

# **INDIGENOUS ENTREPRENEURSHIP AND INDIGENOUS EMPLOYMENT IN AUSTRALIA**

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This article investigates the theoretical underpinnings of Indigenous entrepreneurship and the disproportionate capacity for Indigenous enterprises to generate jobs for Indigenous peoples in Australia. It builds on the existing scholarship on Indigenous entrepreneurship – which has mostly focused on individual Indigenous entrepreneurs and the extent to which they generate employment and other benefits for the local community – to also examine the opportunities and constraints for Indigenous enterprises and employment within Indigenous economies, with reference to New South Wales. In this, we define Indigenous economies as referring less to individual Indigenous entrepreneurs or businesses and more to Indigenous people as a polity, for example as First Nations peoples who engage in the economy through their land estate. We are here exploring a distinction between Indigenous entrepreneurialism and the entrepreneurialism possible as First Nations people and thus an Indigenous economy.

In effect, the paper lays the foundations for further scholarship in this field. It points to a range of questions related to critical analysis of Indigenous engagement with capitalism. Do Indigenous Australians engage with capitalism differently than non-Indigenous peoples? If so are Indigenous enterprises and Indigenous entrepreneurs different from other business enterprises and their owners? What are the possibilities for shifting enduring disadvantage of Indigenous peoples by engaging in entrepreneurial activities in settler society? Are Indigenous cultures consistent with private sector entrepreneurship? What are the business possibilities that are opened by land rights legislation in Australia? What

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policies are needed to unlock the entrepreneurial potential of the Indigenous economy in Australia?

Although it cannot answer all of these questions, the article sets out some of the theoretical terrain and empirical data that will inform ongoing research. It explores the relationship between Indigenous entrepreneurship, Indigenous economic engagement, Indigenous employment and the current policy support for Indigenous businesses. Supply Nation is one part of this policy landscape; it links Indigenous businesses to private and public sector supply chain procurement opportunities. Indigenous Business Australia (IBA) has, over a long period, attempted to assist new Indigenous business start-ups, providing an assessment of nearly 1,000 Indigenous business ideas in 2016-17 (IBA 2017). The Australian government has also committed \$25 million to remote enterprise development as part of its reforms to remote employment services under the Community Development Programme (CDP). This funding makes up a major component of the \$30 million available for Indigenous Enterprise Development (IED) funding, a business-specific stream of the Indigenous Advancement Strategy (IAS). Despite this support, this article identifies two major policy gaps in the area of Indigenous entrepreneurship. First, there is a gap related to policies and programs to tap the entrepreneurial potential of the Indigenous land estate in Australia to significantly increase Indigenous economic engagement. Second, there is a need for additional innovative policies and programs designed to assist new Indigenous business start-ups. Here we propose new policy initiatives drawing on recent program successes related to refugee business start-ups.

The first section of the article reviews the theoretical literature on the Indigenous economy. This is followed by an overview of data from the largest and most recent survey of Indigenous enterprise and Indigenous entrepreneurs in Australia. The article then discusses recent policy developments and identifies the key policy gaps relating to Indigenous enterprises before a more detailed investigation into the entrepreneurial potential of the Indigenous land estate in NSW. A concluding section draws together the threads of the arguments in the article.

## Theorising the Indigenous economy

The following brief review of the literature reveals diverse theoretical perspectives about the relationship between Indigenous peoples, capitalism, the market economy and entrepreneurship. The limited theoretical or empirical research examining communal Indigenous economic activity and its public policy implications has meant that much of the debate about the success or failure of Indigenous policy, particularly self-determination and economic empowerment, has been in an ideologically charged environment with limited reference to what works, what doesn't and why. An emerging body of research from New Zealand (Dana and Anderson 2007), North America (Anderson *et al.* 2006; Blaser and McRea 2004; Bunten 2010, 2011; Dombrowski 2001) and Oceania (McCormack and Barclay 2013) combines empirical data and critical theory to consider Aboriginal engagement with capitalism. In Australia, economic anthropologist Jon Altman offers a critical body of work about the 'Aboriginal economy' (Altman 2001, 2004) with particular emphasis on the conditions in remote communities of the Northern Territory. Literature on the social embeddedness of economies (Polanyi 2001), the Indigenous hybrid economy (Altman 2004) and critical development theory emphasise unique local engagements with capitalism and how these can be applied in development practice to better serve the needs of local communities and account for their activity (Curry and Koczberski in McCormack and Barclay 2013: 338). These are key theoretical foundations for a contemporary analysis of Indigenous entrepreneurship in Australia.

Altman (2004: 10) shows the considerable cross-over between western and Indigenous perspectives on economic development and challenges conventional notions of property and institutions embedded 'in the dominant cultures ideology', that is, 'the market and materialism'. Altman's conceptualisation of the hybrid economy embraces Indigenous economic logics within capitalism whereby the co-constitution of society and economy and Indigenous values play a significant role in shaping contemporary forms of socio-economy. Hybrid economies recognise there are social as well as material gains from engaging with capitalism through a process where Indigenous and social forms condition introduced elements of the market economy.

Another useful analysis of the economy is that developed by economic historian and anthropologist Karl Polanyi (2001) who argues that

economies reflect how they are socially and culturally embedded. This analytical framework creates the space for considering how place-based economic and social forms emerge. Polanyi argues that socially embedded economies challenge some of the common assumptions about modernity and the workings of market capitalism and offer a different account of engagement with capitalism and the way it is adapted to changing environments. Polanyi's analysis brings to the fore the role people and communities play in shaping their futures by pursuing their own notions of development as opposed to the narrative of an all-powerful capitalism that transforms non-capitalist socioeconomic forms.

Altman (2001), and McCormack and Barclay (2013), show how Indigenous people shape their own modernity and pursue their own culturally-defined goals to inflect development and to forge modernities compatible with their own Indigenous 'register of values'. McCormack and Barclay (2013: 349) conclude:

These local practices challenge notions of development based on transforming rural communities through the establishment of individualistic market relations of production and exchange and compel us to rethink notions of development in societies where the indigenous economy is resilient, the profit motive attenuated and great importance is placed on the social value of labor and exchange.

Anthropologist Marcia Langton (2013), in her compelling 2012 Boyer Lecture series, highlighted that 'more needs to be done in the policy area to create an enabling economic environment for Aboriginal people' (a sentiment echoed by other leading scholars cf. Altman 2004; Anderson 1999; Anderson *et al.* 2004; Anderson *et al.* 2006; Anderson and Peredo 2006). Langton (2013: 22) argued that research is required to better understand how land recovery provisions might translate into economic and social opportunity to 'ensure the benefits of agreements can be fully realised for this generation and the next' since 'the ability of [Aboriginal land-holder] groups to join the economy and achieve parity is at stake'. Langton (2013: 101) argues that 'maintaining our ancient cultural values, and aspects of the old ways of life, is not inimical to economic progress'. She views ideology as the constraining factor in Aboriginal expressions of modernity where 'the refusal among the romantics, leftists and worshippers of nature to admit that Aboriginal people, like other humans, have an economic life, are caught up in the transforming encounter with modernity, and have economic rights.' The limited understanding of this

encounter, she suggests, by the ‘soft left’ has cast Aboriginal people as perpetual mendicants of the state and by environmental groups as the ‘new noble savage’ trapped in a fixed and imagined non-economic relationship with their land and water. Instead, she argues, land rights provide leverage to ‘negotiate’ and realise particular rights including unprecedented mobilisation into the industrial workforce and paid land management.

There are different views on the kinds of enterprises that best align with Aboriginal and Torres Strait Islander economic activity. Noel Pearson (2000: 89) argues that a fundamental tension persists between welfare considerations (broadly referring to ‘social services’ and arguably social enterprises) and profit-generating communal enterprises: ‘The essential ingredients for business success – reward, incentive – are absent in communal enterprise and it is no wonder they routinely fail.’ On the other hand, some Indigenous peoples are calling for support for Indigenous communal and social enterprises to generate employment in remote areas. For example, the Aboriginal Peak Organisations of the Northern Territory – with the support of more than thirty organisations – has made the case for a new Social Enterprise Fund to be established in remote areas to support place-based social enterprises as the main drivers of the development of Indigenous community economies (APO NT 2017: 6).

### **The contemporary Indigenous entrepreneurship landscape**

Indigenous entrepreneurship in Australia takes many forms: partnerships between corporate Australia and Indigenous corporations/communities; Indigenous community-owned enterprises; and Indigenous social enterprises and co-operatives, though the majority are private small- to medium-sized enterprises. One point of contention in policies relating to Indigenous enterprises and entrepreneurship is the definition of an ‘Indigenous enterprise’ that is employed by policymakers. These definitional issues are important because they decide which enterprises can participate in programs designed to support Indigenous entrepreneurship. For example, access to public and private sector procurement for Indigenous enterprises generally requires certification of an Indigenous enterprise by Supply Nation. Established by the Australian

government in 2009 (originally as the Australian Indigenous Minority Supplier Council), Supply Nation assists Indigenous enterprises to gain access to the supply chains of corporate, government and not-for-profit organisations. It has on its database 1600 verified Indigenous businesses and 382 corporate, government and not-for-profit members in every state and territory. Such 'verification' is significant: by February 2018 Supply Nation registered businesses had signed more than \$1 billion in contracts under the Australian government's Indigenous Procurement Policy (PMC 2018a: 4).

Supply Nation initially adopted the definition of an Indigenous business as 'at least 51% owned by Indigenous Australians and the principal executive officer is an Indigenous Australian and the key decisions in the business are made by Indigenous Australians' (Willmet 2009). However, as Foley and Hunter (2013: 16-17) have pointed out, this definition is contestable because it excludes the 50:50 business partnership of an Indigenous and non-Indigenous couple. This is particularly important because the 2011 Census was the first in which a majority of both male and female Indigenous people had a non-Indigenous spouse.

The 2014 Forrest Review of Indigenous employment and training programs suggested that the definition of an Indigenous business (or, as the review calls them, First Australian firms) be changed to include 'those that have 25% or more first Australian ownership and management and can demonstrate significant first Australian employment outcomes' (Forrest 2014: 186). Supply Nation subsequently changed its definition of what constitutes an Indigenous enterprise to include businesses jointly owned by Indigenous people who have a non-Indigenous spouse. As a result of concerns about 'black cladding,' (i.e. a non-Indigenous business partner using joint ownership to exploit Indigenous procurement policies but giving little or no control to Indigenous 'partners'), changes were announced in October 2018 that will require Indigenous businesses to 'meet a 50 per cent Indigenous ownership and control test, and have a skills capability transfer and Indigenous workforce plan in place which will be reviewed annually by Supply Nation' (Easton 2018).

PwC's Indigenous Consulting (2018: ii, iii) estimate that Indigenous businesses added between \$2.2 billion and \$6.6 billion to the Australian economy in 2016. This represents 0.1 to 0.4% of the nation's gross

domestic product. The most recent Closing the Gap Prime Minister's Report is enthusiastic about the dynamism of Indigenous enterprises:

Indigenous businesses are thriving – and the Government is supporting them to be even more successful through measures such as the Indigenous Procurement Policy and the Indigenous Business Sector Strategy (PMC 2018b: 11).

However, Indigenous peoples' engagement with private, community, co-operative and corporate partnership business activity lags well behind that of non-Indigenous peoples. Data from the 2016 census suggest that there were 11,592 Indigenous owner-managers, mostly in NSW, Queensland and Victoria. According to an earlier study by Hunter (2013: 9), the rate of Indigenous entrepreneurship is one third that of the national average, though there is evidence that the entrepreneurship gap is narrowing with predictions of a 40% growth in Indigenous businesses over the period 2016-2019 (PwC's Indigenous Consulting 2018: ii, iii). The relatively low rate of Indigenous entrepreneurship is not exclusively an Australian phenomenon but is replicated in countries with Indigenous populations around the world (Dana and Anderson 2007).

The wide Indigenous entrepreneurship gap constrains a generation of employment for Indigenous peoples. Hunter (2014: 16) found that 'Indigenous businesses are still about 100 times more likely to employ an Indigenous Australian than non-Indigenous businesses' while Indigenous entrepreneurs in Queensland created 300% more Indigenous employment than other Australian enterprises. A more recent study found that Indigenous businesses employ more than 30 times the number of Indigenous people than other businesses (PwC's Indigenous Consulting 2018) while they also provide professional training and other educational opportunities to their employees and reinvest their profits into their communities to support various projects and programs.

Some insights into the questions raised earlier in this article can be found in the largest and most recent snapshot of Indigenous enterprises in Australia (Morrison *et al.* 2014). Using a networking methodology, a survey of 324 private, community and co-operative Indigenous enterprises across Australia was conducted in 2012 and 2013. Over half of the enterprises (52.2%) were in urban areas, one third (33.7%) in regional areas and 13.9% in rural areas. Most (81.2%) were private enterprises with 49 community enterprises and 10 co-operatives also surveyed. The majority of enterprises in the survey were run by

Indigenous men (n=194), but a large number were run by women (n=128).

There was no typical Indigenous business, with Indigenous entrepreneurs spread across 19 industries. Businesses in the 'Professional, Scientific and Technical Services,' 'Construction' and 'Arts and Recreation Services' industries were most represented in the survey. Female Indigenous entrepreneurs were over-concentrated in the 'Education and Training' industry and under-concentrated in Construction. Just under 32% of Indigenous entrepreneurs who owned a business had a non-Indigenous spouse who was either a business partner or was actively involved in the business. The survey showed evidence of difficulty in raising start-up capital and getting bank loans: only 22 businesses out of 324 reported receiving a bank loan or mortgage; 19 received an IBA loan; and 28 reported being refused a bank loan.

In two thirds of the Indigenous businesses surveyed more than 50% of the workforce were Indigenous employees. Indigenous male entrepreneurs surveyed were more likely to hire Indigenous males and Indigenous female entrepreneurs were more likely to hire Indigenous females. Overall, 94% of community-owned and 64% of privately-owned Indigenous enterprises surveyed sought to employ Indigenous people. Taken together, this data not only provides evidence-based research for the importance of Indigenous enterprises in any Indigenous employment strategy, but also makes the argument for policies targeted at new female Indigenous business start-ups to generate more employment for Indigenous women (Pearce 2015; Pearce and Chelliah 2018).

Employment creation for Indigenous Australians is just one aspect of the contribution of Indigenous enterprises. PwC's Indigenous Consulting (2018: ii) also argue that Indigenous business can create a 'multiplier effect' further adding to economic development and wealth creation in Indigenous communities:

Specifically, it can lead to a greater culture of employment and social contribution within Indigenous communities, and foster an environment which supports further innovation and opportunity by inspiring the next generation of Indigenous business owners.

Research by Morrison and his colleagues adds more data about the non-economic contributions of Indigenous enterprises to Indigenous communities: around 90% of privately, community and cooperatively owned business owners/managers in their survey sought to act as positive

role models for young people in the community. Between 79-100% of privately, community and cooperatively owned businesses provided services to the Indigenous community. Indigenous business owners or controllers were actively involved in volunteering in local Indigenous community activities and sponsoring local sports teams and community events (Morrison *et al.* 2017). These data confirm some of the ways in which Indigenous enterprises are embedded within the local Indigenous community but do not capture fully the dimensions of the hybrid economy where Indigenous cultures shape economic and social relations. Collins and colleagues found that Indigenous cultures shape Indigenous entrepreneurship in often contradictory ways, sometimes enabling business success, sometimes constraining it (Collins *et al.* 2016; Collins, Morrison *et al.* 2017).

This existing evidence largely relates to individual Indigenous entrepreneurs or businesses, rather than an Indigenous polity. However, it also suggests that a binary between these two spheres is less robust than first imagined. If, as the evidence suggests, private Indigenous enterprises are embedded within family and community networks and social relations – and if those who own and control Indigenous private enterprises are motivated as much by assisting local Indigenous community development as they are by private profits – then are Indigenous entrepreneurs or businesses not part of an Indigenous polity? It is clear that Indigenous culture is not inconsistent with private sector entrepreneurship. However, more research is needed to answer some key questions that emerge about this relationship. For example, how might all of this evidence relate to the notion of an ‘Indigenous economy’? Are Indigenous enterprises and Indigenous entrepreneurs any different from other business enterprises and their owners? Might different engagement with capitalism – say in the form of Indigenous social enterprises, Indigenous community-owned enterprises, Indigenous co-operatives or land rights based enterprises – produce unique forms of Indigenous engagement with enterprise that warrant special policy attention?

### **Policies to support Indigenous entrepreneurship**

Policies and programs that successfully support the growth and expansion of existing Indigenous businesses are a necessary part of any successful ‘Closing the Gap’ economic strategy. Recently the Australian

government released a new Indigenous Business Sector Strategy (PMC 2018a: 1), 'a 10-year plan to improve access to business and financial support for Australia's growing Indigenous business sector'. The major initiatives revealed were the establishment of three Indigenous Business Hubs as one-stop-shops for Indigenous entrepreneurs; the establishment of a pilot Indigenous Entrepreneurs Capital Scheme to overcome financial barriers faced by Indigenous entrepreneurs; unlocking more microfinance access for Indigenous entrepreneurs in regional and remote locations; support for more women and youth to get a start in business; increased funding for Indigenous entrepreneurs to link into mainstream business networks; increased funding to improve Indigenous entrepreneurs' access to supply chains through Supply Nation's Indigenous Business Direct; and investment in a digital platform to help Indigenous businesses navigate the support system (PMC 2018a: 4).

These elements of the Indigenous Business Sector Strategy align with the findings of the survey of Indigenous enterprises conducted by Morrison and his colleagues (2014), particularly in relation to finance, mentoring and a recognition of the importance of supporting Indigenous women to set up a business. The initiatives related to Indigenous youth are also welcome, as are the suggestions related to a new digital support platform for Indigenous businesses. Overall, the Indigenous Business Sector Strategy is a promising suite of policy initiatives designed to increase Indigenous employment in Australia. However, there are two important holes in the strategy. The first relates to the Indigenous Estate, or rather the neglect of policy initiatives addressing the potential of the Indigenous Estate as a source of Indigenous business growth and expansion. That is, while the Indigenous Business Strategy does reflect the existing scholarship on individual Indigenous enterprises and entrepreneurs, it is relatively silent on the enterprise opportunities and constraints for Indigenous people as a polity, in particular as First Nations peoples who engage in the economy through their land estate. According to KPMG (2016: 21), Indigenous people now own or have rights and interests to some 40% of the Australian land mass under various forms of title and legislation:

The assets comprising the Indigenous Estate include tangible assets: the land and waters of the Estate, and the resources located on or within it, and also intangible assets – cultural and intellectual property rights, as they exist in forms of expression (arts, dance, music, language);

traditional cultural, environmental and bioscience practices, and other forms of traditional knowledge.

The challenge is how to grow the Indigenous Estate and fully utilise its assets. Entrepreneurship is clearly one major way to do this. This is considered in more detail in the next section of this article.

The second hole in the Indigenous Business Strategy relates to programs designed specifically to encourage and assist new Indigenous business formation and Indigenous business start-ups and generate Indigenous employment. However successful Supply Nation has been in assisting *existing* Indigenous enterprises to grow and expand, it does not assist in the formation of *new* Indigenous Business enterprises. In addition, very few Indigenous businesses surveyed by Morrison *et al.* (2014) reported that they had assistance from IBA, suggesting that there is a space for additional Indigenous business start-up programs. Some insights as to how that could work are found in a successful recent pilot program designed to assist newly-arrived refugees to establish a business in Sydney. The 'Ignite Small Business Start-ups' initiative – established by Settlement Services International (SSI) – successfully assisted over 90 refugees to set up a business within three years of settlement in Australia (Collins 2017).

Refugees – like many Indigenous Australians – face considerable barriers when trying to set up a business (Collins, Watson *et al.* 2017). They lack financial, social, human and linguistic capital and are not familiar with the Australian market or business red tape. The Ignite Small Business Start-ups program was based on a social ecology model that centred on hiring Enterprise Facilitators who – with the support of a large voluntary pool of business experts – took each refugee along their individual, bespoke, path to setting up a business. An *Indigenous Business Start-ups* program, based on the Ignite model but with appropriate modification and consultation with Indigenous leaders and business experts, would move beyond the increased accessibility to capital outlined in the Indigenous Business Sector Strategy. The key to the Ignite model is that each entrepreneur walks a different pathway to business establishment – guided by Enterprise Facilitators and volunteer advisors – and assistance with *all* aspects of business establishment and development, that is, not just support with finance but also with management, marketing, web design, certification processes and other aspects so that it has the potential to be trialled to assist Indigenous people to become

entrepreneurs. There is also an argument for Indigenous business start-up programs designed specifically for Indigenous women. Stepping Stones, a successful program to assist immigrant and refugee women to start-up businesses in Melbourne and run by the Brotherhood of St Laurence since 2011 (Bodsworth 2014; van Kooy 2016), has demonstrated the viability of women-only business start-up programs.

An Indigenous Business Start-ups program – modelled on the Ignite program – would take as a point of departure Indigenous cultures, Indigenous histories, the formal and informal individual and institutional racism Indigenous people are faced with and the ways in which Indigenous peoples experience blocked mobility that has often restricted their education and employment opportunities. The model would situate the individual Indigenous ‘client’ within his or her story and background, within family and community and Indigenous cultures and social relations. It would provide an ecology of support for the person and the business in the journey from the business idea to the business set-up and business sustainability. The key to this model is a bespoke approach: each person has a different journey to business set-up, supported by Enterprise Facilitators employed by the program and a team of volunteers who contribute their business expertise to the Indigenous person on the business start-up journey.

### **The entrepreneurial potential of the Indigenous Land Estate in NSW**

Some decades ago Altman (2001: 3) outlined new possibilities for the Indigenous economy opened by the *Native Title Act 1993* (Commonwealth):

New horizons and new opportunities suggest the need for new strategies and these are evident at the government, industry, and Indigenous communities levels ... The new strategies for Indigenous communities include using native title and land rights leverage to ensure greater participation in business, primarily through joint venturing. However, such new approaches require the development of appropriate Indigenous structures to overcome problems of external and internal accountability.

However, 25 years later, the Indigenous Business Sector Strategy makes no specific reference to the Indigenous Estate and its enterprise potential.

The Commonwealth Minister for Indigenous Affairs, Senator Nigel Scullion, emphasised the importance of the NSW Aboriginal Land Council (NSWALC) less in relation to their land estate and more regarding their ‘commitment to getting more of their members into jobs and small business’ (PMC 2018c). The establishment of one of the proposed Indigenous Business Hubs in Western Sydney will be designed and delivered by the NSWALC as a partner with the NSW government ‘to ensure Aboriginal businesses and people gain a larger share of Australia’s largest economy’ (NSWALC 2018).

Although this is one example of how strategies to develop partnerships with Aboriginal Land Councils can begin to unlock the enterprise potential of the Indigenous Estate, there appears to be a significant tension in government policy and intention. On one hand the government has noted the success of Indigenous economic engagement in relation to securing the Indigenous Estate. On the other, the policy approach embedded in the Indigenous Business Sector Strategy largely ignores an Indigenous polity or economy, including community-owned enterprises, and instead emphasises individual entrepreneurs who are Indigenous. Multiple government reports view the Indigenous Estate as pivotal to Indigenous economic engagement. The Council of Australian Governments’ (COAG) inquiry into Indigenous land administration and use described the circumstances of land recovery as being ‘in a period of transition, from a focus on recognition and protection of Indigenous rights in land to being able to use those rights for economic development’ (COAG 2015: 2). Nigel Scullion, in announcing the 2015 COAG inquiry, similarly emphasised that the reform priority was to ‘support Indigenous land owners and native title holders to leverage their land assets for economic development as part of the mainstream economy’ (PMC 2015). The COAG inquiry (2015: 1) concluded that the Indigenous Estate:

is a significant asset base for Indigenous Australians that has not reached its full potential in supporting their economic independence and in turn their social, cultural and physical wellbeing.

The 2016 NSW parliamentary inquiry into economic development in Aboriginal communities also found that economic development that improves the social and economic outcomes for Aboriginal people, creates conditions for Aboriginal knowledge and cultural expression, and alleviates large-scale disadvantage will depend on the timely processing of land claims (NSWLC 2016: viii).

While the connection between the Indigenous Estate and reducing Indigenous disadvantage has been at the forefront of government discourse, examples of this transformative affect are limited. The entrepreneurial potential of community-owned Indigenous enterprises that emerge from the land titling revolution that has seen more than 50% of land repossessed by the original owners in the Northern Territory and with rights and interests across 40% of Australia requires new innovative policy responses. In NSW, economic engagement has been a feature of the NSW Aboriginal land rights laws since their inception in 1983. In the last few years there have been some interesting policy reforms that could see the Indigenous Estate recovered under the land rights laws achieving greater benefits for its people. Before discussing some of these key reforms it is necessary to briefly outline some of the key features of the NSW *Aboriginal Land Rights Act* (ALRA), 1983, and the history of land recovery and enterprise development in that state.

In NSW, more so than other comparable statutes across Australia, Aboriginal land rights laws were always configured as a social justice package that emphasised comprehension of Aboriginal worlds as having sustained violent frontier dispossession, intensive patterns of 'settler' land use and state-sponsored disruption of social organisation and connections over a long period of time. The NSW land rights laws support reinstatement of Aboriginal modes of organising, modernised by historical and cultural attachment to place, that could make claim to and hold land in freehold title. In doing this, the laws created a network of some 120 Local Aboriginal Land Councils (LALCs) spread across nearly all bush towns, coastal communities and cities. LALC membership is open to all Aboriginal people living in the area or with connections to the area and therefore reflects family patterns of (sometimes forced) migration and settlement and continual occupation. Aboriginal Land Councils were conceived as 'political cells' where Aboriginal political power would interface with government and society. As well as a mechanism for the recovery of certain Crown land, a fifteen-year compensation fund set at a percentage of the state land tax revenue was to fund the operation of the network and its enterprises. Half of the so called 'compensation fund' continues to be required to be set aside in a fund in perpetuity. At the end of the fifteen-year funding stream, in the year 1999, capital that had supported ALC enterprises ended and LALCs and NSWALC relied more on land to generate the necessary funding for LALCs to pursue beneficial outcomes for their members.

From the opening months of operation of the ALRA, ALCs pursued a range of enterprises. These ranged from purchasing bull bar manufacturing businesses, to fishing enterprises, pastoral farms and motels. Many of the early enterprises sought to combine multiple elements of community development, especially cultural learning, training, youth support, employment generation, and trans-generational learning. These were ambitious projects for communities with a limited skill base in an untested and untried newly emerging Aboriginal Land Council domain.

Accountability, particularly financial accountability, was an early concern for the NSW government which as early as 1986 placed a freeze on funding. Cabinet documents reveal government concern about public perception, and Department of Aboriginal Affairs' concern regarding the number of Aboriginal community complaints about financial propriety (Norman 2015: 85). Commencement of the NSW Independent Commission Against Corruption (ICAC) from 1988 saw a high number of complaints about perceived financial irregularities by LALCs and NSWALC (Norman 2015: 166-202). Most of the 400 or so enterprises funded from the compensation fund did not return a 'profit' in the decade from 1983, and many ceased to function beyond their first year.

It is important to note the structural constraints that LALCs operate within, including the closure of the Community Development Employment Program which had funded additional office staff. Most LALCs across NSW are staffed by one full time manager with the guidance of a volunteer board of dedicated Aboriginal community members, and the funding for each LALC is less than \$140,000 per year to cover all operating costs, including personnel. Moreover, the land recovery mechanism has, over time, proven to be systemically flawed and unable to effectively administer the return of land. To briefly illustrate this, as at 2018, 3,130 land claims had been granted since 1983 (NSWALC 2014: 2) totalling 127,000 hectares and accounting for less than 1% of the 33.5 million hectares of Crown land in NSW. Of the 44,118 Aboriginal Land Claims lodged in NSW, more than 70%, some 33,690 claims, remained unresolved as of October 2018.

The NSW Governments' commitment to addressing land justice has shown signs of being realised. In the 2015–2016 financial year the Minister for Lands granted (in part or in full) 146 land claims, covering an area of 2,530 hectares (NSWALC 2016: 14). This is a significant

increase on the previous five years in which the average number of claim determinations was 52 per year (NSWALC 2016: 15). However, the Indigenous Business Sector Strategy has ignored the full enterprise potential of the Indigenous economy because of its focus on private Indigenous entrepreneurship and not on Indigenous community enterprises, Indigenous co-operatives or enterprises related to the Indigenous Estate. This may be a consequence of the Australian Government's preoccupation with neoliberalism and the concomitant view that private enterprise and market forces are the key to solving all problems in Australian society. This philosophy diverts the Indigenous Business Sector Strategy away from other enterprise possibilities of the Indigenous Estate and the opportunities presented by co-operative enterprises which offer alternative models of entrepreneurship and different ways of dealing with market forces in a way that is perhaps more embedded in Indigenous cultures and Indigenous social relations.

There is no doubt that previous efforts by LALCs to engage in enterprise development faced early challenges around accountability. However, it should not be assumed that these problems are endemic and rooted in an anti-capitalistic Indigenous culture and a fundamental incapacity of LALCs to tap into the enterprise potential of the Indigenous Estate. What is needed is new research into the entrepreneurial activities of contemporary LALCs. Questions to be investigated include whether LALCs present a good model for pursuing enterprise on the Indigenous Estate, what changes have there been in accountability, what kinds of enterprises are they running now, what support do they need to expand their enterprise profitability and function, and what would be the potential benefits of expanded enterprise support for LALCs, as opposed to enterprise support for individual entrepreneurs? Answering these questions will also provide the new insights needed to think through how land rights based enterprises relate to the theory presented earlier in this article: do they sit more comfortably alongside Altman, Polanyi, Langton, Pearson, APO NT, or a combination of them all?

## **Conclusion**

This article began with the observation that Indigenous enterprises generate more Indigenous jobs than other Australian enterprises. Policies designed to increase Indigenous entrepreneurship can increase

Indigenous employment in Australia. And yet the relationship between Indigenous peoples, capitalism, the market economy and entrepreneurship is complex. The article posed some key questions that emerged from the literature in relation to Indigenous enterprises and Indigenous entrepreneurs. The main questions relate to whether Indigenous Australians engage with capitalism differently than non-Indigenous peoples, whether there is an Indigenous economy separate from the mainstream economy and whether Indigenous cultures are inconsistent with private sector entrepreneurship.

Indigenous cultures are often characterised by an emphasis on communality (the benefit of the many) rather than the primacy of individual wealth acquisition which is the central characteristic of 'rational economic man' in neoclassical free market economics (Cassidy 2009; Quiggan 2010). Maintaining relationships within the kinship system often depends to a large extent on reciprocity, that has been referred to as 'primitive communism' (Berndt and Berndt 1988: 121; Bourke and Bourke 1995). In this sense Indigenous cultures could be characterised as anti-entrepreneurial. However, such a characterisation is a crude stereotype that offers little to an understanding of contemporary relationships between Indigenous cultures and entrepreneurship in Australia. The data produced by Morrison and colleagues shows that there is no typical Indigenous enterprise in Australia and that Indigenous cultures both constrain and enable private sector entrepreneurship. Most Indigenous businesses are not in market niches – such as tourism or art – that relate directly to Indigenous cultures.

Indigenous entrepreneurs in the private or community sector do play an important social role in developing and sustaining local Indigenous communities across urban, regional and rural Australia (Kerins and Jordan 2010). In this sense Indigenous entrepreneurs *are* embedded in Indigenous cultures (though often in contradictory ways, see Collins, Morrison *et al.* 2017) and embedded in Indigenous families and communities. They do exhibit the hybridity that Altman stresses, with the state shaping the lives of Indigenous peoples in major ways, though it is important to note that this is not the exclusive experience of Indigenous entrepreneurs (e.g. see Collins and Low 2010; Collins and Shin 2014; Collins, Watson *et al.* 2017).

The socio-economic barriers to Indigenous entrepreneurship are considerable (Langton 2013), and the racialisation of Indigenous peoples

in Australia imposes negative stereotypes that are not conducive to accessing capital or starting up a business. But the problem with focussing excessively on the barriers to Indigenous entrepreneurship is that it creates a deficit model of Indigenous entrepreneurship that does not pay enough attention to the agency of Indigenous entrepreneurs and the ways in which they develop innovative strategies to overcome these barriers.

The Australian Government's Indigenous Procurement Policy and the recently announced Indigenous Business Sector Strategy (PMC 2018a) clearly indicate an effort and commitment to attempt to increase Indigenous employment. But there are two evident policy gaps. The first relates to programs designed specifically to encourage and assist new Indigenous business start-ups where the IBA record is modest. The Ignite Small Business Start-ups model – that has proven successful in assisting newly-arrived refugees to establish a business – could be trialled as a pilot Indigenous Small Business Start-ups program across metropolitan and non-metropolitan areas to complement the other policy initiatives in the Indigenous Business Sector Strategy. A trial would be designed with Indigenous input, consultation and adequate resourcing and could include a specific female cohort. The second policy gap addresses the relatively untapped entrepreneurial potential of the Indigenous Estate and land rights legislation. Here we caution against a narrative of failure based on past experiences and instead seek to critically understand the wider conditions for pursuing enterprise developments by Aboriginal peoples organised as a polity, such as through the Local Aboriginal Land Councils, in relation to their land. There has been little scrutiny of local-level efforts to improve social, cultural and material conditions for Aboriginal people. This means the successes and failures, and the values that have guided LALC-initiated enterprises, have not yet been thoroughly examined.

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