RETHINKING THE ENTERPRISE: INCORPORATING INDIGENOUS PRACTICES IN MODERN ENTREPRENEURSHIP PARADIGMS

Divyesh Shanker Taneja
Modern School Barakhamba Road, Delhi

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ABSTRACT

Indigenous Entrepreneurship is defined as the creation, management, and development of new ventures by Indigenous people for the benefit of Indigenous people. It also includes business processes and activities that are followed by indigenous populations. This paper has examined contemporary narratives surrounding entrepreneurship, and recent developments in that field. Social entrepreneurship as a means of organizing public welfare has been studied in detail to evaluate the scope of incorporating indigenous practices in modern entrepreneurship paradigms. This paper has also explored the inherent features of indigenous entrepreneurship and traced many commonalities amongst practices including sustainability and equitable distribution of resources. It has been found that the incorporation of such practices in social enterprises can increase their efficacy and efficiency and reform some of the problems associated with conventional free-market economies. Lastly, this paper has explored the problems faced by indigenous entrepreneurs that hamper the potential for growth enterprises floated by them, the most important of them being the lack of access to adequate finance. This paper provides recommendations that seek to solve these structural problems that create artificial barriers and exclude indigenous people from economic development.

Keywords: Entrepreneurship, Finance, Economy, free-market, indigenous

Introduction

Entrepreneurship has proven to be one of the key drivers of economic development and innovation in free-market liberal democracies. The growth of industrialized and developed nations and economies (such as the United States and Western Europe) is particularly contingent on the level of innovation and entrepreneurial activity. Participating in new business creation is a common activity in the United States for workers through the course of their career, with research from the Global Entrepreneurship monitor suggesting that by the time they reach their retirement years, half of all workers in the United States probably have a period of self-
employment of one or more years, and up to 25% have engaged in self-employment for six or more years (Reynolds, 2007). Entrepreneurship is also particularly significant for the economies of nations comprising the developing world. Business innovation can be instrumental in disrupting global supply chains to create ones that are more favourable and can increase self-reliance and dependency of the local economy. China, which identifies itself as a Communist State, adopted free-market policies towards the end of the twentieth century to fuel economic growth. Over the next few decades, it emerged as one of the most self-reliant and fastest-growing economies with entrepreneurial ventures having the capacity to invest and expand abroad (Barboza, 2000). Entrepreneurship, most importantly, has emerged as a means of empowerment and agency since it allows subaltern communities to gain an advantage through the free-market instead of getting exploited by it. It has been key in the emancipation and empowerment of women and marginalized social groups across the world (Scott & Venkatraman, 2000). A Conducive entrepreneurial ecosystem implies the existence of multiple stakeholders that promote entrepreneurial activity including investors, lenders, vendors, and consumers, and is important to drive innovation and the establishment of new enterprises (Osnabrugge & Robinson, 2000).

Entrepreneurship has expanded in scope since it was first conceptualized as a means of generating profits through the creation of a new business concern in the 19th century (Hirsch, 2011). In the present context, it can most simply be defined as the creation or extraction of value. Entrepreneurial behavior is often exhibited within government agencies, not-for-profit startups, and other voluntary-sector groups. Entrepreneurship can further be classified into different types based on the principles and objectives of the enterprise. Ethnic entrepreneurship refers to self-employed business owners who belong to racial or ethnic minority groups. Ethnic entrepreneurship dates back to the 19th and 20th centuries and is associated with migrant groups in the United States and Europe (Chaudhary, 2015). This has been an effective method of promoting community-solidarity and empowerment amongst minority groups, many of whom are often victimized by majoritarian anti-immigrant or xenophobic narratives. Feminist Entrepreneurship, which imbibes feminist principles and approaches in entrepreneurial activities is another example of the emancipatory potential of entrepreneurship. Feminist Enterprises seek to improve the lives and agency of women and include businesses that serve or employ only women (Orser & Leck, 2011). Cultural Entrepreneurship, on the other hand, is defined as practices of individual and collective agency that are characterized by mobility between cultural professions and modes of cultural production (Rea & Volland, 2015). These organizations depend on cultural narratives and capital to extract value, which can then be used for profit or charitable purposes.

Social entrepreneurship can be defined as the process of funding and developing implement solutions to social, cultural, or environmental issues through new-venture creation. These
ventures operate to maximize social welfare and usually focus on key developmental areas such as education and healthcare (Wilden, et. al., 2018). Social enterprises and entrepreneurship in general can prove to be instrumental in incorporating indigenous practices in the modern enterprise. There is a need for indigenous culture and practices in the free-market, primarily to produce economic prosperity for indigenous communities that have been the victims of socio-economic exclusion and marginalization.

Background

Entrepreneurship, especially when directed towards the social, environmental, or cultural value is concerned with the generation of social impact and inclusivity at the grassroots level. These enterprises surround a particular idea, whose intrinsic value exceeds that of the individual entrepreneur, and continues to have credence even without the charismatic leadership of the founder, which is usually an important trait of for-profit entrepreneurial ventures. (Bornstein, 2007). Even if these enterprises are not altruistic in nature, their operations continue to surround social welfare. Andrew Mason established the Bromley by Bow Centre, a community center in the United Kingdom that has been crucial in urban regeneration and local community development. It has also established the first Healthy Living Centre of the United Kingdom and has been hailed as one of the best examples of a social venture (Guillochon, 2006). Even though social entrepreneurship is a recent interdisciplinary field of exploration within academia, examples of the same can be traced throughout history. Florence Nightingale’s professional nursing school, Acharya Vinoba Bhave’s Land Gift movement in India, and Robert Owen’s cooperative movement have all been revolutionary in their approach to social upliftment through grassroots level engagement within their social contexts.

Grameen Bank was established as a microfinance organization and community development bank by Mohammad Yunus in Bangladesh. It has been instrumental in promoting business development in low-income communities in Bangladesh, especially through women (who comprise 97% of its debtors) in rural areas (Yunus, 2003). Interest-free loans have promoted financial dependence and business activities amongst those who face socio-economic barriers in accessing formal and conventional financial services (Morduch, 1999). Not only has the Grameen Bank expanded its operations beyond Bangladesh, but its model of microfinance has also been emulated by many developing countries, including India. Khan Academy is an American not-for-profit enterprise that facilitates distance learning and educates students online through interactive videos. It has been instrumental in solving conventional barriers associated with education whilst creating quality lessons and delivering them free of cost (de Bertodano, 2012). Sanjit ‘Bunker’ Roy is a prominent entrepreneur and social activist in the field of rural development in India. He established the Social Work and Research Centre in 1972 after conducting a survey of water supplies in 100 drought-prone areas in rural India. Also known as
the Barefoot College, it expanded its activities from water and irrigation facilitation to empowerment and sustainability. Their programs focused on a range of issues including the installation of siting water pumps near villages, training the local population in sustainability and efficient resource utilization, facilitating training in paramedics for local medical treatment, and promoting solar energy usage to decrease dependence on the costly and unsustainable kerosene lighting system, which is prevalent in many Indian villages (John, 2003).

Owing to their impact and success and the popularity of progressive, welfare-oriented narratives, social enterprises have emerged to the forefront of entrepreneurial narratives over the past few decades. Businesses in general have been pushed to be more welfare-oriented and sustainable in their operations and engagement with society. These organizations either promote the development of a social group or a community and may aim for institutional change from within structures and organizations (Williams, et. al., 2005). They also bring together professionals such as therapists, doctors, and educators to direct their services to those who need them the most, but can't afford them because of social or economic constraints (James & Ana-Maria, 2006). Increasing rates of internet penetration and the development of accessible communication technologies have also contributed to the growth of a social enterprise. The Internet, which distinguishably allows for the pooling of design resources using open source principles has allowed entrepreneurs to access wiki models or crowdsourcing approaches to fund their social ventures and gain technical and professional expertise in their fields from collaborators across national boundaries (Malecki, 1997). It has also allowed for awareness generation around social issues and their possible solutions as it gives activists, researchers and entrepreneurs access to a wider audience.

Discussion

Social entrepreneurship is associated with many challenges, most of its stems from its recent development and the problems associated with not-for-profit organizations in general. In addition to facing problems associated with raising capital and marketing an enterprise, social entrepreneurs tackle unconventional and less-researched issues including overpopulation, environmental degradation, and the shortage of essential resources. (Elkington & Hartigan, 2008). The lack of investment leads to the creation of a salary gap between social and commercial enterprises. This implies that a salaried employee earns lesser pay whilst working in a social enterprise as compared to a conventional one. Thus, talent automatically transfers to for-profit companies in the labour market and makes the long-term success of social enterprises difficult to achieve. This also implies that unlike corporate entrepreneurial ventures, where only the founder assumes the most risk and is responsible for the idea, social enterprises must employ those who share a similar passion for the social cause as the founder which would prevent them from taking up jobs in commercial enterprises for better salaries. Finding and maintaining such
employees adds to the human resource challenges associated with social enterprise. Improving access to finance is crucial to solving these challenges. Social entrepreneurs find new business models that do not rely on a standard exchange of capital in order to make their organizations sustainable. This self-sustainability ultimately distinguishes social businesses from charities, who rely almost entirely on donations and outside funding (Elkington & Hartigan, 2008). Even though social enterprises need initial capital to start operations, they seek to establish models that allow them to earn sustainable levels of revenue by engaging in welfare-oriented activities.

Indigenous entrepreneurial ventures which are created by indigenous people for the benefit of their communities particularly suffer from challenges associated with exclusion from formal structures (Croce, 2019). These communities are groups native to a particular region, and their culture differs from other social groups. Historically, indigenous communities have faced exploitation at the hands of colonialists in different stages. The most striking examples of this include the colonization of North America and Australia, which has reduced indigenous populations to minority levels and continues to deter their socio-economic progression (Croce, 2019). Even within geographical regions, the creation of social hierarchies has ostracized tribal communities. The Brahmanical structure in India, for example, has been responsible for the exclusion of specific communities from economic and human development. The conceptualization of modern nation-states has also contributed to the exclusion of indigenous narratives. This is because such states are dominated by formal colonizers (as in the case of Australia, Canada, and the United States) or by local oppressors (such as the case with India). This dissociation and exclusions imply that indigenous communities are excluded from sources of capital implicitly or explicitly. Problems are associated with navigating the market as well, given lower rates of education access and human development.

Even though indigenous entrepreneurship is a nascent field of academic exploration, research has revealed some striking differences between it and mainstream theories of entrepreneurship (Dana, 2015). In contrast to Western-style capitalism, indigenous economies display elements of egalitarianism when it comes to the distribution of economic gains. Moreover, there is an emphasis on tribal or community development, to which a significant share of profits is diverted. Indigenous entrepreneurship relies on immediately available resources, which are exploited sustainably, given the cultural ties associated with nature in the first place (Dana, 2015). These features make indigenous ventures more to social enterprises than conventional ones. Tenzing Badosa started the world’s first elephant-friendly farm in India. It solves the problems associated with the hostile interaction between wildlife and agricultural expansion. These farms have dedicated feeding areas for elephants and employ organic methods of farming. They generate annual revenue exceeding Rs60-70 lakh and employ over 30,000 individuals in rural Assam (Rai, 2017). Similar methods of organic agriculture have grown popular in other regions of India,
and across the world. Even enterprises that have not been founded by tribal or indigenous entrepreneurs have incorporated sustainable practices. Moreover, with specialized research into the field, approaches to community development and sharing of economic gain that are popular in indigenous cultures are increasingly becoming sources for inspiration in the field of social entrepreneurship.

**Conclusion**

Growing research into the research of the intersection between indigenous cultures and entrepreneurship has revealed certain structural flaws in our free-market system and has presented crucial opportunities for sustainable development. Enterprises, particularly social enterprises can learn a lot from the entrepreneurial practices of indigenous communities. Tribal models of resource and gain sharing, grassroots level engagement, and community development can prove to be instrumental in urban and local communities in the developing world, especially in the developing world, where the widening of income inequalities has been synonymous with the development of the free market. Moreover, indigenous business practices tend to be environmentally sustainable and should be emulated by companies irrespective of their nature. They can be combined with sustainable technologies to build scalable models.

Economic development through indigenous practices must be inclusive of those communities. There have been instances where indigenous cultures and their practices have been exploited by outsiders to earn profits without those profits being shared with these communities. Companies like FabIndia profit off of indigenous cultures and shy away from contributing to socio-economic development at the community level through investment in education, healthcare, and employment opportunities. This propagates economic injustice and is a manifestation of the economic exclusion that indigenous people suffer from. There is also a need to facilitate the inclusion of indigenous tribal communities into formal financial and economic systems which enables access to short and long term capital. A successful model for the same has been implemented in Canada, which allows indigenous entrepreneurs to access finances through special organizations known as Aboriginal Financial Institutions. Even though the central government of India has instituted a separate ‘Ministry of Tribal Affairs’ to focus on the development of tribal communities, there has been a lack of emphasis on the research and development of tribal entrepreneurship. There is a need for central and state governments to emphasize entrepreneurship through their tribal community development programs.

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