

Education, Training and Indigenous Futures
CAEPR Policy Research: 1990-2007

Research Summaries

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Reference No. 45

Summarising: Foley (2006), *Indigenous Australian Entrepreneurs: Not all Community Organisations, Not all in the Outback*

Responsibility for the preparation of this research summary rests with the authors of the MCEETYA report *Education, Training and Indigenous Futures: CAEPR Policy Research 1990-2007* and not the original author(s) of the summarised material.

The MCEETYA report and associated research summaries are available at <www.anu.edu.au/caepr/education.php>.

Title of Research:

Indigenous Australian Entrepreneurs: Not all Community Organisations, Not all in the Outback

Research Publication:

CAEPR Discussion Paper No. 279/2006 <http://www.anu.edu.au/caepr/Publications/DP/2006_DP279.pdf>

Name of Researcher(s):

D. Foley

Time period:

2006 and the preceding nine years of research in this area

Geographic location:

Urban Australia, including provincial cities.

Methodology:

This paper is based on **50 case studies** of self-employed Indigenous entrepreneurs from an initial sample of 268 Indigenous small businesses drawn from a larger group of some 1,800 Indigenous-operated small businesses that employ people throughout urban and provincial Australia. The 50 small businesses were selected on the grounds that they were: at least one-half Indigenous owned, the business people involved had an 'entrepreneurial' spirit and were successful business operators and the businesses were not community-based. The case studies span a nine year period, were located in urban centres and cover a broad range of industries rather than focusing upon the art/craft and tourism industries which typify much of Indigenous small business.

Aims:

The aim of this paper is to identify those characteristics of successful entrepreneurs that seem to be associated with 'success' and potential barriers to the establishment of successful small Indigenous businesses.

Selected findings and insights:

The **key characteristics** of the Indigenous business entrepreneurs were that:

- the average age was 43 years, the large majority were male (84%), they had been in business for 10 years with an overall knowledge or involvement in the industry of almost 17 years. About half were married to a non-Indigenous spouse, with overall 72% being married.
- they were educationally well-qualified – 52% had tertiary qualifications and another 20% had trade qualifications.

The paper identified the following 'motivators' spurring these Indigenous entrepreneurs into their high levels of business activity, and these generally focused upon the family:

- They placed high value on being **providers for their families** – both in terms of immediate income and purchase of goods and as enabling their dependents to attain secondary and tertiary educational qualifications. Furthermore asset generation would be re-invested into the business to provide for stability over time for both these family benefits;

- These entrepreneurs also tended to see the business as an **opportunity** for the employment of their own children and their gaining of financial and management skills; and finally
- **Female entrepreneurs** had a more complex motivator – they saw themselves as the primary provider across a lifetime due to the high levels of male incarceration and lower male life expectancy.

Other influences which played a significant role in Indigenous entrepreneurship were:

- the **capacity to recognise** and then seize upon a business opportunity;
- at the same time they tended to have developed an **exit or transition strategy** if the business appeared to be failing;
- **networking** was of major importance, especially as it relates to role modeling, industry advice and access to suppliers and customers.

The paper describes the **cultural tensions** that can arise between traditional Indigenous values and practices and those characterising this sample of Indigenous business people as they move, through their ongoing business activity, into mainstream society in an urban setting. For example, in the case of successful small business entrepreneurs, contemporary kinship values were focused more upon their immediate family and ensuring the wellbeing and improvement of family members.

The paper highlights three other important issues:

- the role of a **sound education** for successful small business ventures;
- the **role of the non-Indigenous spouse** – bringing additional human capital in the form of higher levels of education and experience and easier access to external funding, finance and capital; and
- **discrimination and racism** – when accessing suppliers of goods and in dealing with clients, government agencies, financiers and creditors. These Indigenous entrepreneurs also reported discrimination from other Indigenous people, including their broader family networks, as they created networks of contacts in the wider community to promote their business. Gender discrimination was also reported by female Indigenous entrepreneurs, creating a double impact of discrimination in terms of their business activity.

Educational implications:

This study points to the need to develop training and continuing education options for Indigenous people wishing to enter into self-employment and small business enterprises. Success is related to being well educated. This paper needs to be read in the light of other CAEPR research, which indicates that many self-employed are vulnerable in that they are younger, less experienced and relatively less educated than non-Indigenous self-employed as well as being less well represented among the self-employed. These additional findings, together with this paper, suggest the importance of:

- increasing levels of educational attainment by completing secondary school and seeking post-secondary qualifications;
- development of business enterprise skills; and
- development of the necessary social skills to be able to deal with racial discrimination.

Small business is an avenue for mainstream employment: across the full range of small businesses that typically operate in urban localities operate. In more rural and remote regions small businesses tend to operate in areas such as tourism. In both instances there are significant training and further education

issues to be addressed. These will relate to both skills related to the specific nature of the business and small business management skills. **[business enterprise development]**

Lack of experience suggests the need for mentoring and support strategies to be developed that are an extension to training programs, especially support that will assist young Indigenous people when faced with racism and difficulty in accessing finance while establishing their small businesses. **[support services]**
[mentoring]

Relevance:

Domain 5: Pathways to training, employment and higher education

The challenge for pathways to training, employment and higher education

Access to post-compulsory schooling, training, employment and higher education

Adult return to education and/or training

Related papers:

J.C. Altman, 'Indigenous communities and business: Three perspectives, 1998-2000', *CAEPR Working Paper No. 9*, 2001.

<<http://www.anu.edu.au/caepr/Publications/WP/CAEPRWP09.pdf>>.