

#### **Abstract**

Māori small business owners must work in two cultures; their own Māori culture and the Pākehā culture which frames much of the legal and commercial imperatives of their business. Some Māori business leaders have commented on the need to develop a new business model for Māori owned and operated businesses that allow Māori to bring their own cultural values to a business whilst operating in a Pākehā environment. This research sheds some light on what some of the ingredients of that business model may be. Respondents owning small businesses commercialising traditional knowledge were interviewed about the cultural values they used in their business. Interviews comprised a face to face oral interview providing qualitative information followed by a written questionnaire providing frequency of use for both Māori and Pākehā concepts. This research shows how Māori small business owners commercialising traditional knowledge have been able to take appropriate parts of both their Māori and Pākehā cultures to develop and operate a business that builds on the best of both worlds. Using the ambicultural approach (Chen and Miller, 2010, 2011) it has been possible to analyse the relationships between aspects of Māori and Pākehā business culture. Māori respondents told of how they felt about the financial aspects of their business compared to the cultural and social aspects which were all important elements of their business. Respondents described how they balanced their cultural and social objectives with the financial objectives which enabled the business to remain sustainable. Social and cultural outputs are often found in other non-western businesses and some features of these are discussed leading to the conclusion that Māori businesses are more similar to those in some Asian and Middle Eastern localities than to the western environment in which they operate. The ambicultural approach has already been used by Chen and Miller to describe the success of some Asian based businesses. Applying an ambicultural relational approach to Māori small business has made it possible to explain how Māori small business owners are able to intertwine their cultures to develop a new operating culture for their business which provides the cultural, environmental, financial and social outputs they are searching for.

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#### **INDEX**

#### Chapter 1, Introduction – Commercialisation of Indigenous knowledge

The Question that drives this thesis is — "What do small Māori business owners want out of their businesses? How do they integrate their Māori and Pākehā values into their businesses and how does this enterwining of cultural values provide them with what they want out of their businesses." Traditional knowledge has been the preserve of Indigenous peoples for centuries, in some cases millennia. Since the Western and Middle-eastern nations sought to colonise the rest of the planet there has been a move to capture and commercialise traditional knowledge, often to the detriment of the Indigenous owners. Against this background Indigenous entrepreneurs are struggling to develop their own businesses based on their own traditional knowledge.

I have argued that Māori were entrepreneurial and trading in pre-European times, this trading continued with Europeans when they arrived. This flair for business has come down to the present day. One of the ways it is now seen is in the commercialisation of traditional (Māori) knowledge including artworks, food and tourism products and services. Perhaps one of the most famous in the tourism industry is Tamaki Tours, providing a Māori cultural experience to tourists.

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This introductory chapter seeks to set the scene for the study of the Māori¹ small business owner who seeks to commercialise their Māori traditional knowledge. It briefly describes who Indigenous peoples are, describes traditional knowledge, the loss of traditional knowledge, the economic development of Māori and goes on to describe Māori business and Māori values in this context and introduces the notion that Māori small business owners are able to live in two worlds utilising the best from each.

This background sets the scene for the thesis.

### Chapter 2, Indigenous Knowledge or Traditional Knowledge

This chapter is about knowledge. My position on traditional knowledge is developed showing how these valuable knowledges may sometimes be commercialised. Western knowledge is described in this context along with my perspective on the protection of knowledge.

#### **Chapter 3, The Māori Business Owner**

This chapter describes the world of the Māori small business owner. The notion that Māori small business owners take an ambicultural approach to their businesses. One where they are able to take the best of their Māori and their Pākehā cultures to

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<sup>&</sup>lt;sup>1</sup> A capital is used throughout for the proper nouns, Māori and Pākehā. HW Williams in his dictionary; A Dictionary of the Māori Language, 2004 suggests the use of the capital for Māori.

develop a business model which is different to both and meets all the requirements they have of their businesses.

## **Chapter 4, Methodology**

This chapter tells of the methodolgy chosen and how the respondents were selected. A description of how the interviews were conducted face to face using quantitative and qualitative sections is given along with the analysis methods. The methodology is described including how respondent enterprises were selected. Whilst some quantitative analysis was performed this was simply as a check on the results attained from the qualitative work which comprises by far the larger portion of the data provided by respondents.

#### Chapter 5, results and discussion

In this chapter I describe how Māori and Pākehā values are used together to create the Māori small businesses which my respondents have described to me. These values are chosen by the operator as those which best suit the business. I describe how my respondents create their business from a mix of Māori and Pākehā values which create something new from both cultures. A process of relational perspectives which the owner is able to create from the two cultures.

#### **PREFACE**

After being fortunate enough to travel in a number of different countries I came back to New Zealand each time realising more and more that I knew less about my own cultures in New Zealand than of some of the countries I had visited. Having spent a little time in a few Pacific Island countries and been exposed, even if only a little, to those cultures I began to wonder why the "average" Pākehā New Zealander appears to know so little about the cultures of their own country (UMR, 2004). Anecdotally we are told we are the world's greatest travellers so one has to wonder if these well travelled people are equally ignorant as oneself. It seems that many Pākehā New Zealanders know as little as I did of the workings of the cultures in New Zealand.

This was brought home to me in a very practical way when I worked with an economic development agency. It seemed to me, working in the economic development environment, that while it was staffed by very competent people that we were not able to do such a fine job for Māori and Polynesian businesses as we were able to achieve with Pākehā businesses. Few Asian people sought advice. I came to ponder what the reasons for this might have been until, obviously, I realised that despite really good intentions, this was largely due to cultural issues. I pondered on whether this may be a phenomenon that affected all or some economic development agencies until I observed that there was generally a lack of cultural awareness towards Polynesian people including Māori. I remember vividly at the time a young woman who wanted to develop an art-based business founded on indigenous designs from her own traditional knowledge. She had a very specific worldview about how the designs

could be used which were clearly not understood by the Pākehā advisors. The two parties began talking past one another at a very early stage and this lack of understanding was never made up for and accordingly the advice given was not useful to the person.<sup>2</sup>

I realised that this was something that I had to address in myself before I had any hope of addressing the issue in others or in the policies and procedures of an economic development agency and pondered on how I might be able to do this. The first thing I decided to do was to learn more about Māori businesses and Māori culture and I thought that perhaps the best way for me to do this would be to go back to University to learn more about Māori business and how the Māori economy functioned. In the interim I had continued to do my consultancy work in other areas.

In 2004 I went back to Victoria University to study for a Post-Graduate Diploma in Māori Business. I had worked for many years in the public and private sectors in the fields of Chemistry, Statistics and Agriculture and Horticulture, and latterly in the film and television industry and Economic Development.

I had great lecturers and mentors who taught me so much of what I needed to know – in doing this work I also learnt how much (a vast amount) I did not know. So, after completing my Post-Graduate Diploma I felt I knew more, but I had realised that there was more to it than having a bit more business knowledge, understanding the legal constraints on Māori business organisations, and understanding Māori culture better. I found that what I had really learnt was how a Māori business can operate in

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 $<sup>^{2}</sup>$  No more precise identification of the case can be given for confidentiality reasons.

the Western world under western made laws. I felt I could contribute little if anything to this but realised that there was a much more important area of Māori (or Indigenous in the world sense) business which is in fact the taking of traditional knowledge by Indigenous people and commercialising it. This is a different outcome to that experienced by many Indigenous people – that of the knowledge being taken from them without their permission. Others, principally the World Intellectual Property Organisation, and the many organisations, people, governments and companies that provide them with advice through the established process, are working in the area of protecting indigenous knowledge. There are a few, but increasing numbers of, Indigenous people commercialising their own traditional knowledge. There are a few groups in Canada, Australia, New Zealand, Hawaii and some other locations working principally in a part of the Tourism industry. However, there has been little, to no, in depth work accomplished to understand how Indigenous people might commercialise their own knowledge and keep the majority of the benefits deriving from that commercialisation process. Having said this, Government Agencies, Departments and Ministries have from time to time published guidelines, information and reports on various aspects of indigenous businesses based, usually, but not exclusively on Tourism (Te Puni Kōkiri, New Zealand Māori Tourism Council). Māori businesses on the other hand, not necessarily using traditional knowledge, abound; reaching assets of \$39 billion by 2010 and accounting for 6% of GDP (Berl, 2011).

I see the issue of commercialisation of traditional knowledge as an issue of fairness. By way of analogy; in the same way as it would be seen as unreasonable for an inventor in the western economic system to have an invention used or taken away from them without their permission and without being given a fair financial arrangement; so too, it is unreasonable to expect the traditional owners of Indigenous knowledge to part with their property for a very tiny or no reward. This thesis goes someway to understanding how Māori commercialise their own traditional knowledge through the melding of their Māori and Pākehā values to operate a business providing the results they want.

## Why am I doing the research?

During a long background in business development I always thought that the way of doing business in the Western World<sup>3</sup> met the needs of the whole planet. I saw business development as a way of creating wealth around the globe, meeting people's needs and aspirations and increasing the wealth and well-being of everyone who embraced the system. I saw the development sponsored by the International Monetary Fund (World Bank), Asian Development Bank and similar institutions along with the economic aid provided by many countries for the "third world" as a good thing. I saw the development of knowledge through the western scientific method as the zenith of the scientific process, and that this was the only "sensible" way of increasing the knowledge base.

Whilst I was aware of other knowledges and business systems I felt that these were not only inferior to the ones I adhered to but in all cases were flawed and in some cases completely erroneous. Then I began to realise there were other ways of doing business. For example in Asia, the Middle-East, Africa and the Pacific there were

<sup>&</sup>lt;sup>3</sup> By using the term the Western world I am referring to the business systems that are in general currency in Europe and North America including those nations which use the same Western Capitalist (or in some cases a more social) system.

ways of doing business which are not only, <u>not</u> based on the western system but have been successful for centuries and in some cases millennia. These systems based on Polynesian worldviews, or Confucius ideology, Islamic tenets, or even more ancient Egyptian, Roman, Greek or African worldviews had worked for long periods of time. The survival of these cultures over hundreds of years attests to this success. One had to question whether the business system I embraced was in fact the best available. A business system which has only been around for a thousand years with its material development only really getting underway in the last four to six hundred years. Was this in fact the best for everyone?

A person of European descent, I saw the system that I had been brought up in, schooled in, and practiced, as the only one. That system we generally call the western system.

In the same way one comes to the realisation that there are other knowledge systems not based on the western system, which really only had its genesis some four to five hundred years ago. These other knowledge systems have often been working very well for much longer. For example, Chinese – perhaps 5,000 years in one form or another. Knowledge systems based on faith or spirituality (or both) are not embraced by a repeatable, mathematical system of knowledge development favoured in the west, for example, traditional or indigenous knowledge systems. The realisation that there are successful businesses and knowledge systems quite different to the ones that one operates in oneself causes a number of questions to be asked of oneself about whether these other systems might be used successfully – alongside or even within the rules, regulations and laws of the western system. The answer is quite clearly "Yes",

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if there is a will to make it happen. This is a key challenge for Indigenous businesses

- whether they should use the businesses principles developed over thousands of

years or whether to embrace the principles of a new system that does not meet their

social and cultural needs or to embrace the best of both worlds.

Logically if there are other business and knowledge systems that work, and they can

be used in the global business environment today, then the question has to be asked -

why aren't they used? The answer, of course is; they are!

I believe that by researching those Indigenous businesses where such systems (and

who commercialise traditional knowledge with permission) may be being used it will

be possible to understand why these businesses are successful for their owners. To

understand how the melding of values from two cultures works for the Māori small

business operator.

This is the reason for this thesis.

Why the need?

Commercialisation of traditional knowledge is a worldwide trend, particularly in the

areas of design, language and pharmaceuticals where perhaps most of the violations

of traditional knowledge occur. There have been numerous examples in the press in

recent years including pop-stars receiving inappropriate body art, use of dance, design

in advertising, naming of objects and products, and inappropriate use of taonga

(treasures). Perhaps the use of the moko is seen as one of the more disrespectful examples. Though there have been cases<sup>4</sup> where knowledge has been taken, modified, then patented, which can exclude Indigenous people from using their own knowledge for commercialisation. At least one writer (Boaduo 2009) has suggested that Indigenous people have an obligation to divulge their medicinal knowledge, in particular, as it is their duty to greater humankind!!

The explosion in screening for naturally occurring pharmaceutical substances has seen considerable pressure placed on Indigenous people to part with their medical knowledge so that naturally occurring substances with a pharmaceutical function can be quickly and easily identified by narrowing down the plants and animals needing to be screened; for example, the screening for the analgesic found in the kawakawa plant from New Zealand.



<sup>&</sup>lt;sup>4</sup> Examples like the Neem Tree are given in Chapter Three.

**Fig One** – A commercial remedy based on the analgesic properties of kawakawa offered by a Māori Company<sup>5</sup>.



Fig Two Kawakawa leaves<sup>6</sup>

The commercial advantages that can accrue to an organisation able to entice an Indigenous people to part easily with their knowledge can be huge. In other cases

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 $<sup>\</sup>label{lem:http://www.google.co.nz/imgres?hl=en&biw=1280\&bih=819\&tbm=isch\&tbnid=YylXBdVgKvDKvM: &imgrefurl=http://www.earthenergiesnz.com/online-store/creams-and-ointments/kawa-gel-30g&docid=FVPlGEAtqsQboM&itg=1&imgurl=http://www.earthenergiesnz.com/Images/ProductImages/kawagel30g309x300.jpg&w=309&h=300&ei=wAkdUu2_OsiqkQXQwoDgDA&zoom=1&iact=rc&dur=125&page=1&tbnh=141&tbnw=145&start=0&ndsp=39&ved=1t:429,r:12,s:0,i:114&tx=104&ty=7166$ 

significantly sized multinational organisations have simply taken an Indigenous design and used it without any reference to the people who have traditionally owned the design. Whilst the second example is in the realm of intellectual property, the first example is achieved by the traditional owners being unable, or simply unknowledgeable about how, to bargain for their "fair share" of the economic rewards (Cleary 2010). Some might see this as theft.

Some Indigenous peoples are now becoming aware of the value of their products. In particular there is concern that their products are sold to multinational companies who then on-sell the product for many times the value the indigenous producer receives. A good example of this is the world-wide coffee industry in which Ethiopia (a very poor nation) attempted to trademark three of its coffees in order to safeguard its interests. The Ethiopian Government is doing this in the hope that farmers will get more for their toil. An international coffee company resisted those efforts.

Many, if not practically all, of the organisations wishing to make use of Indigenous traditional knowledge are multinational organisations which have massive resources compared to those of the Indigenous people who have the knowledge. Additionally those organisations are under considerable pressure from their financial stakeholders to maximise their profits. Whilst it may not be deliberately at the expense of the owners of indigenous knowledge this has no doubt been the effect anyway. Indigenous peoples around the world need some assistance to "level the playing field". There is a very real need for information enabling Indigenous people to make their own decisions about the commercialisation of their traditional indigenous

knowledge. This is quite different to the need for governance, leadership, managerial and technical skills which has already been written about by many writers.

This study bucks this trend; it is about Māori small businesses, it is about commercialising traditional knowledge with permission. It is about how these businesses are taking the best of the Māori world and the best of the Pākehā world to forge the operation of a business that meets their needs in both worlds.

## INTRODUCTION - COMMERCIALISATION OF TRADITIONAL KNOWLEDGE

Indigenous knowledge became invisible to Eurocentric knowledge, to its development theories, and to its global science. Consequently, Indigenous knowledge was not captured and stored in a systematic way by Eurocentric educational systems. Indeed, in some cases there has been a concerted push to erase it. The persistent and aggressive assimilation plan of the Canadian government and churches throughout the past century, the marginalization of Indigenous knowledge in educational institutions committed to Eurocentric knowledge, and the losses to Aboriginal languages and heritages through modernization and urbanization of Aboriginal people have all contributed to the diminished capacity of Indigenous knowledge, with the result that it is now in danger of becoming extinct.

(Battiste, 2005)

#### Preamble - The rich cultural heritage

This introductory chapter seeks to set the scene for the study of the Māori<sup>7</sup> business owner who wishes to commercialise their Māori traditional knowledge. It briefly describes who Indigenous peoples are, describes traditional knowledge, the loss of traditional knowledge, the economic development of Māori and goes on to describe a Māori business and Māori values in this context and introduces the notion that Māori small business owners are able to live in two worlds utilising the best from each.

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<sup>&</sup>lt;sup>7</sup> A capital is used throughout for the proper nouns, Māori and Pākehā. HW Williams in his dictionary; A Dictionary of the Māori Language, 2004 suggests the use of the capital for Māori.

There is a history of Māori (Indigenous peoples) trading in Aotearoa/New Zealand. Māori traded in products and services that are based on either Māori traditional knowledge or western knowledge or both. Māori have a rich cultural heritage which may form the basis for many Māori businesses. Additionally, Māori operate businesses which are based on western knowledge and western ideas. Some Māori business owners use traditional knowledge as part or all of their product or service offering. It is the operation of these businesses which this study examines.

What do small Māori business owners want out of their businesses? How do they integrate their Māori and Pākehā values into their businesses and how does this enterwining of cultural values provide them with what they want out of their businesses.

Some Indigenous groups have been subjected to having their traditional knowledge drained away from them through inappropriate useage, to having it taken from them and then subjected to patents or trademarks which have severely reduced the Indigenous people's ability to commercialise the knowledge themselves.

There is world-wide concern amongst Indigenous peoples that their traditional indigenous knowledge is being exploited with their own interests being ignored.

This chapter sets the scene for the Māori small business person who commercialises traditional knowledge. A brief description of Indigenous people is provided along with the importance of traditional knowledge to Indigenous peoples whilst explaining the different modes of ownership for traditional and western knowledge that provides

the basis for conflict in the use of traditional knowledge which can often lead to traditional knowledge being taken without permission and/or used inappropriately. Some examples are given of how this might occur and the value of traditional knowledge described. A glimpse of pre-European and post-European trading is given as a lead-in to setting the scene for the modern Māori business. The value of economic development and Māori business is described finishing with Māori values and how these may be melding with western business values to make a new type of business which takes the best of both cultures building them into a new type of business.

#### Indigenous Peoples are present in almost all countries

Indigenous peoples can be found throughout the planet comprising some 370 million people worldwide. Few countries do not have an Indigenous population. The United Nations (UN Factsheet) describes the attributes of Indigenous peoples;

- ➤ Self- identification as Indigenous peoples at the individual level and accepted by the community as their member.
- ➤ Historical continuity with pre-colonial and/or pre-settler societies
- > Strong link to territories and surrounding natural resources
- ➤ Distinct social, economic or political systems
- ➤ Distinct language, culture and beliefs
- Form non-dominant groups of society

Resolve to maintain and reproduce their ancestral environments and systems as distinctive peoples and communities.

The United Nations Declaration of Rights for Indigenous Peoples goes further in enumerating the rights Indigenous peoples have. Māori are the Indigenous people of New Zealand, Aotearoa.

#### The earliest form of knowledge

Traditional knowledge is the earliest form of knowledge. Long before the rise of European and Asian empires throughout our world, long before the Egyptians and Assyrians of Asia and Africa, the Xia of China, long before the last ice age groups of humans were learning about their environment, learning how to do things, the things that worked, the things that did not work. This was the birth of traditional knowledge. Groups of people in a certain locale, developing knowledge from what they experienced in the environment around them. As people moved around our planet this knowledge moved with them, some of it discarded for new knowledge. It must have been, otherwise as people moved they would have to re-learn everything all over again every time they moved. In their new home they gained more knowledge by learning about their environment. This was added to the store of knowledge they brought with them. Knowledge continued to grow and be handed down from generation to generation. So, more traditional knowledge was developed as groups settled for periods in each area. The knowledge learned from the environment and their experiences gradually increased their "basket of knowledge". Over the millennia

this accumulation of knowledge became the traditional knowledge of today, handed down from generation to generation. The transfer of this knowledge from generation to generation was achieved orally prior to there being a written medium for Indigenous peoples to hand down knowledge. Some Indigenous peoples developed their own way of transferring ideas by recording them in a permanent or semi-permanent form on various surfaces (early forms of writing and picture forms of recording knowledge, events and ideas) or by coming into contact with peoples who had developed writing. Perhaps the most ancient form of Indigenous knowledge which has survived is hunting and gathering.

Although it has not survived to any appreciable extent, the hunting and gathering way of life forms an important part of Australia's human heritage. Aboriginal Australians sustained themselves in this way for at least 40,000 years, perhaps longer. Of all the economic systems which human ingenuity has devised, hunting and gathering is the most ancient and long lived and it has survived longer perhaps in Australia than anywhere else in the world.

(Dingle, 1988:2)

Traditional knowledge arose out of the land as Timothy Bottoms describes (1999:1)

From the coastal groups to the savannah and the desert peoples to those occupying the mountainous regions and the colder climes that bespeak the south-eastern corner of the Australian continent, all these many and varied Indigenous Australians utilised the environment peculiar to their area, not only to be nourished by the spirituality that was imprinted on the land, but also to gain physical sustenance.

Hunting and gathering from the land – the knowledge of what could be eaten, what could not, how to keep safe, where the shelter is, where the safest place to cross a river is, what plants could be used to cure ailments and how to use the bounty of the natural environment around them. This knowledge meant the difference between life and death.

In western terms, competency is based on predetermined ideas of what a person should know, which is then measured indirectly through various forms of "objective" tests. Such an approach does not address whether that person is really capable of putting the knowledge into practice. In the traditional Native sense, competency has an unequivocal relationship to survival or extinction. You either have it, or you don't, and survival is the ultimate measure.

(Kawagley and Barnhardt 1999:118)

The traditional knowledge much of which has survived, for long periods, handed down from generation to generation continues to exist with Indigenous peoples today who have used this knowledge in their everyday lives since first learning of it. Groups of people, learning about their environment and sharing that knowledge amongst themselves; developing knowledge from their experiences with the environment. This knowledge is based on a different paradigm to western knowledge systems. Observation, spirituality, the land and the resources around them are the preserve of traditional knowledge. Mathematical solutions, hypothesis and results based on theory are the domain of western knowledge (Cochran undated, Brown 1994:157, Agrawal 1995, Mavno undated, World Bank 1998). At least one writer (Brown 1994) has suggested that western science is based on a male-centric view further narrowing its relevance and usefulness.

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In New Zealand Māori traditional knowledge developed in situ from the knowledge

which travelled with them from tropical East Polynesia. This knowledge forms the

basis for Māori businesses using traditional knowledge. The Māori cultural values

inform the operation of the business. These businesses operate in a western society

which also imparts its values on the business.

Western business's thirst for Traditional Knowledge

In more recent times there has been a move by western business, notably the

multinationals, to hunt out traditional knowledge and add it to the store of western

knowledge. Taking knowledge that already exists and adapting it uses less financial

and other, resources than to develop the knowledge from scratch. Shaman

Pharmaceuticals was such a company. For twenty years it developed plant based

pharmaceuticals and later plant-based health products derived from plants Indigenous

peoples had been using for medicinal purposes. Shaman provided small payments to

identified owners of traditional knowledge providing some income to the owners of

the knowledge. Unfortunately this organisation went into bankruptcy in August 2005

(Bloomberg Business Week)

Bierer, et al (1996, 1) stated that;

Tropical forest plant species have served as a source of medicines for

people of the tropics for millennia. Many medical practitioners with

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training in pharmacology and/or pharmacognosy<sup>8</sup> are well aware of the

number of modern therapeutic agents that have been derived from tropical forest species. In fact, over 120 pharmaceutical products

currently in use are plant-derived, and some 75% of these were

discovered by examining the use of these plants in traditional

medicine. .... a large portion has come from tropical forest species.

Yet while many modern medicines are plant-derived, the origins of

these pharmaceutical agents and their relationship to the knowledge of

the Indigenous people in the tropical forests are usually omitted.

Whilst this may seem to be a good thing, that new medicines are able to be developed,

Indigenous people do not get credit for their knowledge, the commercial nature of the

knowledge, and the scramble for profits, in the western system means that often,

traditional knowledge can be captured very cheaply, then used and commercialised in

ways that provide no acknowledgement to the original owners of that knowledge.

Global Corporations and the biotechnology sector continue to secure

profit from plundering the knowledge of others, also known as bio-

piracy. This intellectual and cultural piracy in which the cultural and

intellectual heritage of communities and the countries are freely taken

without recognition or permission, are used for claiming intellectual

property rights (IPR) such as patents, trademarks and plant variety

rights.

(Hutchings 2007: 23)

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<sup>8</sup> The study of medicines derived from natural resources. The American Society of Pharmacognosy defines pharmacognosy as "the study of physical, chemical, biochemical and biological properties of drug substances or potential drug substances of natural origin as well as the search for new drugs from natural sources" <a href="http://www.phcog.org/definition.html">http://www.phcog.org/definition.html</a>.

The pharmaceutical industry has long recognised that Indigenous peoples throughout the world have ancient remedies for conditions and illnesses. The medicinal use of plants and their extracts are found mainly in Asia, Africa and South America, but not exclusively in those areas<sup>9</sup>. Most Indigenous peoples have medical knowledge and use naturally occurring substances in their healing processes. Those in the more tropical climes have the greatest diversity (Bierer et al, 1996:2). Whilst the pharmaceutical industry is one that is often singled out as the one that has gained wealth at the expense of Indigenous people, it is not the only industry; tea, coffee, design and art are further industry-wide examples where members of the industry have taken a product already used by an Indigenous people and in commercialising it, attempted to take the intellectual knowledge away from the original owners.

Traditional knowledge<sup>10</sup> can manifest itself in many other ways, ways that are being commercialised by many Indigenous entrepreneurs; in design, in architecture, in language, in the ways of doing things, in spirituality, food, clothing<sup>11</sup>, transport<sup>12</sup>,

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<sup>&</sup>lt;sup>9</sup> Māori in New Zealand, according to Elsdon Best and others may have use kawakawa leaves to lessen the effects of toothache. Kawakawa is a relative of the pepper family. Kava is extracted from another member of the same family.

<sup>&</sup>lt;sup>10</sup> "Before the European discovery of the New World in 1492, European and Near Eastern populations survived on grains mostly derived from local grasses like wheat, rye, barley and oats. Rice was the staple of Asia and sorghum and millet sustained Africa. The discovery of America and the European adoption of Indigenous American food over time gave the world three fifths of the food that we currently consume – potatoes (many varieties) with beans (lima beans, kidney beans, string beans, butter beans etc.), and of course corn (also in many varieties). Not only staples, but also fruits and spices – tomatoes, capsicum, chillies, peanuts, sunflowers, zucchini - were brought back by Europeans and now flavour the dishes of the world. Also many modern medicines originated among the Indigenous peoples, and billions of dollars are invested by pharmaceutical companies every year in the drive to discover and patent the ingredients of their traditional remedies. As mono-cultural growing practices have spread, the biological diversity that our grandparents knew has been eroded. We have begun to realise that biodiversity is important not only economically, but also to our own future survival as a species. Significant crop failures in a mono-cultural environment similar to that which happened in the Irish potato famine of the 1840s could prove disastrous. The knowledge possessed by Indigenous peoples might be our salvation". Source: http://www.organicexplorer.co.nz/Info/Articles+and+Resources/Reflections+of+a+MāoriMāori+Chef. html

<sup>11</sup> For example, Kia Kaha Clothing and Leiana Rei Fashions, Koata

<sup>&</sup>lt;sup>12</sup>For example, Rua Waka transport and Kia Contracting

cosmetics, jewellery<sup>13</sup>, art<sup>14</sup> and in almost all human endeavours<sup>15</sup>. Cookery is a major area of interest. A popular New Zealand Television show, "The Whānau Show" described how to make various Māori dishes; Kinaki Ltd is a Māori organisation which produces Māori herbs. Others include Pacific Harvest Ltd, Avocado Oil NZ Ltd, Ti Toki Liqueur, and Mataura Koura. In the Māori recipe market many Māori authors have produced a range of cookbooks<sup>16</sup>.

Cultural tourism is a growing sector for Indigenous peoples (Bennet, 2005) comprising heritage, historical ethnic, educational and Indigenous tourism. Eco cultural tourism focuses on tourism experiences that are Indigenous cultural products have Indigenous cultural involvement along with some nature content. (Demand for Māori eco-cultural tourism, p9).

Butler and Hinch (2007:82) stated that

there was... an opportunity to develop Māori cuisine as a unique and distinct product offering...learning waiata....Māori cultural performances... better explanations of protocol and history were seen as opportunities to enhance the tourist experience.

<sup>13</sup> For example, Wahine Styles

<sup>&</sup>lt;sup>14</sup> For example Iwi Art

<sup>&</sup>lt;sup>15</sup> For example, Kia Communications, Kia Consulting, Aatea Consultants

<sup>&</sup>lt;sup>16</sup> Books include; A tohunga's natural world: plants, gardening and food by Paul Moon, David Lang Publishing Auckland.

Māori Cook book, Harper Collins Auckland.

Kai time: tasty modern Māori food by Peter Peeti, New Holland Publishing, Auckland.

MāoriMāori vegetable cooking ;traditional and modern methods by Murdoch Riley, Viking Sevenseas Publishing Paraparaumu

The Māori kai Cookbook by Judy Spooner, Kahungunu Publishing.

Kia Ora: fresh healthy food made with Aroha, Random house, Auckland

South Pacific Cookbook: New Zealand Māori, New Caledonia, Tahiti, Samoa, Cook Islands, Tonga, Hawaii, Fiji and Pitcairn Island, Jopa manufacturing

Two hundred years of New Zealand food and cookery by David Burton, Published by reed Methuen,

Māori Food and Cookery By David Fuller, Published by AH and AW Reed in Wellington.

There is some considerable potential for ethnic tourism, a large part of which comprise Indigenous tourism ventures. The downside of this is that their popularity could lead to a degradation of cultural sites as visitor numbers reach levels at which damage may be done. Already cultural sites are assessing how they can restrict visitor numbers and so reduce damage – for example Ankor Wat in Cambodia. Indigenous peoples' concern for their traditional knowledge is that of the damage to the knowledge, as well as misappropriation.

The scope for the commercialisation of traditional knowledge is growing each year. Still, much traditional knowledge is being used internationally without the permission of the original owners and often not in the right way. The use of the Moko<sup>17</sup> by French artists, Haka<sup>18</sup> by various artists and groups including a rendition as a ballet piece, the use of various Māori design elements in video games and children's toys, clothing and footwear, and visual art. An illustrative example of how Indigenous groups can be treated by the world intellectual property system is an Indian example, the Neem tree. A pharmaceutical company wished to register a patent for the many uses of neem tree oil. In Britain the patent was thrown out on the basis of prior knowledge and there being no clear step which was unique. In North America it was initially accepted. The Indian Government placed the information into the public arena so that no one organisation could claim the traditional knowledge built up over the years by Indian medical people. Whilst the Ministry for Building, Innovation and Enterprise does have a bio prospecting working group to understand its implication for New Zealand there is no known bio-prospecting happening in New Zealand.

(www.biodiversity.govt.nz)

<sup>&</sup>lt;sup>17</sup> Moko is usually refers to Māori facial tattoos

<sup>&</sup>lt;sup>18</sup> Haka usually refers to a ritual Māori dance, perhaps the best known are the two performed by the New Zealand All Blacks rugby team.

#### The products of traditional knowledge do not belong to just anyone

This study has concentrated on Māori businesses who utilise traditional knowledge to commercialise it. Traditional knowledge that they have a right to, which is theirs to use with permission of the traditional owners. Indigenous peoples throughout the world have been subjected to having their traditional knowledge taken without permission and used in ways which are culturally insensitive and in some cases has resulted in the loss of the knowledge for no gain. Some examples are provided below. This is an important aspect of Indigenous entrepreneurship because these practices can limit the opportunities for the Indigenous entrepreneur to commercialise their own knowledge. respondents businesses successfully My owned that were commercialising traditional knowledge they had permission to use.

There are numerous examples of traditional knowledge being taken by various means from the people who developed it. There is a considerable pressure often mounted by well-resourced international companies to inhibit Indigenous entrepreneurs from commercialising their own knowledge. The international coffee industry is an example.

The Sunday Star Times of November 5, 2006 reported that "Starbucks has blocked a bid by Ethiopia to copyright the nation's coffee names." The article went on to describe how Starbucks retails these prestigious brands for up to \$82.50 per kilogram

whilst Ethiopian farmers received only \$2.44 to \$5.23 per kilogram and sometimes less. A whopping 97% went to enterprises other than the growers.



Fig Three Ethiopian coffee harvesters 19

<sup>19</sup> 

 $<sup>\</sup>frac{http://www.google.co.nz/imgres?start=246\&hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=K19TzcPg}{7QtXeM:\&imgrefurl=http://www.ukcoffeepods.org/podssenseo.htm\&docid=TrGhuJIu1a6piM&imgurl=http://www.ukcoffeepods.org/coffee-$ 

harvester.gif&w=250&h=173&ei=fAodUo7aA4yUkwXht4HgBA&zoom=1&iact=rc&dur=546&page=8&tbnh=138&tbnw=200&ndsp=37&ved=1t:429,r:56,s:200,i:172&tx=88&ty=91



**Fig Four** Protest against Starbuck's attempts to trademark Ethiopian coffee names as their own<sup>20</sup>.

Indigenous peoples believe that the right to use knowledge that is handed down from generation to generation ultimately coming from their spiritual authorities. Use rights pervade Indigenous customs. Keen (2004:290) says, speaking of aborigine in Australia.

20

 $<sup>\</sup>frac{\text{http://www.google.co.nz/imgres?hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=J2ooABmN6hL99M: }{\text{\&imgrefurl=http://www.flickriver.com/groups/starbucksphotopetition/pool/interesting/\&docid=v5iq-MphC0PVQM&imgurl=http://farm1.static.flickr.com/126/413034274_5c9ec47c11.jpg&w=375\&h=50_0&ei=IgsdUu6HA4GNkAXMhoHIAw&zoom=1&iact=rc&dur=109&page=1&tbnh=161&tbnw=121&start=0&ndsp=32&ved=1t:429,r:0,s:0,i:79&tx=50&ty=88_0&0.$ 

Apart from one's own patri-group's country, a person had use rights in the country of their mother, father's mother, spouse, daughter's husband, and place of conception. A person had the right of access to their mother's country and could 'walk around' it, because they were 'born from that place'.

The communal ownership of knowledge, sometimes under the care of certain individuals who understand the knowledge, pervades the Indigenous world giving rise to a unique difficulty with the protection of traditional indigenous knowledge which is that individuals do not "own" knowledge. It is a communal knowledge for the use of the whole group – it belongs to the group. Accordingly the group is the individual and the individual is the group – a notion that is explored elsewhere. In the Ethiopian example growers were vulnerable because the knowledge had been known in their communities for so long it was freely known amongst the growers who had traditionally named their products. These names could be taken by another group and could be trade marked by that different group, in this case a company.

The products that can be extracted from the Neem tree, products of traditional knowledge are equally vulnerable



Fig Five – Neem Tree<sup>21</sup>

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 $<sup>\</sup>frac{http://www.google.co.nz/imgres?hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=\_aVJt6L4XTVK3M:\\ \underline{\&imgrefurl=http://www.icfre.org/UserFiles/File/ifgtb/ifgtb-pic/Forest%2520genetics/pages/Plus%2520tree%2520of%2520Neem_jpg.htm&docid=1CD75g2Zwpr$ 

 $<sup>\</sup>frac{\text{pic/Forest}\%2520\text{genetics/pages/Plus}\%2520\text{tree}\%2520\text{of}\%2520\text{Neem\_jpg.htm}\&\text{docid} = 1\text{CD75g2Zwpr}\\ \frac{\text{hxM\&imgurl} = \text{http://www.icfre.org/UserFiles/File/ifgtb/ifgtb-jic/Forest}\%252520\text{genetics/images/Plus}\%252520\text{tree}\%252520\text{of}\%252520\text{Neem\_jpg.jpg}\&\text{w} = 513\&\text{h} = 10\text{ m}\text{s} = 10\text{ m$ 

 $<sup>\</sup>frac{\text{pic/Forest}\% 252520 \text{genetics/images/Plus}\% 252520 \text{tree}\% 252520 \text{of}\% 252520 \text{Neem\_jpg.jpg\&w=}513\&\text{h=}}{398\&\text{ei=WgsdUta5GYfTkwW2\_4CYCg\&zoom=}1\&\text{iact=hc\&vpx=}851\&\text{vpy=}435\&\text{dur=}842\&\text{hovh=}19}\\8\&\text{hovw=}255\&\text{tx=}150\&\text{ty=}123\&\text{page=}2\&\text{tbnh=}146\&\text{tbnw=}190\&\text{start=}29\&\text{ndsp=}38\&\text{ved=}1\text{t:}429,\text{r:}35}\\\underline{\text{s:}0,\text{i:}193}$ 



Fig Six. The leaves and cream flowers of the Neem tree<sup>22</sup>

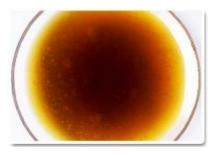


Fig Seven. Neem oil<sup>23</sup>

22

http://www.google.co.nz/imgres?hl=en&biw=1280&bih=819&tbm=isch&tbnid=quaFWrCoIZO\_hM: &imgrefurl=http://herbs-treatandtaste.blogspot.com/2011/07/what-is-baikan-or-dharaik-chinaberry.html&docid=NfY1d25VqmfFsM&imgurl=http://2.bp.blogspot.com/-tWj4TSFWgGU/Tg6jKOlt3WI/AAAAAAAAB\_c/pGdb\_bqFIAk/s200/melia-azedarach-flowers-and-leaves.jpg&w=200&h=134&ei=6AsdUsqJA8KSkwWc3YDYBA&zoom=1&iact=hc&vpx=260&vpy=481&dur=1139&hovh=107&hovw=160&tx=113&ty=62&page=1&tbnh=107&tbnw=154&start=0&nd sp=37&ved=1t:429,r:18,s:0,i:130

http://www.google.co.nz/imgres?start=242&hl=en&biw=1280&bih=819&tbm=isch&tbnid=OiwYfuES B0\_FDM:&imgrefurl=http://www.agriculturalproductsindia.com/herbal-products/herbal-products-neem.html&docid=3YE6yt6CiouyQM&imgurl=http://www.agriculturalproductsindia.com/images/nee m2.jpg&w=200&h=139&ei=dwwdUsb1PIK8kgX66oB4&zoom=1&iact=rc&dur=359&page=7&tbnh=111&tbnw=160&ndsp=39&ved=1t:429,r:46,s:200,i:142&tx=95&ty=74



Fig Eight. An example of Neem Tree Oil packaging<sup>24</sup>

Many multi-national corporations have been accused of bio-piracy<sup>25</sup> – that is taking, usually medical (but not only limited to medicinal or pharmaceutical products) traditional knowledge of plants or animals, and using that knowledge to develop medicines, without recompensing the countries or peoples from whom they have taken the traditional knowledge. As well as Starbucks, already noted; Monsanto for Indian varieties of wheat (Shiva; 2004); Colgate for an Indian herbal toothpaste patent which is disputed by Ayarduvic medicine manufacturers (Daily Mail; 2010); and

<sup>24</sup> 

https://www.google.co.nz/search?hl=en&site=imghp&tbm=isch&source=hp&biw=1280&bih=819&q=kawa+gel&oq=kawa+gel&gs\_l=img.12..0i24.3011.5257.0.7348.8.6.0.2.2.0.250.703.2-3.3.0....0...1ac.1.25.img..3.5.719.tmtA4c3S4fs#fp=27c006b1bb7c583d&hl=en&q=%22Neem+tree+oil%22&tbm=isch

The phrase, Bio piracy in 2013 carries with it the idea that it is the genetic information that is being taken. Originally it had a looser meaning that included the taking of any biological information. One dictionary describes it as "The commercial development of naturally occurring biological materials, such as plant substances or genetic cell lines, by a technologically advanced country or organization without fair compensation to the peoples or nations in whose territory the materials were originally discovered." http://www.thefreedictionary.com/biopiracy

Captopril (Bristol-Myers Squibb) was developed from Brazilian viper venom used by Indigenous Brazilians in their arrow heads (Mongabay; 2010) Are all example of this practice.



Fig Nine A Brazilian viper<sup>26</sup>



**Fig Ten** A pharmaceutical product using a synthesised chemical from traditional knowledge of the Brazilian viper venom<sup>27</sup>

26

 $\underline{https://www.google.co.nz/search?hl=en\&site=imghp\&tbm=isch\&source=hp\&biw=1280\&bih=819\&q=1280\&bih=810\&q=1280\&bih=810\&q=1280\&bih=810\&q=1280\&bih=810\&q=1280\&bih=810\&q=1280\&bih=810\&q=1280\&$ 

 $<sup>\</sup>frac{\text{http://www.google.co.nz/imgres?hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=f58DZIALeK6FXM:}{\text{\&imgrefurl=http://ultracoolfun.blogspot.in/2011/01/11-amazing-animals-that-improve-your.html&docid=iFyX52F96FKXIM&imgurl=http://3.bp.blogspot.com/_512VEbm7xB0/SjPBlbSUauI/AAAAAAAciE/c4Yv7Yj8V_w/s400/3.jpg&w=400&h=300&ei=8A4dUt7wH8XLkAXR8YGIBQ&zoom=1&iact=rc&page=1&tbnh=136&tbnw=178&start=0&ndsp=31&ved=1t:429,r:0,s:0,i:78&tx=94&ty=61/27$ 



Fig Eleven A Colgate herbal toothpaste product<sup>28</sup>

In New Zealand the Government has a responsibility to ensure that traditional knowledge is reasonably protected to ensure the owners of that knowledge can freely commercialise it should they wish to. Indeed, Māori may well argue that it is a requirement of Article II of the Treaty of Waitangi that such protection is in place. As yet this approach has not been taken by Government although the Ministry of Building, Innovation and Enterprise is examining these issues as part of its work on the intellectual property legislation.

 $\frac{brazilian+viper\&oq=brazilian+viper\&gs\_l=img.12..0.2122.5694.0.7192.15.12.0.3.3.1.265.1963.2-9.9.0....0..1ac.1.25.img..4.11.1729.7mWjuNWoIB8#fp=27c006b1bb7c583d&hl=en&q=capoten&tbm=\frac{isch}{28}$ 

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 $\frac{ySrKuqgZg3doM\&imgurl=http://www.herbaltoothpaste.net/wp-content/uploads/2010/04/colgate-herbal.jpg\&w=500\&h=251\&ei=fw8dUuXzAYOpkwXCjIH4Aw&zoom=1&iact=rc&dur=110\&page=1&tbnh=129&tbnw=264&start=0&ndsp=34&ved=1t:429,r:7,s:0,i:97&tx=154&ty=77$ 

In New Zealand the basis of the WAI 262 claim is that all flora and fauna in New Zealand belongs to Māori as promised in the Treaty of Waitangi. The last Māori kumara being sent to Japan for research was the genesis of the WAI 262 claim. Now some of the retrieved kumera are being used in a program operated by the Open Polytechnic.<sup>29</sup>

The Māori business owners in this study are using traditional knowledge with the permission of the owners and in a culturally appropriate way. None are working with international organisations who may mis-appropriate the knowledge. With the Māori businesses interviewed in this research all were providing either a commercial or social return to Māori for the traditional knowledge provided, often by the purchase of products and services used in the operation of the business and by being a source of employment. Others contributed to Māori well-being through social programs and involvement in iwi/hapū activities.

#### The value of traditional knowledge

Indigenous peoples have always known the value of their knowledge to themselves. It is how a people learn to survive in their environment. Since the first days of colonisation Indigenous peoples have learnt their knowledge has an alternative value – a commercial value. Indigenous peoples are beginning to learn the true western commercial value of their traditional knowledge. A value which is different to the true Indigenous value of the knowledge, a value based holistically on environmental,

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<sup>&</sup>lt;sup>29</sup> Personal communication by the program supervisor

social and cultural factors. To Indigenous people traditional knowledge now has a cultural value and a commercial value. Indigenous people are as much, if not more, concerned about the cultural value of their knowledge as the commercial value and will often forgo much of the commercial value to ensure their knowledge is used well culturally. This means that to Indigenous people the correct use of the knowledge is paramount. Indigenous people know that this knowledge has been let go far too easily in the past and now quite naturally wish to be part of the process in the use of their knowledge. This assumes that the owners of the traditional knowledge are prepared to allow it to be used outside of its traditional uses at all. Many Indigenous knowledge owners want to be able to commercialise the knowledge themselves. There are at least 17,000 Māori entrepreneurs (GEM, 2005) in New Zealand. There is no shortage of Māori available to commercialise traditional knowledge. The need to commercialise traditional knowledge in a way that is sustainable and protects the knowledge leads to the key focus of this thesis;

How do Māori business owners commercialise traditional knowledge in a way that both preserves the cultural integrity of the knowledge whilst reaping a commercial return?

#### A New Zealand beginning

East Polynesians arrived in Aotearoa (New Zealand) approximately 800 years ago bringing with them a tropical economy and culture which quickly adapted to the temperate climate they found here (Davidson, 1984). Today those original East

Polynesian settlers have developed into the Māori society of Aotearoa today. East Polynesians brought much knowledge with them to New Zealand; including navigation, engineering, horticulture, medicine, weaving, and carving to name a few (Firth, 1959, 1965). This knowledge was used as the basis for the development of new knowledge – new knowledge developed and learned from their new environment. Those early East Polynesians settlers began trading with one another soon after their arrival. Artefacts made from pounamu, a very highly prized, very hard, dark green form of jade are found the length and breadth of New Zealand. Pounamu is only found naturally occurring in very localised parts of the west coast of the South Island. It is this mineral that is carved into various tools and weapons that are found throughout the country. Very inferior quality material is found in the North of the North Island but not used. The wide distribution of artefacts made from this particularly localised resource indicates the widespread trade in this mineral. Trading in obsidian and food products also occurred (Firth, 1959, 1965, Petrie, 2006, Belich 2001)

## **Trading**

Whilst it is possible that at least some of these artefacts were given as gifts the extent to which they are found would indicate trading was taking place. Similar trading was taking place with obsidian and other natural resources and foodstuffs including manufactured items (Petrie 2006:25). This was happening long before any European visits to New Zealand indicating Māori had a sound knowledge of the principles of

trading. According to a Te Puni Kōkori document by Bernadette Consedine (2007, 3 - 4) which is based partially on Firth's (1959, 1965) work;

Due to the difference in economic resources between communities, there was much trade between hapū. The coastal communities exchanged fish with inland communities who reciprocated with preserved birds, rats and various forest products. Obsidian was popular to trade and was used for minor cutting operations, delicate carving and the scraping of woodwork. Pounamu (greenstone) found primarily in the South island, was also highly prized for its hardness for cutting tools, and for its ornamental appearance

This indicates that volumes of trade goods were being moved around Aotearoa. It can be concluded that in the absence of a monetary system these items were simply exchanged, although that exchange may not have been contemporaneous, that is, an exchange may have been completed over time, basically similar to bartering where goods are usually traded simultaneously. It is possible that items were essentially traded through the practice of koha<sup>30</sup>, whereby a gift of an item was made and a return gift was made at a later time. Firth (1959) describes the trading as mostly stone implements and various processed foods. Firth also says that the accumulation of wealth as it is understood in the western world was not what mattered. Rather, Māori society operated on the basis of the accumulation of mana (described as authority, control, influence, prestige, or power (Williams; 2004b, 172)). This might indicate that the benefits of trading were greater than the utility of the goods traded reaching to a higher plane whereby the mana of both parties was enhanced by the exchange.

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<sup>&</sup>lt;sup>30</sup> Strictly speaking a Koha is a gift (Ryan; 2004.112), though it can mean more (Williams; 2004a,123) and due to the reciprocity of koha is a type of utu. Usually koha is made for some specific purpose, for example one hapū may visit another and provide a koha in some sense in exchange for the hospitality received during the visit. This is given in advance and can be considered a form of trade goods being swapped for hospitality. Generally the principle of giving is such that it needs to be seen as generous by those receiving the gift.

### Payment?

Mead (2004, 187 – 189) describes koha generally. The koha system provided for the gift of, usually goods of greater or lesser "value", which were given to acknowledge "something". That "something" could be the gift of, for example, food when one group visited another group, it could involve the exchange of gifts up to and including highly prized taonga. The concept of utu (loosely translated as reciprocity) is at work in the koha system. When something was given it was the thought behind the giving of the gift that was important even though it was usual that the gift would be reciprocated and a bit added, the same as with utu. So the gift that was returned was generally perceived as more valuable than was given in the first place, although this was not mandatory. Accordingly the systems of utu and koha played powerfully to ensure that the exchange of goods was a fair and reasonable exchange enabling both parties to walk away feeling that they had got the best of the situation. Māori used this economic system successfully for several hundred years prior to European contact, since East Polynesians first arrived in Aotearoa in 1250AD<sup>31</sup>. It is likely that this system was brought to Aotearoa by the original East Polynesian ancestors of the Māori who settled these shores, perhaps as much as one thousand years ago but at least seven to eight hundred years ago (Davidson 1984, 219 – 225). Certainly East Polynesians of Tahiti were cognisant of the concept of trade in their exchange of gifts and numerous artefacts and technology with Cook's ship in 1769, prior to coming to New Zealand (Salmond 2009; 173). The Tahitian's knowledge of exchange of trade

<sup>&</sup>lt;sup>31</sup> Davidson (1984) suggested a date of 1250AD more recently, using more refined carbon dating, techniques, of organic materials place East Polynesian settlement in New Zealand as later as 1250AD (Anderson, 1991, Higham and Hogg, 1997, and McFadgen, Knox and Cole, 1994).

goods indicates that trade was an everyday occurrence prior to European contact and we can conclude that the practice was well-known amongst East Polynesians who have eponymous ancestors with Māori. Today the Māori business owner exchanges money for goods and services, however the outcomes they wish for are wider than wealth generation. This research shows that cultural and social rewards are also of importance enabling the Māori business owner to participate in improving their community socially and culturally through their business.

#### Māori Trade

The values and tikanga of this economic process stood the tests of time until a new economic system was introduced to Māori. The exact details of the trading system Māori used in pre-European times have not survived. Observations by the early anthropologists and other observers describe a form of barter, but there are few details (Beaglehole, 1967). Various descriptions in Captain James Cook's logs describe the tenacity with which Māori desired items on Cook's ship. A brisk trade ensued in which Māori were able to obtain items not available in Aotearoa. Items like; iron nails, iron tools, fabrics, and items of clothing. Whatever the true nature of pre-European<sup>32</sup> trade it is clear that Māori were trading directly with Europeans shortly after their arrived in New Zealand waters<sup>33</sup>. According to Te Ara "Māori provided produce, water and labour in exchange for goods."

<sup>&</sup>lt;sup>32</sup> or pre-contact as it is sometimes phrased

<sup>&</sup>lt;sup>33</sup> Even though some reports (Rigby and Van der Merve, 2002) say that Māori did not trade with Cook until he had been in New Zealand waters for a fortnight. This may have been the time it took Māori to accept that Cook had no intention of harm.

Māori were very cognisant of the idea of barter by the time Captain Cook's vessel arrived in New Zealand. Māori were very keen to swap their goods for items from Cook's vessel that they wanted (or needed). When the sealers and whalers arrived in Aotearoa in the late 18<sup>th</sup> century Māori saw an opportunity to trade with these new comers also. The whalers and sealers needed spars for their ships along with food and water. On the other hand the Europeans had metals and devices which were of interest to Māori so a lively trade ensued (Firth, 1959, Petrie 2006).

By 1840 there were approximately 2000 Europeans in New Zealand. Trade in foodstuffs, wood, and other natural products, and European manufactured items continued to expand. In the Taranaki there were Māori business enterprises which owned flour mills, market gardens, grew wheat and operated coastal trading vessels. In addition flax and kauri gum were major exports (Consedine, 2007, Petrie, 2006) from other areas of Aotearoa.

As there was no monetary system in New Zealand prior to the arrival of Europeans a bartering system must have been used. As money became more available in Aotearoa, and Māori got used to the idea of using money instead of direct bartering, currency was used as the medium of exchange. This however took some time as money, in the form of cash, was a scarce commodity in the early European days, forcing many commercial interactions to be an exchange of goods, rather than payment using money. When Cook first arrived in 1769<sup>34</sup> it was the first lasting<sup>35</sup> experience Māori had of Europeans and their culture. The system of trade used was that of Māori even though Captain James Cook did try to impose western ways of discipline on some

<sup>34</sup> Whilst Abel Tasman had anchored in Tasman Bay in 1642 he did not land nor did he claim the land for the Dutch

<sup>&</sup>lt;sup>35</sup> Abel Tasman's 1642 meeting with Māori had been brief, violent and had not resulted in a landing.

Māori activities (Salmond, 2009) it took time for Māori to understand the western economic system. A system so different from their own in so many aspects, a system that substituted the myriad of ways in which an item could be traded with only one – money.

Early Māori traders according to Sautet (2008:15) were trading with Pākehā across four types of commodities;

- > Foodstuffs, such as potatoes, chickens and pigs
- ➤ Tools, especially metal tools such as axes
- ➤ Weapons, such as muskets
- ➤ Clothing, such as cotton, wool and leather.

Europeans were trading mostly for necessities like food (particularly the settlers and the re-victualling of ships). Māori were trading for technologies which would change their society. Māori were traders and business owners from almost the outset of their association with the new European culture which had come to their shores. It was a small step from trading in Pākehā needs to trading in traditional knowledge, primarily tourism products and later services which included a Māori cultural component. These were the early predecessors of the Māori businesses of today trading in traditional knowledge.

# **Treaty Rights**

Prior to the Treaty of Waitangi (6<sup>th</sup> February 1840) Māori traded with Europeans very much under their own rules. Trade was on the basis of willing buyer/willing seller.

Most of the products that Europeans were wanting consisted of foodstuffs, water and wood to repair their ships. Similar goods were desired by the early missionaries and settlers. Where these items were not available by simply foraging and collecting, items of interest to Māori were traded for them. More ambitious trading by Māori was accomplished in their own sailing ships directly with countries like the United States of America, Australia and the countries of Asia. Since the Declaration of Independence (on the 28<sup>th</sup> October 1835) Māori trading vessels were under the protection of the British Government (Firth, 1959, Petrie 2006).

After the Treaty of Waitangi was signed, Māori expected nothing to change as they felt they were still in control of the country and that all the land and resources were theirs to do with as they wished. The Treaty gave Māori the right to "full exclusive and undisturbed possession of their lands, forests, fisheries, and other properties which they may have collectively or individually<sup>36</sup>" Subsequently this did change as land was bought and later confiscated by the new settler Government and particularly towards the end of the 19<sup>th</sup> Century restrictions were placed on how, where and with what and whom Māori could trade. Consequently it is reasonable to say that Treaty rights over the 19<sup>th</sup> Century were increasingly violated, ignored or both.

The disregard of the Treaty led to a decline in the Māori economy. As Māori were persuaded to sell their land or, from the mid 1860's had land confiscated, Māori were progressively and systematically marginalised to the point where there was insufficient land for Māori to be able to continue their traditional way of life. The resource base for Māori became severely depleted. This resulted in loss of culture as

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<sup>&</sup>lt;sup>36</sup> From the English version of the Treaty of Waitangi

well as widespread poverty, due to the lack of resources, leading ultimately to an inability to produce trade goods. From the 1850's onward the increasing Pākehā population was providing a mounting portion of its own trade goods. The Native Lands Act and subsequent amendments made trade difficult and increasingly controlled. Whilst Acts like the Oyster Fisheries Act (1892), excluded Māori from being part of the industry by preventing Māori from gathering oysters and so use them as food for themselves as well as trading them. Essentially these restrictions made it very difficult for Māori to conduct commercial activities right up until the last quarter of the 20<sup>th</sup> Century.

## Māori Economic Development

Māori were entrepreneurial prior to European contact. The opportunities for trade opened up considerably with the arrival of Europeans, particularly the opportunities to gain new and useful technology and the opportunity to trade outside of Aotearoa. According to the 2005 GEM<sup>37</sup> report Māori are the fifth most entrepreneurial people in the world. Certainly Māori wasted no time to begin trading with Europeans when the opportunities arose first with Cook and later with the early whalers and sealers who came to New Zealand's shores.

For Māori, economic development in New Zealand is encouraged by the New Zealand Government through the Ministry of Building, Innovation and Enterprise, Te Puni Kōkiri and by most local authorities through their business or economic

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<sup>&</sup>lt;sup>37</sup> Global Entrepreneurial Monitor. That same publication reported that "MāoriMāori women considered themselves more entrepreneurial than non-MāoriMāori women"

development agencies or divisions. In fact between them, such organisations foster all economic development across all cultures in New Zealand. Māori may be able to gain further assistance through agencies such as the Poutama Trust. Recently the Government has invested in new research into the size of the opportunites (Berl 2011) for the Māori economy resulting in the Crown/Māori partnerships initiative.

The literature on Māori economic development, with few exceptions, is written in the western paradigm. (Te Puni Kōkiri, 1994a, 1994b, 2001, 2002, 2003, 2005, 2007; Bay of Plenty Regional Council, 2006; Boxx and Quinlivan, 1994; Broun, 2005; Browne, 1989; Butler and Hinch, 1996, 2007; Callister, 1989; Coleman, 2005; Devlin, 2007; Fairbairn 1985; Gilling, 2008; Gomez and Stephens, 2003; Hailey, 1985, 1987; Hodder 1973; Loomis, 1999a, 1999b, 2000a; 2000b Love and Love 2005; Reihan *et al*, 2007, Rowse, 1993, 2002a, 2002b).

Few writers (Loomis, 1992, 1999a, 1999b, 2000a, 2000b) have examined Indigenous economic activity preferring to examine the ways in which Indigenous businesses work outside of the "system" to avoid meeting citizenship obligations or studying how those businesses fit into the western economic model (Lindsay, 2005; Lindsay et al 2005, 2006; Foley, 2000, 2003, 2004, 2005). A little has been written on indigenous values used in businesses but not to the extent of the indigenous "ways of doing things" – The kawa and tika associated with trading (Harmsworth, 2002a, 2002b, 2005a, 2006).

There are few studies about commercialisation of traditional knowledge by Indigenous entrepreneurs (Bennett, 2005), though studies have been done on

Indigenous entrepreneurs who have produced products and/or services of generally western origin (Foley 2000, 2003, 2004, 2005; Loomis, 1999a, 1999b, 2000a; Loomis *et al*, 1998). From the author's own research there is only a small portion of Indigenous businesses which work in the area of commercialising traditional knowledge, using Māori values as the basis of their product or service offering. Certainly little study has been made of these organisations (Harmsworth, 2002a, 2002b, 2005a, 2006).

The Government is one of the drivers for developing Māori (Indigenous) businesses For New Zealand it is the Ministry of Building, Innovation and Enterprise which provides Government policy and a range of assistance packages for regional economic development, small business development and exporting businesses. <sup>38</sup> Lately further impetus has been given through the Māori Economic Development Task Force operated through Te Puni Kōkiri in partnership with the Ministry of Building, Innovation and Enterprise. Much of the impetus comes from the 17,000 Māori entrepreneurs who have elected to start a business of their own along with the many iwi businesses who are looking to provide better facilities and opportunities for their iwi.

<sup>&</sup>lt;sup>38</sup> "The Ministry develops policy to help industry sectors achieve economic success. It also designs (and monitors implementation of) NZTE (New Zealand Trade and Enterprise) programmes to improve the competitiveness of New Zealand business sectors. Given the potential impact of export performance on economic growth, this includes policy and programmes to build global connections and help sectors develop the capability to exploit global opportunities.

<sup>(</sup>The) Sector Development Team focuses on developing policy on government engagement with industry sectors as a mechanism for identifying and addressing issues that are common to firms in these sectors. It works closely with NZTE and other parts of government on the implementation of this policy". Source http://www.med.govt.nz/templates/StandardSummary 15.aspx

Many Indigenous businesses have a whole range of bottom lines which are not only financial and often include environmental, social, education, health, cultural and other community goals. The quadruple bottom (sometimes called the quadruple top line) of Cultural, Economic, Environmental and Social is usually referred to (Hughey and Colman, 2007:6).

Within this framework of Government initiatives to enable Māori businesses to contribute to the Māori economy, already there have been huge increases in the Māori asset base which has increased four-fold between 2001 and 2010 (NZIER, 2002, Berl, 2011) and the contribution to Gross Domestic Product (GDP) has risen three times the rate of the rest of the economy (NZIER, 2002, Berl, 2011). Māori business owners interviewed are part of this thriving new growth. Davies et al (2005) in their article Māori Economic Development: Overview and Prospects, said that in considering Māori economic development we are not just looking at one thing. It is a holistic amalgam of "opportunities, income, employment, wealth and asset-holding – it is about capabilities". The Māori economy could be defined, they say, and as all businesses where "'Māoriness' matters'". Should this approach be taken it would mean more than simply a person defining themselves as Māori to make the business

According to Martin Devlin (2007:408), the Government continues to foster and fund affirmative action policies in economic development to encourage more Māori into business even though the research shows that policies focussing on the disparities between Māori and Pākehā are not the way ahead. A new way ahead maybe to take the relational perspectives approach developed by Chen and Miller (2010) which

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takes the best out of two cultures to enable a new business culture to be built. A way of bringing this into stark contrast is that the 2005 GEM<sup>39</sup> report showing that Māori are one of the most entrepreneurial of peoples – fifth amongst the countries part of the survey.

The GEM<sup>40</sup> report figures were reprocessed by Unitec (2006) and suggested that 18% of Māori planned to get into a business of their own.

According to Devlin (2007:411);

- ➤ That Article III of the Treaty of Waitangi, if interpreted from a 'presentist' perspective, includes an implicit guarantee that Māori should be 'equal' in every respect to other New Zealanders, so that economic disparity requires government, under the Treaty, to somehow ensure Māori 'catch up', irrespective of the reasons why Māori are in a 'catch-up' position.
- ➤ That continually emphasising Māori business success will counter what is generally held to be a negative, stereotypical view that Māori business is usually 'bad' business a view mainly attributed to the New Zealand media. This might account for the widespread and totally unchallenged acceptance that Māori are 'the most entrepreneurial people in the world'.
- ➤ That Article I of the Treaty apparently guarantees Māori the right to rangatiratanga (or self-determination/sovereignty) and that business is one avenue whereby Māori, either individually or collectively, can exercise rangatiratanga over their own resources.
- ➤ That the way Māori 'do business' is unique and only to be found in New Zealand, suggesting a new business paradigm based on Māori ethnicity

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<sup>&</sup>lt;sup>39</sup> GEM, The Global Entrepreneurial Monitor

This data is collected from 35 countries and comprises representative samples of randomly selected adults, ranging in size from 1,000 to almost 27,000 individuals in each country who are surveyed each year in each country in order to provide a harmonized measure of the prevalence of entrepreneurial activity and estimating entrepreneurship at the national level. The interview schedule consists of a set of core questions used to derive entrepreneurial activity rates and additional questions concerning the attributes and characteristics of the respondents. GEM collects three types of data: adult population surveys, national expert interviews, and standardized cross-national data.

may be emerging, which is therefore of interest, especially to academics and institutions. This might explain why an increasing number of tertiary institutions are now offering discrete, specific courses and qualifications in 'Māori business' and 'Māori management'.

➤ • That Māori in business are somehow different from other ethnicities involved in business and therefore warrant a separate treatment. This might explain why there is no equivalent focus on, say, Chinese or Asian entrepreneurs in New Zealand — and consequently no corresponding government resources to accompany that focus.

The notion that the way Māori do business is unique is bourne out by this research. Māori use unique Māori values as well as Pākehā values in the operation of their businesses (see Appendices). Aotearoa New Zealand is the only place in the world where Māori are the indigenous group and so are unique to this country. This may also be leading to a unique approach by the Māori business owners that is essentially taking the most useful of two cultures, Māori and Pākehā, and using the resultant amalgam to form a new set of business values by which their businesses are operated.

The Government has somewhat addressed Māori economic development through Treaty settlements, Hui Taumata, Te Puni Kōkiri, funding economic development and the Māori Economic Development taskforce and the Crown/Māori partnerships initiative. Agencies involved in economic development provide some confidence that more Māori are entering the area of a business of their own. Māori entrepreneurship is rising (GEM 2005).

Devlin (2007:412) also likes to divide Māori entrepreneurship up into three sections or forms;

- 1. Heritage Entrepreneurship, which is the acquisition and securing of non-tribal (or pan-Māori) cultural heritage resources, such as fisheries or crafts (e.g., the Toi Iho trademark of Māori-made).
- 2. Tribal Entrepreneurship, which relates to deriving commercial value from collectively owned resources, such as farming and forestry corporations and collectives.
- 3. Self-employment at the micro-level of entrepreneurship involving individuals and families.

Self employment at the micro level does not necessarily have to remain small, for example Whale Watch and Tamiki Brothers. By the same token not all iwi based businesses are large and many start off just as small and grow – for example Ngai Tahu Holdings subsidiaries and subsidiaries of other major iwi enterprises.

Indigenous development is not wholly financial development or commercial development. For Indigenous people a definition of economic development needs to encompass the reasons why a person or group want to get into business in the first place. Those reasons can be combined into four major groupings; Cultural, Environmental, Financial and Social, described as the quadruple bottom line <sup>41</sup> (Spiller 2003, Scrimgeour and Iremonger, 2001). Cultural is important as some organisations wish to sustain and nurture the culture of their members or some part of the community it operates in. Environmental is important to some, as one of the aims of economic development may be to improve the environment or simply to leave it no worse than it was found. Financial is important because organisations need money to be sustainable, although for some organisations this is not the fundamental reason for

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<sup>&</sup>lt;sup>41</sup> Though in 2010 co-authored paper Chellie Spiller expands her model to include a spiritual dimension (Spiller, Erakovic, Henare and Pio;2010)

existing. Social can be the reason for an organisation's genesis whereby the organisation wishes to fulfil some social goals as part of its reason for being. Perhaps the Ngai Tahu Vision Statement encapsulates these thoughts best;

"For us and our children after us"

The outcomes that Māori businesses are looking for from their enterprises are wider than the wealth generation outcomes western businesses are generally seeking. Māori businesses are taking their Māori needs alongside their Pākehā needs and building something new out of the best of both cultures.

### Māori business, more than just business

A definition of an Indigenous business also helps to describe the commercialisation of traditional knowledge.

Definitions of business itself are generally around the transfer of items for profit for example "The exchange of goods, services, or money for mutual benefit or profit" (Skinner and Ivancevich, 1992). This definition is far too wide for use in an Indigenous sense. As it does not take into account the non-financial bottom lines aspired to.

In attempting to find a definition for Indigenous business there are very few to draw from. At the beginning of this work the working definition I developed was;

"An Indigenous business is a business run by an Indigenous person or group who seek to commercialise an element of their own Indigenous culture or knowledge".

This seemed to fit quite well with the study of - how Indigenous entrepreneurs commercialise Indigenous knowledge, but as the research progressed it became clear that this was only a partial answer and useful for only one type of Indigenous business. Alternative notions to include are; the business must have a Māori shareholding, be Māori owned, be in partnership(s) with Māori, or be in a Joint Venture (JV) with Māori, as well as including whakapapa.

Love and Love (2005; 251) stated a Māori business must have certain elements;

- a certain amount of management control by Māori people
- often a wider accountability and responsibility to shareholders, beneficiaries, consumers, kaumātua (elders), whānau (families), hapū (groups of families), rōpū (community groups), iwi (tribes), and other groups and individuals in society that may not necessarily have a financial interest in the business but nonetheless believe they have an 'interest'
- an emphasis on the traditional concept of 'whānau', which signifies the personal obligation of a Māori business owner and his or her employees to a greater concern for wider Māori prosperity, i.e. individual well-being gives way to the well-being of all Māori
- the adoption of practices that acknowledge the values and philosophies important to Māori but may not necessarily be the best and safest practices from a commercial perspective

a reflection of the larger aspirations, objectives, directions, values, goals, diversity, culture, attitudes, tradition, mana (authority) mātauranga (knowledge) and philosophy of the iwi and all Māori in general

A range of Māori values which were important to a greater or lesser extent in the branding of Māori exported products and services were identified by Garth Harmsworth (2005). In addition, from my own research it would appear that Māori values are vitally important to Māori businesses that are using traditional knowledge in the product or service offering. Cultural and spiritual connections were found to be important by Spiller et al (2010).

Having regard for the elements of a Māori business (Love and Love, 2005) and the preceding paragraph it is apparent that whilst the above definitions appear to have the elements of a working definition there is no short concise definition that embraces all the elements of an Indigenous (or Māori) business. Further the business definitions in the main stream literature could be seen as putting a further western paradigm on Indigenous business development. It seems more prudent to take the view that an Indigenous business was so, if it defined itself as being so. In the same way as Statistics New Zealand in its population census accepts that a person is Māori if the respondent claims to be Māori.

By taking a position of self determination much criticism can be removed. Importantly this approach removes all desire for a western judgemental process. One can perhaps say "I define myself as an Indigenous business therefore I am an Indigenous business". This is important because it leads to the notion that the Māori business owner can take the best of the Māori culture and what they perceive as the

best out of the Pākehā culture to forge a new business culture for their business. This research shows that Māori business owners select certain Māori and Pākehā values for this purpose.

This study aims to understand how Māori business owners commercialise traditional Māori knowledge using Māori values and measures which, whilst still being compatible with the western system, within which businesses (must) work. Whilst working within this system Māori people are still able to provide the types of returns Indigenous people want from their business activities. These returns are in the fields of cultural, environmental, financial, and social returns. A Māori person operating a business may, or may not, use Māori values in their business. Such a business is generally regarded as being a Māori person in business. Alternatively a Māori person may have a business which uses Māori values in the running of their business. Such a person is generally considered to be operating a Māori business.

The elements of a definition for the purposes of this research need to encompass, the organisation wishing to be known as Māori, the organisation have some link with a Māori ancestry, other Māori accepting the business to be Māori and the business using Māori values in its day to day operations.

So the definition I have developed bears some resemblance to the Love and Love' definition (Love and Love, 2005), going further to encompass the themes above in a concise fashion;

"A Māori business is a business run by a person or group who identify themselves as being Māori and use Māori values in the day to day running of the business."

# Māori values, what might they include?

A range of Māori values have been identified from the literature (Harmsworth, 2005, Davies et al 2005) that may be used in a Māori businesses

- Akoranga; Doctrine, learning, training, traditional teachings
- Aroha, arohatanga; Care, love, respect, charity.
- > Atua; Departmental gods, deity, divine, supernatural being
- Awhinatanga, awhina; Caring for, assist, help, support
- ➤ Ihi; Internal strength, power, inspiration, essential force
- ➤ Kaikōkiri, Kōkiri; Advance, competition, enterprise, warlike, going forward
- ➤ Kaitiakitanga; Guardianship (environmental and cultural)
- ➤ Kawa; Protocol, custom, ceremony, standards.
- ➤ Kotahitanga, whakakotahitanga; Unity, team work, consensus, working together
- ➤ Mana moana; Sovereignty, prestige, responsibility, autonomy, status over water, oceans, marine environment.
- Mana Taiao; Caring for the environment, authority to care of the environment
- ➤ Mana whenua; Sovereignty, prestige, responsibility, autonomy, status over land.

- ➤ Mana; Prestige, authority, status.
- Manaakitanga, manaaki; Looking after, caring, hosting, hospitality
- ➤ Mātauranga; Knowledge, traditional knowledge
- Mauri; Life force, quality, power, energy, life essence
- ➤ Ngākau pono; Sincerity, in good faith, loyalty
- Noa; Open, accessible, unrestricted but conditional use
- > Ora, Waiora, Hauora; Health
- > Oranga, ora; Wellbeing, living, welfare
- ➤ Taonga tuku iho; Sustainable use and protection of treasures, resources, intergenerational equity
- > Tapu; Sacred, closed, prohibited, off-limits, restricted use
- Tau utuutu, utu; Reciprocity, giving back what you take, maintain balance
- > Te Ao Tūroa; Sustainable use of resources, inter-generational equity
- > Tika; Truth, accurate, appropriate, correct, doing things the right way
- ➤ Tikanga; Values, customs, protocols, guides of behaviour, lore, framework, correct, correct way, the right way.
- ➤ Tino rangatiratanga, mana Motuhake; Sovereignty, self determination, authority, independence, empowerment.
- ➤ Waioratanga; Soundness, quality
- ➤ Wairua, wairuatanga; Spiritual dimension, spirituality
- ➤ Wehi; In awe, fear, respect, reverence
- ➤ Whakapapa; Ancestral lineage, hereditary.
- ➤ Whakapono; Trust, believe, honest, honesty
- ➤ Whānaungatanga, whānau; Family, extended family, relationships.

This list of values and "ways of doing" have been described as those used in Māori businesses. In attempting to describe how a Māori business, trading in a traditional knowledge product is operated these values were examined with respondents (see questionnaire in appendix A. As all of the Māori values described above along with Māori worldview and 'ways of doing' are some of the building blocks of the Māori culture it was expected that ratings would be high for all. This did not prove to be the case. Whilst culture itself, along with cultural outputs, are of great importance to Māori businesses it appears that there is a considerable mixing and matching of these according to business needs and the views of the owners, in much the same way as all western businesses do not ascribe to all the same values.

### Why is Culture important to Business

Culture and value systems are important to this thesis because it is Māori value systems that drive Māori culture. The Māori value system helps to generate the business system which Māori use at all levels of their business. However Māori culture is now influenced by western and other cultures with which Māori are now in contact. For over 150 years Māori culture has been considerably influenced, by means of a number of mechanisms, through the major immigrant group – British. Since the first sustained contact with non-Māori (in 1769) Māori society and culture has been changing to the extent that Māori culture has developed in an alternative direction to that which it may have taken if there had been no contact.

According to Cornell and Kalt (2005:20);

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We can think of culture as the set of shared understandings that shape how a people or a community deals with each other and the world around them. Cultures vary enormously. Some tend to see the world as a set of opportunities; others, as a set of threats. Some tend to be very proactive and opportunistic; others, more reactive and deliberate. Some adapt quickly to change; others resist change. Many fall somewhere in between.

This set of understandings has an influence on how people view their situations and the world around them. We look at the world through the lens of what we've learned, right or wrong, about how things should be done, about what is possible and impossible, about the proper way to deal with problems or with opportunities – in short, we tend to view the world through the received knowledge and wisdom of our society.

This view on culture, and worldview, written from a western perspective – a cultural perspective – is describing culture through the eyes of a person with a particular worldview and this is the case for any culture wishing to describe another culture using its own perspectives. For this reason all descriptions of culture must have some bias. Despite this bias in a view of culture, Cornell et al (2005b) describes the mechanisms by which culture might change. These forces of influence and observation present for Māori leading to changes in Māori culture which must have been different changes had non-Māori influences not been present.

Culture has a definition highly misunderstood and misused, thus the need for an explanation: Culture refers to the following "ways of life", including but not limited to;

- > Language: the oldest human institution and the most sophisticated medium of expression.
- > Arts & Sciences: the most advanced and refined forms of human expression.
- > *Thought*: the ways in which people perceive, interpret, and understand the world around them.
- > Spirituality: the value system transmitted through generations for the inner well-being of human beings, expressed through language and actions.

- > Social activity: the shared pursuits within a cultural community, demonstrated in a variety of festivities and life-celebrating events.
- Interaction: the social aspects of human contact, including the give-and-take of socialization, negotiation, protocol, and conventions.

All of the above collectively define the meaning of culture (Cornell et al 2005b). All of these notions are present in the Māori business interviewed in this research. Business owners have interwoven their Pākehā and Māori cultures to produce a new fusion of the two cultures for their business.

For this reason the following description, of unknown origin, for culture is used – one that simply places how people may behave in setting, place and time. All of which may be in constant change. "Culture is a certain group, doing things in a certain way, in a certain place at a certain time". A business is a microcosm of society (some businesses can be a much larger part of society and may in fact span several societies). According to Hofstede (1983, and Hofstede et al, 1988) a business has a culture in the same way as any other group in society. His measures of business culture included;

- 1. Individualism-collectivism referring to the degree of integration between members of society and the extent to which it values individual over collective needs. In collectivist cultures, which most Indigenous cultures are, group interests supersede individual interests, and one's sense of identity is defined by the relationship to the ...extended family or community. Individualist cultures on the other hand place greater emphasis on self-sufficiency and individual identity
- Power-distance which has to do with the degree to which unequal distribution of power and wealth is accepted

- 3. Uncertainty avoidance reflects the way different societies deal with the uncertainty of the future
- 4. Masculine-femininity has to do with the degree to which cultures stress aggressiveness, achievement, and pursuit of material things versus harmony, and preservation of the quality of life
- 5. Confucian dynamism (or time orientation) distinguishes between a long-term and short-term orientation toward life and work.

These measures can be applied to an Indigenous business which in the same way is a society which has a culture. There are some similarities between the way an Indigenous business works and the family businesses of Europe. Colli said (2003:41)

It is necessary to bear in mind that the institutional and legal environment in which family businesses operate is the product of a complex historical process moulded by culture, at both a local and national level.

The historical development process of related people in a family business mirrors the strong ties evident by members of an Indigenous business who also have close kinship ties. This gives rise to the notion that Indigenous and family businesses, at least at the management level, are comprised of people from the same closely knit group giving rise to a group which will have similar thoughts on similar issues, or at least will understand the basis for peoples' ideas and wishes on issues. Family businesses have the shared values of both their culture and the "extra" values developed by the family. Māori businesses, and in fact all Indigenous businesses, have a value system, based on their own Indigenous values and at least some of the values from society around them.

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Such businesses often encompass the wider family (whānau). My respondents echoed these notions of wider family in their connectedness to the community and family

According to Alan Bollard (1988:116)

It is clear that the typical European definition of a small firm as an operating business entity employing workers on a formal basis, owned and controlled by one person, does not fit neatly with Polynesian views on enterprise. These tend more towards informal and community-controlled groups, are more likely to have family labour working on a co-operative basis and do not necessarily operate continuously.

The culture of the group making up the organisation or business enterprise has considerable bearing on the culture and "ways of doing things" in the business itself. Accordingly, one would not expect the Māori, Polynesian, or other Indigenous worldviews to fit with the western worldview or to result in similar organisational cultures as Indigenous and western cultures are different. Lindsay (2005) was able to show that it may be possible to use a European developed model to describe an Indigenous business. He was basing this notion on the use of the Hofstede system of describing a business culture.

Lindsay (2005; 4-7) postulated, when comparing Indigenous and non-Indigenous entrepreneurs, using Hofstede's theories that;

 There will be no difference on the individualism/collectivism cultural dimension between Indigenous entrepreneurs and Indigenous nonentrepreneurs

- 2. There will be no difference on the power distance cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 3. There will be no difference on the uncertainty avoidance cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 4. There will be no difference on the masculinity/femininity cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 5. There will be a relationship between culture and the entrepreneurial attitude of Indigenous entrepreneurs
- 6. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension achievement
- 7. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension innovation
- 8. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension self-esteem.
- 9. Indigenous entrepreneurs will demonstrate low levels of the Attitude Orientation Recognition dimension innovation
- 10. Indigenous entrepreneurs will demonstrate low levels of the EntrepreneurialOpportunity Recognition dimension innovation

What Lindsay is observing, it seems, is that Indigenous peoples bring much of their worldview and values into their businesses.

These observations by Lindsay are important because they describe in Hofstede's terms how one could expect an Indigenous entrepreneur to behave towards their business in western terms. Such an explanation seems very complicated compared to

an explanation based on Māori values as shown in chapter 5 discussing this research. Essentially, according to Lindsay, there is no change in behaviour in the categories of individualism/collectivism, power distance, uncertainty avoidance, and masculinity/femininity amongst Indigenous people both entrepreneurs and non-entrepreneurs. Lindsay is concluding that Indigenous people take their Indigenous values directly into their business with them – not changing their values as they do so. Further, Indigenous entrepreneurs will exhibit low levels of achievement, innovation and self-esteem in entrepreneurial attitude and low levels of innovation in their orientation recognition and entrepreneurial recognition. What this can mean is that;

Cultural values and practices are embedded in the nature and form of Indigenous entrepreneurship where the focus is on achieving both economic and non-economic objectives. Significant cultural pressures are placed on Indigenous entrepreneurs. These pressures manifest themselves in new venture creation and development behaviour that involve the community at a range of levels (a sense of collective individualism), that contribute toward self-determination while incorporating heritage, and where cultural values are an inextricable part of the very fabric of these ventures. Thus, the Indigenous "team" involved in new venture creation and development may involve not only the entrepreneur and the business' entrepreneurial team but also the entrepreneur's family, extended family and/or the community. Thus, in Indigenous businesses, there are more stakeholders involved than compared with non-Indigenous (non-family or family) businesses.

(Lindsay 2005)

My respondents provided insights to their use of Māori and Pākehā values which do not completely coincide with Lindsay's observations. My respondents did report that they used Māori values in their businesses from their Māori side; they said the

situation was not that simple. They added to Lindsay's findings by describing a Pākehā side to their businesses. Thus, as well as using their Māori values in their business as described by Lindsay they also described their Pākehā values. Their business becoming a mix of the two parts of both cultures which were useful in the operation of the business and obtaining the results they desired. In addition there is a difficulty with language, the difficulty of describing the values of one culture using the words of another.

Describing Indigenous business behaviour in a language other than the language of the culture being described is difficult. This is because explanations of terms used in everyday Indigenous life usually require long explanations as there is no direct translation, for example mana, or utu. The Indigenous terms have developed over thousands of years and these same ideas may not be present in the culture of the language into which they are translated. Accordingly the need for a large number of, in this case, English words to express an idea. This happens whether one is attempting to translate say Māori cultural terms into English or English cultural terms in to Māori. Language develops along with the culture it is used in. Terms to describe cultural values evolve with the development of the values. Values develop alongside the environment they are part of, enabling people to live in the environment. The development of ideas, values, language and description arises from the place and time. These are different for all cultures. For this reason describing Indigenous entrepreneurial behaviour using western cultural concepts has limited application. To some extent my respondent's have removed this conundrum for me. They have reported they use Māori and Pākehā values together. They have not reported that they have Pākehāfied their Māori values simply that they use them in conjunction with

their Pākehā ones. It is not the realm of this thesis to delve into how Māori values have changed in respect of their business enterprises since Europeans became the dominant culture in New Zealand. This could be very illuminating and interesting research but would be very difficult to do as much observation of Māori culture in the early period is by European writers who have already brought a European lens to their observations. Rather the Māori values are taken simply how respondents described them. These values enter the business with their Māori background, meaning and history (and with same changes to their meaning since Europeans arrived as in the rest of Māori society)

Generally, western, capitalist based businesses are interested only in creating wealth, usually in the form of dividends or added value for their shareholders (Bakan 2004, Chomsky 2004, Drucker 2008, Friedman 1973, Spar 2003). Generally effects or interactions with notions of the environment or society are only important as they affect the financial return. However, western not-for-profit organisations may not be described this way and generally will have at least a social aspect to their outcomes as many not-for-profit organisations have a social genesis. More enlightened western companies may see some links between their financial returns, a social return, and a return to the environment whilst treating them somewhat separately. Indigenous companies tend to see these issues as one inside the other, perhaps more holistically, with the economy as a sub group of society and the society as subgroup of the environment with culture running across all three. Culture, as in cultural outputs, is generally very important to Māori business organisations, in some cases, the most important output provided. Examples can include the education, health, whānau and te reo outputs of organisations like the Tainui and Ngai Tahu groups of companies along

with Tuaropaki Trust and Parininihi Ki Waitotara Incorporation and the fostering of the arts by companies like Iwi Art.

There is no doubt that culture does effect business activity. Henry Wan in his book Economic Development in Globalized Environments (2004:59) points out that "culture has been invoked to explain East Asia's economic success" and quotes Morishima (1982) ".....focussed on the "Nipponised" aspects of Confucianism. Since then, sustained rapid growth has pervaded most of East Asia, and all varieties of Confucianism have now been rated a plus."

For Māori it is the same, Davies et al (2005a:110) suggested;

Traditional values frequently cited in an Indigenous business include;

Iwitanga – expression and celebration of those qualities and characteristics that make an iwi or hapū unique and underpin a shared whakapapa, history and identity;

Whānaungatanga – the bonds of kinship that exist within and between whānau, hapū, and iwi, belonging, togetherness and relatedness;

Whakakotahitanga, kotahitanga – respect for individual differences and the desire to reach consensus, unity, solidarity;

Tau utuutu – acts of always giving back or replacing what you take or receive, reciprocity;

Taonga tuku iho – the notion of recognising and holding on to the treasures and knowledge passed from the ancestors;

Kaitiakitanga – stewardship or guardianship of the environment.

Indigenous businesses therefore reflect the cultural values of the Indigenous business owner resulting in a set of values and ways of operating the business that can be quite different from western business values and western cultural values. Māori businesses,

as the Indigenous businesses of Aotearoa, New Zealand use a set of values which are based on Māori cultural values, cultural values which are not the same as the cultural values practiced by Europeans. But this may not be the complete picture as Māori business owners appear to draw from both cultures to operate their businesses. It is suggested that writers who have described the use of Māori values in their Māori businesses may not have the complete picture and that may be the missing piece is the use of Pākehā values in the business to build something greater than the individual parts.

## Māori in business, an increasing vocation

More Māori are getting into a business of their own as the statistics below attest 42

- ➤ In the past 20 years, the number of Māori career entrepreneurs increased by more than 150%, from just over 6,000 in 1981 to around 17,000 in 2001.
- ➤ The number of non-Māori career entrepreneurs increased by almost 100% over the same period.
- ➤ In 2001...just under one-third (32%) of Māori career entrepreneurs employed staff; the rest were sole operators.
- ➤ More than two-thirds (68%) were men.
- Almost three-quarters (72%) were aged between 30 and 54.
- ➤ 28% had no qualification, 33% had only a school qualification.
- ➤ 22% had a vocational qualification and 8% had a degree.
- ➤ Māori were more inclined to be sole operators: 68% were sole operators, compared with 62% of non-Māori.

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<sup>&</sup>lt;sup>42</sup> Source Māori entrepreneurship (page 10) Te Puni Kokiri

- ➤ The gender split for non-Māori and Māori was the same: 68% male, 32% female.
- ➤ Māori were younger: 13% of Māori career entrepreneurs were under 30 in 2001, compared with 6% of non-Māori.
- ➤ 28% of Māori career entrepreneurs had no qualification, compared with 19% of non-Māori career entrepreneurs.
- ➤ 8% of Māori career entrepreneurs had a degree, compared with 14% of non-Māori career entrepreneurs.

The numbers of Māori entrepreneurs, Māori getting into a business of their own, are growing at one and a half times the rate in the general economy. Apart from education, Māori entrepreneurs have many demographic similarities with non-Māori entrepreneurs particularly in the gender split - though there are almost twice as many young Māori entrepreneurs<sup>43</sup> than young non-Māori. In education Māori entrepreneurs have less formal education attainments than non-Māori. It is reasonably safe to say that the demographics of Māori and non-Māori small business operators are very similar.

Dale Pfeiffer in an article in Management Magazine (Pfeifer 2006:36) stated that Modesty, patience, and integrating team members were seen as more important traits than in Pākehā leaders. Being inspirational, participative, visionary, ready for future events, goal planning, ability to motivate others and performance oriented were all important as well (as with Pākehā). These values and traits are similar to those my respondents spoke of in this research.

Māori entrepreneurs are crucial to Māori economic development. Economic development provides the funds to enable both social and cultural development which

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<sup>&</sup>lt;sup>43</sup> Defined as under 30 by Statistics New Zealand

are desired outcomes for Māori. Spear-heading the drive in Māori entrepreneurship are men, generally between 30 and 54 who are developing a business of their own. (GEM, 2005).

#### Conclusion – a business of two cultures

Māori business owners have a rich history of entrepreneurship in Aotearoa/ New Zealand, from well before the arrival of Europeans on our shores. When Europeans arrived Māori turned their entrepreneurial skills to this larger market and the new technology within it. In the 21<sup>st</sup> century context Māori business owners have had to contend with a majority business culture which is not their own. Māori have been able to convey their Māori cultural values into their businesses to enhance them to make them essentially Māori businesses. In doing this they have also incorporated the Pākehā business culture into their businesses. This relational perspective on their businesses enables them to take the most useful out of each of their cultures to produce something new which results in the interweaving of their Māori and Pākehā values and concepts into a business that is able to provide all the outputs they desire. As well as the wealth creating commercial gains they are able to produce social and cultural outputs for themselves and their communities.

Indigenous entrepreneurs world-wide who have elected to commercialise their traditional knowledge do so within a legacy of difficulty. Not the least of which has been the opposition from large organisations that have attempted, sometimes successfully, to wrest the use of traditional knowledge from the rightful owners through the intellectual property laws. This has been less of problem in New Zealand.

Nevertheless Māori traditional knowledge has been misappropriated without the consent of its owners. Mostly, in New Zealand, this has been in the area of designs which whilst no less severe for the people whose traditional knowledge is stolen, is not to the same extent as some of the large misappropriations outside New Zealand, nevertheless no less stressful to the people concerned.

Māori entrepreneurs use a holistic mix of western and Māori business values to meet their business aims. Outcomes from their businesses encompass cultural, environmental, and social outputs along with the financial outputs necessary for sustaining the business and providing a livelihood which is often the only outcome of a western business. My respondents achieved this by mixing their Māori and Pākehā values to produce a new way of operating their business to provide the outcomes they sought.

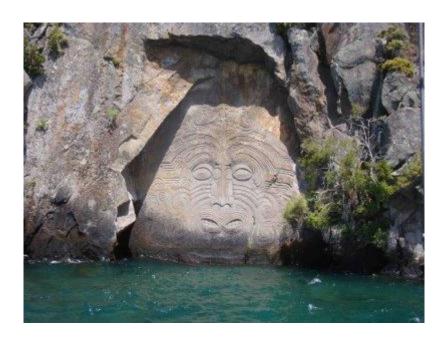
Māori entrepreneurs are different to western entrepreneurs. As well as the western entrepreneurial traits Māori employ Māori cultural values to ensure they obtain the range of extra outcomes from their business that enable them to be truly Māori businesses.

What do small Māori business owners want out of their businesses? How do they integrate their Māori and Pākehā values into their businesses and how does this enterwining of cultural values provide them with what they want out of their businesses.

Māori businesses may be forging a new type of business, one that is based on the cultural values from two cultures. Māori may be developing a new business model; one based on collectivist notions that manifest themselves in the cultural and social outputs of their businesses whilst still retaining the wealth creation aspects that enable the business to be sustainable in the western world and provide an income. The next chapter describes traditional knowledge in some detail as this has a substantial affect on how Māori run their business when the business commercialises traditional knowledge.

#### **CHAPTER TWO**

#### INDIGENOUS KNOWLEDGE OR TRADITIONAL KNOWLEDGE?



**Fig Twelve**. Rock drawing on a cliff face at Lake Taupo, North Island, New Zealand<sup>44</sup>

#### Introduction

This is a chapter about knowledge. My position on traditional knowledge is developed showing how these valuable knowledges may sometimes be commercialised. Western knowledge is described in this context along with my perspective on the protection of knowledge.

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<sup>44</sup> 

Traditional knowledge is known by a number of names including cultural knowledge (Purcell; 1998), environmental knowledge, folk knowledge (Purcell; 1998), inherited knowledge (Green; 2010), local ecological knowledge (Berkes et al; 2000), local knowledge (Elmes et al; 2005), traditional ecological knowledge (Berkes et al; 2000) traditional environmental knowledge and traditional knowledge (Dutfield; 2001), to name a few.

# Generally<sup>45</sup>;

"Indigenous Knowledge (IK) can be broadly defined as the knowledge that an Indigenous (local) community accumulates over generations of living in a particular environment. This definition encompasses all forms of knowledge – technologies, know-how skills, practices and beliefs – that enable the community to achieve stable livelihoods in their environment. A number of terms are used interchangeably to refer to the concept of IK, including Traditional Knowledge (TK), Indigenous Technical Knowledge (ITK), Local Knowledge (LK) and Indigenous Knowledge System (IKS).

IK is unique to every culture and society and it is embedded in community practices, institutions, relationships and rituals. IK is considered a part of the local knowledge in the sense that it is rooted in a particular community and situated within broader cultural traditions. It is a set of experiences generated by people living in those communities.

IK is based on, and is deeply embedded in local experience and historic reality, and is therefore unique to that specific culture; it also plays an important role in defining the identity of the community. It has developed over the centuries of experimentation on how to adapt to local conditions. It therefore represents all the skills and innovations of a people and embodies the collective wisdom and resourcefulness of the community"

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<sup>45</sup> http://www.unep.org/IK/Pages.asp?id=About%20IK

This description of traditional knowledge sits very well with this thesis. The knowledge that Māori have accumulated over the centuries, since coming to Aotearoa, and the knowledge brought with them from their ancestral tropical islands, comes to bear in the businesses studied. In the words of one respondent it is passed from one generation to the next and forming part of the traditions of the group.

"How Hei Tiki are heirlooms, explaining who Hei Tiki was and talking about, I suppose, about the history and how in Hawaii they are upright figures, carved figures, and then talking about how we a Māori people are, even migrated, we came from Hawaii or I believe, and making links between that Tiki and then coming to New Zealand"

The oral knowledge is passed down from generation to generation being part of the history of the community it belongs to.

The business only exists in the form that it does because the accumulated knowledge and wisdom is available to the individual business person. The uniquenes of traditional knowledge is a uniqueness that arises out of the culture the traditional knowledge is developed in. So, with the adoption of traditional knowledge within a business for the Māori business person there comes with it the adoption of at least some of the culture inherent within that knowledge. To truely understand, appreciate, and use a Māori design, for example, one needs to understand the culture that brought the design into being.

Traditional knowledge is being produced all the time. In the more modern context Indigenous researchers are producing new knowledge about Indigenous peoples from their research on themselves. In addition older traditional knowledge is being refined and added to as time passes. Traditional knowledge is being produced all the time, it

changes and developes. It never stays still, always being added to and moulding itself to the environment as it changes around it.

Traditional knowledge is a very precious resource and so can be the commercial target of many organisations both domestic and international. Traditional knowledge is valuable in the financial sense as it represents the opportunity to generate money. Many companies see traditional knowledge as an easy way to overcome the serendipity and discovery process of product development — a short cut. Recent examples have involved body designs, children's games both physical and computer based, use of the moko, clothing design, dance routines, and pharmaceuticals along with breaches by attempting to obtain rights to Indigenous products (and traditional knowledge) through taking out trademark protection or other actions which deprive Indigenous people of revenue and acknowledgement due to them for their knowledge.

The traditional knowledge belongs to the Indigenous people who developed the knowledge. It is considered a breach when knowledge is used without permission, or in a way which is insulting to the owners of the knowledge. The worst possible breaches are when attempts (sometimes successful) are made to wrest knowledge from people using the intellectual property laws, for example the basmati rice case described later in this chapter. More particularly examples of attempts to take traditional knowledge both successfully and unsuccessfully include; The Neem Tree: described elsewhere, basmati rice in India<sup>46</sup>: Ethiopian coffee with Starbucks: Coca Cola advertisements in New Zealand during World War II: various uses of the haka

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<sup>&</sup>lt;sup>46</sup> A US company attempted to take out a patent on basmati rice – a rice which has been grown in India for centuries.

by non-Māori outside New Zealand from ballet to dance: and use of Māori designs in tattoos, labelling and computer games.

Moari business people use traditional knowledge that is theirs to use, with permission and with co-operation, in the words of one respondent;

"I think if you are doing anything Māori, Māori art, Māori food, landscape, you need to talk to the tanagata whenua and just share that information, in some ways you are like getting permission."

This is not always the case for Māori, of indeed traditional knowledge around the world. Traditional knowledge is generated by groups of people over periods of time, people interacting with their environment, learning about the environment and what is in it and utilising that knowledge for their own survival. Such knowledge is incorporated into the culture of the people who own it. It is part of their traditions.

How do Māori business people knit together their traditional Māori knowledge with their Pākehā knowledge to obtain the results they desire? Traditional knowledge fits more comfortably with this thesis than the other names available for this type of knowledge. It sits well because the knowledge resides deeply within the culture and traditions of the Māori people. The knowledge continues to evolve now in a way which is not entirely Indigenous owing to the interations occurring between the cultures.

Indian basmati rice is an example of traditional knowledge used to grow and refine the rice even though it is not the Indigenous people of India who have this knowledge and so can be called traditional knowledge but not Indigenous knowledge.



Fig Thirteen. Indian basmati rice package<sup>47</sup>

This thesis is about the commercialisation of traditional knowledge. In particular it dwells on the issue of traditional knowledge that is, commercialised by Indigenous businesses (in this case Māori businesses) who have access to their own knowledge for this purpose. Indigenous businesses who are commercialising traditional knowledge the right way, that is with permission from the owners of the traditional knowledge, as opposed to the commercialisation of traditional knowledge without permission of the owners. This chapter focuses on the concept of worldviews;

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describing what western knowledge is; what traditional knowledge is; and what this means to the Māori (Indigenous) business owner commercialising traditional knowledge.

### Is worldview important?

A business person's worldview can effect the operation of their business

There are a variety of world views; animism, existentialism, magical, mysticism, naturalism, nihilism, religious, and scientific to name just a few (Proper, Widenn and Ivany; 1988). The world view a group has shapes their belief systems. Their belief systems influence the way they process knowledge. Traditional knowledge is part of the culture that developed it. The worldview of that culture effects the way the traditional knowledge is viewed by that culture. Traditional knowledge may have a spiritual element to it which may be part of the process of developing explanations for the observations made that become part of the knowledge.

The battle that takes place between western and traditional knowledge is an ideological one, based on quite different philosophies. Western knowledge is based on science, mathematics, observation, hypothesis, repeatability of experiments and being able to predict outcomes based on an understanding of the science. For example the theory of gravity says that objects will be attracted to one another and that it will only be noticeable if at least one of the objects is massive (like a planet) One prediction of this theory is that objects will fall to the ground – they do, except under special

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circumstances that can be explained by other theories. Traditional knowledge on the other hand relies on observations (in the same way as western scientific knowledge) and, at least partially, often spiritual explanations. This does not make it a less a valid way of approaching the development of knowledget. So, instead of a theory of gravity to explain objects falling to earth, a spiritual element may also be present in the explanation, one perhaps involving the gods, the atua for Māori. If the earth is considered to be a god, as it is in many Indigenous cultures then it becomes self-explanatory to an Indigenous person as it is clear that objects could be attracted to a god. These spiritual explanations have been used in European knowledge systems in the past, for example describing why objects fall to earth, or until 400 or so years ago when the earth was considered to be the centre of the universe so it was self evident that objects would fall there. However such faith is not seen as knowledge in the western sense even though repeatability and the prediction of outcomes may be as accurate.

#### Western Knowledge

According to Dr Vandana Shiva (2000:23),

"Colonialism has from the very beginning been a contest over the mind and the intellect. What will count as knowledge? And who will count as expert or as innovator? Such questions have been central to the project of colonizing diverse cultures and their knowledge systems. Indigenous knowledges have been systematically usurped and then destroyed in their own cultures by the colonizing west"

Around the world as Indigenous peoples came into contact with Europeans their knowledge systems were subordinated by the colonists, missionaries, and settlers. Not perhaps at first, however, as the colonising country's numbers increased and eventually outnumbered the Indigenous population the colonising culture became the dominant one and so the education, laws and day to day practices became increasingly those of the dominant European culture. New Zealand was no exception to this.

The knowledge system of the coloniser gradually takes over from the knowledge system of the colonised. In doing so all knowledge systems not those of the coloniser become displaced, subsumed, discouraged or pushed to one side where they are rarely or only partially practiced. In some cases legislation was used, for example, the New Zealand Tohunga Suppression Act (1907), an Act to suppress tohunga<sup>48</sup>, or Māori experts. Interestingly the act was encouraged by Māori MP Maui Pomare and supported by all four Māori members of Parliament at the time, though in its implementation only nine convictions were achieved under the Act.

<sup>&</sup>lt;sup>48</sup> Tohunga, a skilled person (Williams, 2004)

# TERRORISM BY TOHUNGA.

AN "UTTER FRAUD."

(Per Press Association.)

WAIROA, this day. At the Magistrate's Court a case of tohungaism arising out of the death of the native Wiri Kupa at Mohaka some time ago was investigated by Mr Barton, Whare Taha was charged under the Tohunga Suppression Act with certain unlawful practices. The case was ably conducted by Detective Kemp, Napier, resulting in a conviction, fine, and expenses, totalling £33 9s 6d. was found that accused treated several persons at Mohaka and Wairoa devils in the sick persons, whom he so terrified that they feared to call in a doctor. He suggested that some of the women were wasting their lives on old men, and made overtures on his own account. The accused in his defence denied that he treated the patients or charged them, but said he only prayed to God for them. Mr Barton characterised accused as a gigantic fraud and a low blackguard, and expressed the hope that this case would be a warning to the Maori people not to consult such an utter fraud.

**Fig Fourteen** A newspaper article published after conviction of a Māori Tohunga, Whare Taha<sup>49</sup>.

According to Mutahari (1985:73) there are a set of characteristics for a worldview.

"Good, sublime worldview;

1.It can be deduced and proven (is supported by reason and logic)

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<sup>&</sup>lt;sup>49</sup> Source unknowm

- 2.It gives meaning to life: it banishes from minds the idea that life is vain and futile, that all roads lead to vanity and nothingness.
- 3.It gives rise to ideals, enthusiasm, and aspiration.
- 4. It has the power sanctify human aims and social goals.
- 5.It promotes commitment and responsibility."

When these notions are subsumed and discarded by the dominant culture the Indigenous culture suffers their loss even though this loss may only be partial. The loss is that spirituality disappears in the face of the need for the scientific proof which pervades western culture. According to Mutahari (1985:68)

"Science is based on two things; hypothesis and experiment. In the scientist's mind, to discover and explain a phenomenon, one first forms a hypothesis, and then one subjects it to concrete experiment, in the laboratory. If the experiment supports the hypothesis, it becomes an excepted scientific principle. As long as no more comprehensive hypothesis, better supported by experimentation, appears, that scientific principle retains its standing....... Science thus engages in discovering causes and effects: through concrete experiments, it discovers a thing's cause or effect: then it peruses the cause or that cause or effect of that effect. It continues the course of discovery as far as possible."

The scientific premise of observation, hypothesis, experiment, and theory are well accepted by the western knowledge system which has difficulty accepting Indigenous science and the knowledge arising from it. This reductionist approach, present in western science is not seen in the more holistic approach of Indigenous science and traditional knowledge. This is because for traditional knowledge the observation may be followed by a spiritual explanation which nevertheless may be no less repeatable and predictable than western knowledge explanations. According to Mutahari (1985)

the philosophy of the Indigenous world view of knowledge speaks of the self-evident and lacks the need for the minute proof which pervades the scientific world, as described below;

The "Philosophical world view lacks the exactitude of the scientific world view; it enjoys an assurance and has none of the instability of the scientific worldview" (Murtaza; 1985:71).

"The philosophical worldview is based on a set of principles which are considered to be "self evident and undeniable to the mind" (Murtaza; 1985:72).

"Such philosophies answer the questions on which ideologies rest and grow. Philosophical thought discerns the meaning of the universe and encompasses it in a way of doing things" (Mutahari; 1998)

So the philosophical world view which underpins traditional knowledge is quite different to the scientific world view. In the philosophical world view there is no (nor does there need to be) any such basis in fact (as seen by western science) because the principles that the view is based on are considered to be self-evident and as such there needs to be no proof. The Indigenous world view conforms to this philosophical approach.

Religious worldviews cover the same domain as philosophical worldviews with the source of the knowledge not by philosophical deduction but by faith and belief. In some religions, like Islam and Christianity, the religious cosmology has taken on a philosophical quality which is seen as totally rational. Religious worldviews take on a

certainty to those who adhere to it that can override the rational and deductive processes present in philosophical and scientific worldviews. In a way religious worldviews are an extension of philosophical worldviews in their expansion into holiness and sanctity. For example, Galileo, Kepler and Copernicus had all deduced a different model for the solar system based on observation and deduction, and however much we may see this as the best known model for the solar system now, adherents of the new theory still found it very difficult to argue against the religious view of the solar system as believed by Christian clerics of the time. Even though the clerics view required complex movements in the heavens compared to the more simplistic scientific (alternative) theory.

A religious worldview may be quite inflexible, by way of example in the way that Muslims believe that all children are born Muslim "and thus only become Christian, Jewish, Hindu or pagans through the corrupt imposition of false beliefs" (Salzman, 2008:149).

Indigenous world views may take on a mantle similar to religious and philosophical worldviews. Indigenous ways of explaining the world are based on a belief system which though spiritual in nature is as regulated as any within the world's great religions as practiced by hundreds of millions of people. Traditional knowledge systems belong to more than 370 million Indigenous people worldwide and so deserve equal consideration.

Traditional knowledge is part of the Indigenous worldview and takes on a mantle all of its own as knowledge comes from the realm of the gods<sup>50</sup>. In the Māori world, knowledge comes from "the basket of knowledge" which is in the realms of the spiritual authorities. This is the traditional knowledge that Māori business people may chose to commercialise some aspects of.

## Other Knowledge systems

There are other knowledge systems, based on philosophies not included above. Satish Puri in an article in the MIT<sup>51</sup> Quarterly (2007:358) describes four knowledge domains;

- > technology specific,
- > application specific,
- > community specific
- > Implementation specific.

**Technology specific** is described as being an "explicit system, considered to be universally applicable, rational, analytical, objective, codifiable, and hence transferable; (there is) extensive use of remotely sensed data and mathematical modelling (with) the implication of computer technology".

<sup>&</sup>lt;sup>50</sup> In Māori – the Atua<sup>51</sup> Minnesota Institute of Technology

**Application specific** is described as "identifying relevant spatial and nonspatial data required to address the application domain; drawing on the accumulated experience of prior scientific work in similar applications".

**Community specific** is that which is "acquired by local communities through the accumulation of experiences, informal experiments, and intimate understanding of the environment in a given culture".

**Implementation specific** is "built upon bureaucratic rules, guidelines, and financial norms prescribed by government and/or international donor agencies".

(Puri, 2007)

The community specific knowledge system explained here describes well the Indigenous knowledge systems known to over 370 million Indigenous people. The western knowledge system is embedded in the notions of technology specific, application specific and implementation specific, whilst traditional knowledge is more aligned with the notion of community specific. Traditional knowledge systems are based on the premise that knowledge comes from a basket of knowledge encompassing all knowledge – not all of this traditional knowledge may be accessible to all in the community but is still used within the community. It is often seen as a gift from the gods.

Herein, of course, lies the continual problem, that of attempting to explain the worldview of a culture through the worldview of another. In some cases, for traditional knowledge there are specific caretakers of specific knowledge in other

cases it is known by the wider group. In all cases the use of the knowledge is considered to be for the benefit of the whole community. Accordingly traditional knowledge is information that maybe considered community specific.

Traditional knowledge is seen by Indigenous people as different to other forms of knowledge in many respects. It is collective, it has whakapapa, it is not owned by individuals, and it may be owned by the group but can be under the care of people who know how to use it, both in a practical and spiritual sense.

Prior to contact by European cultures traditional knowledge was the only type of knowledge known to Indigenous people.

Knowledge can be protected by various forms of legislation around the world under each country's particular intellectual property laws. These laws are usually designed to enable organisations and people to have a certain amount of time to commercialise their knowledge without fear of competition from others who have merely copied it. Indigenous peoples believe their knowledge, owing to it being developed in different way, should not be subject to these western forms of protection (designed for the western knowledge system). Indigenous peoples have made representation to the World Intellectual Property Organisation (WIPO) asking that traditional knowledge be protected in a different way which takes account of the community and historic nature of the knowledge. That is a way consistent with how traditional knowledge is traditionally used. If traditional knowledge is to be commercialised for the benefit of the people who own the knowledge the commercialisation process must involve some thought to this issue of protection. The protection of traditional knowledge is gaining

increasing scrutiny from the World Intellectual Property Organisation (WIPO) who are examining ways in which traditional knowledge may be protected (WIPO, 2011a, WIPO, 2011b and WIPO 2012)

Traditional knowledge comes with a long history of its use. That use comes with its own "right way of doing things" (tikanga in Māori society), its own group of people who have the knowledge (often the tohunga in Māori) who may be the only people allowed to use that knowledge, taking care of it and ensuring its proper use.

Traditional knowledge almost always has a spiritual dimension to it. In Māori mythology, knowledge is in the realm of the gods (nga atua) and as such has (or often has) tapu attached to it. This is because it is believed that the original basket of knowledge was passed down from the gods. An example of tapu that is connected to knowledge spiritually may be where a shellfish bed is located below a village, the shellfish bed may be considered to be tapu. It may be known that people eating shellfish from the site became ill or unwell. As illness is in the realm of the atua then the spiritual authorities must be commanding that the illness punish the person for eating shellfish from that area. Modern science may predict that the shellfish became contaminated by bacteria or viruses from the effluent run-off from the village thus causing the illness. However to Māori the spiritual explanation fits their worldview the outcome being essentially the same.

Western knowledge is different to traditional knowledge in these aspects. Western scientific knowledge is considered not to have a spiritual base. This may not be so for

western knowledge systems that are based on, for example, religious tenets<sup>52</sup> and have already been discussed. Western knowledge is usually based on mathematical systems generated by repeatable experimentation that enables accurate predictions to be made using the scientific method. This science requires knowledge to be continually broken down into its constituent parts, usually referred to as reductive. Whilst some types of specialised knowledge can often only be used by certain people, this is governed by the law rather than due to spiritual reasons. Western examples may include; medical knowledge, engineering knowledge and to some extent professionals in one of the established professions. To a limited extent this system of professional use of knowledge may be seen to be no different to the Indigenous system of having specialised people using and caring for knowledge.

Traditional knowledge may be perceived very differently by Indigenous communities themselves. Western society has gone through many traumatic episodes over the past five centuries to separate secular knowledge from spiritual knowledge. This is generally not the case for Indigenous communities. Traditional knowledge is often embedded in a cosmology, and the distinction between "intangible" knowledge and physical things is often blurred. Indigenous peoples often say that their knowledge is holistic, and cannot be separated from their lands and resources. Traditional knowledge in these cosmologies is inextricably bound to ancestors, ancestral lands, and spiritual powers that reside in particular places. Knowledge may not be acquired by naturalistic trial and error, but through direct revelation through conversations with

<sup>&</sup>lt;sup>52</sup> Though western religious knowledge is unarguably still knowledge – it is the comparison to western scientific knowledge (described as western knowledge in this thesis) that is important due to the west not accepting that a spiritual explanation for an observation does not detract from the usefulness or worth of the knowledge.

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the creator, spirits, or ancestors. Knowledge though is part of the Māori knowledge

basket that has always been claimed as taonga since before the Treaty<sup>53</sup>.

Mātauranga Māori or Māori traditional knowledge, - is regarded by Māori as needing

retention and protection. Matauranga Māori relates to a variety of knowledges that we

do not always think of as knowledge. A few are given by way of example;

- > nga toi Māori (arts),
- > whakairo (carving),
- ➤ history,
- > oral tradition,
- > waiata,
- > te reo Māori,
- rongoā Māori (Māori medicine and healing).

According to Seini (2003:218, (referencing Maurial (1999:70))

"Western education also fragments holistic systems of knowledge. It

separates Indigenous children from the learning environment within their community, and leads to years of formal western education. There is little

education about their own language and traditions."

In restricting the use of Māori language amongst Māori it may be seen as taking away

one of the taonga. The value which the European world places on these taonga is one

of monetary value, a financial value. Whereas to the Māori person it has a cultural

value which is seen as much more valuable than the financial value which might be

<sup>53</sup> The Treaty of Waitangi, 6<sup>th</sup> February 1840.

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placed on an item. Often, of course, the European monetary value is estimated as being very low, further denigrating the taonga.

Increasingly traditional knowledge is seen as having a financial value which takes no account of the cultural value the knowledge has to the original owners. Jane Anderson (2003:14) in her thesis making reference to Nakata's (Nakata; 2002) observations said;

"that increasing discussions of Indigenous Knowledge remake it as "a commodity, something of value, something that can be value added, something that can be exchanged, traded, appropriated, preserved, something that can be excavated and mined.""

The western world seeks to commodify traditional knowledge in the same way as western knowledge is.

Traditional knowledge dissipates if it is not kept alive by those who have traditionally cared for it – neglect can see its complete disappearance in just one generation. As it has not been passed on to anyone it dies. It dies with the last generation to have it.

Reyes-Garcia and others (2007:371) said of traditional knowledge

"Despite the growing interest in the topic, there has been little quantitative research about the causes and rate of acquisition and loss of local ecological knowledge. Some researchers have linked the loss of local ecological knowledge to the expansion of the market economy, others have found persistence in local ecological knowledge despite large socio-economic changes and still others have found that integration into the market economy

through economic activity based on the natural environment could accelerate the acquisition of local ecological knowledge."

Taurima and Cash (1999:50) point out that Māori knowledge is different through;

- > Its motivation and its audience
- > Its origins and concept
- > Its perspective
- ➤ Its medium

Further elaborating that "In the Māori view, knowledge is exchanged for practical and collectivist reasons: knowledge should benefit the community in practical day-to-day ways." Knowledge is "a taonga and tapu" (1999:51), "complex and understood holistically" (1999:55), "exchange in the Māori culture is primarily oral" (1999:56).

In just the same way as all Indigenous peoples see their knowledge as collective, the western world sees individual ownership. The collective ownership of knowledge is a concept not used in western knowledge where it can be owned by individuals through legal mechanisms including patents, trademarks, copyright and similar instruments.

Traditional knowledge is a whole way of life for the community that owns it.

Traditional Knowledge "offers a view of the world, aspirations, and an avenue of truth different from those held by non-aboriginal people whose knowledge is based largely on European philosophies" 54. Whilst this speaks of Canadian Indigenous

<sup>&</sup>lt;sup>54</sup> From Canada's traditional knowledge working group reported in a US Department of the Interior document – Minerals Management service, Alaska region, traditional knowledge.

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peoples the idea that truth in knowledge is a different concept to the scientific view of

truth is a notion that pervades all traditional knowledge.

Kovacic (2001; 323:) pointed out that;

"cross-cultural understanding is not only knowing about the meaning of a

single word or phrase from another language but more about the essential

understanding of the spiritual components and every day rituals and

behaviour.... therefore, a cross-cultural understanding should be based on a

more holistic approach."

It is very difficult to exactly describe a belief, or process in a language other than its

own. For example, mana requires several English words to describe what it is. To a

Māori person the use of the word immediately invokes the meaning. In the same way

an English concept like feudal would require many words and phrases in the Māori

language to describe its meaning.

For nearly 2,500 years, some conservative members of societies have

expressed concerned about the activities of those who sought to find a

naturalistic explanation for natural phenomenon"

(Iqbal: 2007, vii).

He further says that;

"In the case of Islam, the Qur'anic view of nature is characterised by an

ontological and morphological continuity with the very concept of God – a

linkage that imparts a certain degree of sacredness to the world of nature "

(Iqbal, 2007:6).

Consequently there is a co-existence of god and knowledge – a spiritual dimension.

There are numerous examples of how knowledge systems contain beliefs which are at the root of understanding those systems. In Mayan cosmology there is the concept of the "galactic beam" (Arguelles 1987:10) a method of giving reasons, and making sense of the earthly environment and people's place in it, how it is now and how it will change in the future.

The "galactic beam" to the Mayan was a notion that a beam shone from the centre of the universe. The earth was crossing this beam and would take some 5125 years to do so. The beam is considered to be the energy which orchestrates human life and has done so for some time. When this beam has been crossed, which according to the Mayan calendar would be in Christian calendar the year 2012, the earth would enter a new cycle in which it would be cleansed. This spiritual belief had implications for the Mayan way of life which the western world does not treat with the same reverence.



## **Fig Fifteen** The Mayan calendar<sup>55</sup>

In many societies the notions of spirituality and knowledge are intertwined to provide what has been described as traditional knowledge. For the Māori person in a traditional knowledge business there is an intertwining of their Māori traditional knowledge with their more recent European, Pākehā or western knowledge and along with that an intertweining of their Māori values and Pākehā values for the operation of their businessess. The intertwining takes the form of melding their chosen Pākehā and Māori ancestorial knowledge and beliefs to produce a new set for the operation of their business.

## Knowledge Protection - does it work for traditional knowledge?

The western system provides legal protection of knowledge for a period of time to allow commercialisation. After the protection period is over anyone can use the knowledge as it has passed into the public arena, for example generic medicines. Knowledge in the public arena is usually considered to be for anyone's use without the need to acknowledge or pay royalties for its use. Such a system builds on the knowledge of the past but without the need to protect the knowledge of the past in any way because it now belongs to anyone who wishes to use it. Any person or organisation making a discovery which they do not wish to allow into the public arena, ever if possible, effectively must keep that information secret. Surrounding it with intellectual property protection will not work in the long term

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<sup>55</sup> http://www.zmescience.com/other/nasa-mayan-calendar-12032012/

In effect the western intellectual property system of patents offers protection for a period of time <sup>56</sup> only for those hoping to gain a commercial advantage. It is not designed for the long term protection of knowledge best achieved by keeping a secret. This protection is on an individual basis (a company may also be seen as an individual). An example of knowledge entering the public arena for everyone's use is the invention of calculus. Which whilst invented to solve and understand a particular phenomenon has since been used extensively and is one of the major mathematics underpinning the understanding of much knowledge in arenas as diverse as astronomy and social behaviour.

Some traditional knowledge might be considered to be similar to calculus in concept, in that it is knowledge developed many years ago now used by a whole group in a variety of ways. What protection of traditional knowledge seeks to achieve is to protect that knowledge for the community which uses it and cares for it, so as not to allow that knowledge to be used outside of the group. This is not achievable using the systems described to protect western knowledge. The traditional knowledge of how to produce specific designs is a case in point. Māori feel very offended when a moko design is taken used inappropriately, usually in offensive areas of the body or the design is corrupted as in the example below. There is no difficulty with a moko being used by someone else as long as it is used appropriately and respected and preferably with the permission from the group.

<sup>&</sup>lt;sup>56</sup> usually for a period of seven years which can be extended up to fourteen years or even longer in some countries, though trade marks and copyright are for longer periods.



**Fig Sixteen** –*stuff*, 13<sup>th</sup> September 2007, reported on Gaultier's ads, in the European editions of the fashion bible Vogue, say they have stirred up a storm, and not just for using Māori art to promote clothing and sunglasses. Fashion blogs have picked a cannibal theme, with one headed: "I'll eat your liver and still look fabulous." Victoria University Māori Business senior lecturer Aroha Mead said her first impression of the Gaultier images was that they were ugly. "It's definitely Māori, no question about that." Some of the images were also decribed as being culturally offensive.

Traditional knowledge is seen as being "owned" by the Indigenous people who have developed that knowledge. Whilst it is often held collectively and thought of as collective knowledge by people who are considered to be the repositories of that information. It may be that specialists hold the information as it is they who can best put the information to use for the collective good. Other types of Indigenous knowledge are known by all or at least to the equivalent of the public in the particular group owning the knowledge but often the group for a whole range of cultural reasons wish to keep the knowledge within the group.

Groups may have no thought at all of commercialising that knowledge. Often the danger of commercialising the knowledge is that it will get in to the public arena which is exactly what the Indigenous owners wish to avoid. Much is not

commercialised, that could change if/when there is a system to do so. In a sense, Indigenous people argue that traditional knowledge does not get the same treatment of the "head start" that western knowledge has because when it is "discovered" by the western system, it has no moratorium on it for any length of time. In other words there is the suggestion there should be some protection from the time of the "European discovery", and that this protection should be presented first to the Indigenous owners who developed the knowledge, in the same way that patents provide a commercial monopoly for a period of time.

Because the knowledge has already been in existence for some time and is historical knowledge it cannot be protected under the current western system. It could be suggested that protection should begin on its "discovery" to the western system. But once discovered the western system has simply no way of protecting traditional knowledge. However the protection that can be offered would not lead to the type of protection Indigenous people want, needing something more permanent than this temporary protection. The WIPO<sup>57</sup> is studying this problem with a view to developing some solutions. One of the solutions may be the notion of geographical indicators that allows protection on the basis of where the product is made and the method used – for example champagne wine, feta cheese, Cornish pasties and kava.

According to the Ministry of Business, Innovation and Enterprise, UNESCO is the only international organisation whose mandate expressly refers to the safeguarding of all aspects of heritage, including intangible heritage. In recognition of the importance of, and urgent need for proper protection of intangible cultural heritage, UNESCO has prepared the International Convention for the Safeguarding of the Intangible Cultural

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<sup>&</sup>lt;sup>57</sup> World Intellectual Property Organisation

Heritage (the "Convention") and the Proclamation of Masterpieces of the Oral and Intangible Heritage of Humanity (the "Proclamation"). Again, according to the Ministry of Business, Innovation and Enterprise traditional knowledge falls under this category as described above. This would indicate the Government sees traditional knowledge as different to western knowledge knowledge – whatever that could mean!!. The World Intellectual Property organisation (WIPO) is responsible for working through how the world will handle the issue of protection of Indigenous knowledge.

In the Republic of Ghana response to a UN paper on traditional knowledge, forms of "abhorred behaviour" were documented describing the sorts of actions which Indigenous peoples would like to have legal intellectual property protection for. These included;

- > Unauthorised collection of traditional knowledge from its rightful (traditional) owners.
- ➤ Non-acknowledgement of the rights of the traditional owners or holders of traditional knowledge.
- Exploitation of the protected traditional knowledge without the consent or authorisation of the owner(s) of the traditional knowledge.
- ➤ Publishing the protected information without the authorisation or the observance of the moral right in the traditional knowledge.
- ➤ Unreasonable withholding of information on traditional knowledge by the holders from researchers.

As noted in the draft version of the "TRIPS, Doha, and Traditional Knowledge" paper (Gervais, 2005:2), the expression traditional knowledge

is used as a shorter form of "traditional knowledge, innovation and practices". It includes a broad range of subject matters, for example traditional agricultural, biodiversity-related and medicinal knowledge and folklore.

It is these that proponents of traditional knowledge wish to protect.

For Indigenous people to have their knowledge used outside of the way it would have been traditionally used is a source of sorrow, indignation and embarrassment along with a feeling of loss and degradation.

Therefore in any commercialisation of traditional knowledge it can be expected that there will, of necessity, be a range of requirements and boundaries on how that knowledge will be used. Where an Indigenous business person is commercialising traditional knowledge they have traditional access to, then it is hoped that it is used in the right way primarily due to the Indigenous entrepreneur having gained permission to do so, unlike the non-Indigenous entrepreneur who may have taken, or may use, traditional knowledge without understanding the correct way to use it. The organisations interviewed in this study not only had permission to use the traditional knowledge, by using it with permission and understanding they were able to use it in a culturally sensitive way.

For many years some pharmaceutical companies have targeted traditional knowledge as a way of being able to narrow down the natural sources of fauna and flora which may have medicinal applications. Pharmaceutical companies usually wish to screen these sources for active ingredients that can be manufactured synthetically or extracted from plants or animals specifically farmed for the purpose. This branch of pharmacology is known as ethno-pharmacology.

In an aboriginal example from Australia, Pennacchio and Ghislberti (2000) refer to the Eremophila<sup>58</sup> species as having medicinal purposes. Compounds from these plants have been screened for their pharmaceutical use and several active chemicals have been isolated and are now available to the pharmaceutical industry.

However the commercialisation of traditional knowledge is not restricted to the pharmaceutical industry. In an all-of-the-world sense traditional knowledge is commercialised in many ways including;

- > advertising,
- > artwork,
- > attractions,
- body art,
- branding of services and/or products,
- > building,
- > carving,
- > clothing,
- > computer games industry,
- > cooking methods,
- > dance,

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<sup>&</sup>lt;sup>58</sup> Colloquially known as the Emu Bush, Poverty Bush or Fuchsia Bush. There are some 300 members of the family in Australia, mainly Western Australia.

- food and beverages,
- > Indigenous medicines and medical cures,
- Indigenous symbols
- language,
- > music,
- > tourist
- > transportation,
- > use of Indigenous cultural ways.
- > use of Indigenous fauna for breeding purposes,
- > use of Indigenous fishing and hunting methods,
- > use of Indigenous flora as rootstocks and for diversification purposes,
- > use of Indigenous words inappropriately,

The range of uses of traditional knowledge would indicate that the first consideration should be who owns the knowledge and what commercialisation aspects do the owners of that knowledge want to be part of, or not, which would then be their decision. These issues should be considered whether the commercialisation is to be achieved by the Indigenous people themselves, wholly by an external organisation or in some partnership arrangement (for example, a Joint Venture, company formation and shareholding, seeding finance giving the right to sell out of the business at a future stage or some other mechanism) with an external organisation.

These requirements to ensure commercialisation is fairly achieved fall into categories including;

cultural,

- > financial
- > historical,
- > Indigenous values,
- > Indigenous worldview,
- > ownership,
- > social,

Many of these concepts are not part of the interested outcomes for a western organisation. For example social and cultural outcomes are unlikely to be measured by a western organisation.

In the western system commercialisation means that the knowledge will be traded for money, either directly, or used in some way to produce a product or service that can then be sold to customers or clients. The end product is that the commercial arrangement will lead in some way to a financial gain. Most western business systems do not see the knowledge itself as having anything of intrinsic special importance about it other than its earning capacity which may be extracted in any of many ways.

Indigenous people often have the same affinity and love for their traditional knowledge as they do for their land. Not wishing to give it up but to use it and take care of it for the current generation so it is enhanced and left better for succeeding generations.

Hindle and Landsdowne (2005:140) in summing up their research into Indigenous businesses observed that;

"the major lesson learned... was that Indigenous entrepreneurs can use their heritage – they don't have to lose it when they set out in pursuit of venture success. The Dreaming in Australia, the realm of the Great Spirit in the Americans and all Indigenous spiritual and cultural traditions, wherever they are found, can be positive entrepreneurial forces. These traditions offer not a closed book of immutable scripture, but an open universe of continuous possibility. The potent allegories of Indigenous tradition can show the way to what might be – as well as what has been. There need be no paradox, no condition, no values sacrifice, no false dichotomy between heritage and innovation. The teachings of many Indigenous traditions are rich in stories of brave-hearted, individual men and women in quest of new knowledge, new ways of doing things, new discoveries leading to a better life for many people.

Indigenous tradition echoes to the footsteps of brave spirits on new paths. That is where entrepreneurs travel"

Hindle and Landsdowne have nicely encapsulated what the proponents for the protection of traditional knowledge wish to achieve. That the knowledge be cared for and nurtured in the way it was intended to be used. There is no wish to prohibit or restrict its use but there is a wish to ensure that it is used correctly. That a copied moko reflects a traditional moko with respect, and that the haka be acknowledged. There are times when traditional knowledge has a commercial value, in tourism, fashion, and art particularly. As long as it can be used with respect there is generally no objection<sup>59</sup>.

<sup>&</sup>lt;sup>59</sup> It has been suggested that there be a place where enquiries can be made as to who owns a particular taonga so that someone intending to use it can approach the traditional owners and seek their permission to use it correctly. The Ministry of Building, Innovation and Enterprise has already done some work on how a register might work.

The counter-argument to this (which is not truly within the realm of this thesis) is that traditional knowledge needs protection so that its maximum financial value can be realised for the traditional owners of the knowledge. Whilst this may in fact be the prevailing view in some sectors it is not the only one being considered in the protection of Indigenous knowledge and not one that the respondents brought up as an issue..

### Is there protection for traditional knowledge?

According to WIPO the use of copyright, patents and trademarks does not afford the type of protection that Indigenous peoples want for their knowledge. The principle reasons being, that such devices personalise knowledge and have time limits after which the knowledge enters the public arena. Trade secrets as a form of protection can only work for Indigenous people if the secret is kept and this is not always feasible. The community basis for traditional knowledge makes these devices unworkable to varying degrees. Geographical indicators, a device more recently developed for the protection of intellectual property may show some promise for traditional knowledge (Blakeney; 2009). Geographical indicators are already used for processes that originally were peculiar to a geographical location. Examples include Champagne, Cornish pasties and Feta cheese. The European Union has been successful in preventing products like port, sherry, and grappa from being imported into member countries from areas other than the traditional production areas in which these products were produced. The traditional areas are all in the European Union countries. The increasing restriction of the naming of these processes to a restricted

area is becoming an effective tool in limiting the copying of traditional processes. Champagne wine is perhaps the best example as manufacturers who use this method of manufacture outside of the Champagne district can only claim that they use the champagne method – not that their product is champagne. Such names as champagne method are being used which, along with consumer education are enabling producers to distinguish their bona fide product from copies. However this process can be expensive. Geographical indicators for Indigenous peoples may offer the protection they seek by registering not only the process used but the location in which the product is produced thus severely restricting what a commercial manufacturer may legally be able to copy of the original traditional knowledge. It is possible that kava may be the first such product from the Pacific to get such registration.

The commercialisation of traditional knowledge by the Indigenous business person, in this case a Māori business person, solves many of these problems. The Māori business person can be sensitive to the issues that come with traditional knowledge and by using it in a culturally appropriate way overcome many, if not all, of the difficultuies which come with the commercialisation of traditional knowledge.

Māori traditional knowledge enterprises are able to utilise their Māori and their Pākehā ancestry to build an orgasnisaition capabable of working within the European business system and commercialising an aspect of their traditional knowledge whilst ensuring that the knowledge is treated respectifully and with care.



**Fig Seventeen** Kava Plant<sup>60</sup>



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https://www.google.co.nz/search?hl=en&site=imghp&tbm=isch&source=hp&biw=1280&bih=819&q=brazilian+viper&oq=brazilian+viper&gs\_l=img.12..0.2122.5694.0.7192.15.12.0.3.3.1.265.1963.2-9.9.0....0...1ac.1.25.img..4.11.1729.7mWjuNWoIB8#fp=27c006b1bb7c583d&hl=en&q=kava+plant&tbm=isch

Fig. Eighteen Kava drink<sup>61</sup>

# Conclusion - Traditional Knowledge

Traditional knowledge has been shown to be known under a number of names. Traditional knowledge was described as the preferred description of such knowledge due to the traditions and culture which have developed it into being traditional. Such knowledge can be developed by any groups over time; the group does not necessarily have to be an indigenous group to be able to claim traditional knowledge. Traditional knowledge reflects the worldview of its owners having a spiritual dimension aligned to Indigenous peoples beliefs and for these reasons seems the most appropriate descripition. In the western world, traditional knowledge is devalued and subordinated to western knowledge in various ways, from simply ignoring it or discouraging its teaching and use to preventative legislation. Western knowledge is concerned with technology, application and implementation of the knowledge for personal gain whilst traditional knowledge is community focussed. Its purpose is to enable survival and be of benefit to all in the group. In recent years traditional knowledge has been found to have significant commercial potential in the western world with organisations procuring traditional knowledge with a view to commercialising it. This monetary versus cultural role leads to conflict with western principles of knowledge and the western view over how traditional knowledge should be used. In the worst cases,

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http://www.google.co.nz/imgres?hl=en&biw=1280&bih=819&tbm=isch&tbnid=MkA7fYky9kd3SM: &imgrefurl=http://www.beautifulpacific.com/blog/south-pacific-holidays-the-kava-tradition/&docid=nFi85-1DaELlM&imgurl=http://www.beautifulpacific.com/blog/wp-content/uploads/2012/09/kava\_36011.jpg&w=360&h=242&ei=gxQdUuo9yoyTBYXfgZAJ&zoom=1&iact=rc&dur=109&page=1&tbnh=135&tbnw=220&start=0&ndsp=31&ved=1t:429,r:0,s:0,i:80&tx=101&ty=56

western organisations have not only been able to obtain traditional knowledge at very low cost they have then attempted, sometimes successfully, to secure western intellectual property rights for its commercialisation thus effectively shutting out commercialisation by the traditional owners, for example, Fijian kava, until geographical indicators were used for its protection. Increasingly Indigenous individuals and groups want to commercialise their knowledge. They either do this themselves or carefully enter into joint venture relationships to achieve the outcomes they desire. These outcomes are not purely financial, the social and cultural outcomes often being much more important along with environmental considerations, for example, many Māori art retailers' support of Māori artists. With increasing commercialisation of traditional knowledge and the will of Indigenous peoples to protect their knowledge this has inevitably led to a desire to protect traditional knowledge in a way that is different from current systems available in the western world. As well as preserving commercialisation opportunities Indigenous peoples wish to protect their knowledge from being used without the Indigenous group owner's permission and cultural guidance. Western intellectual property systems based on trademarking, copyright and patents are not only time limited but are based on the commercialisation of knowledge which is not necessarily the need that Indigenous peoples have to protect their knowledge. Accordingly different devices are being studied by WIPO which may offer the protection sought by Indigenous peoples. One of these devices is the geographical indicator which protects place and process. Indigenous peoples are concerned that their knowledge is used correctly; not doing so offends deeply, the offence being spiritual and cultural.

Traditional knowledge is ancient knowledge passed down through the generations. Unlike western knowledge it often has at least a partial spiritual component to explain it. Traditional knowledge is created for a group's use. It is owned by the group, not by individuals. Though it may be under the care of individuals, it is part of the group's culture and values and it is treated differently to western commercial knowledge.

Despite the international competition for traditional knowledge, some Indigenous business people are finding ways to commercialise the knowledge without compromising the history or ownership of the knowledge. The small Māori businesses studied have been able to commercialise traditional knowledge without compromising the group ownership of the knowledge. This has been done by obtaining permission and respecting the knowledge and using it in a culturally appropriate way.

This chapter showed how. Western knowledge is dealt with in a different way to traditional knowledge. The individual approach to knowledge, and the finite period for which it may be "owned" is at odds with the Indigenous person's view that knowledge is owned by the group effectively forever. The notion of group ownership is that it is owned by the collective (almost analogous to copyright with no limit to the time period). Māori business people commercialising traditional knowledge work within this framework using traditional knowledge appropriately, with permission and giving back to the community. This relationship was often described by my respondents during the interviews as a basic for the business. There is a relationship between community and the business.

### **CHAPTER THREE**

### THE MĀORI BUSINESS OWNER



Fig Nineteen; a Māori business owner's retail premises. 62

This chapter describes the world of the Māori business owner. It introduces the notion that Māori business owners take an ambicultural approach to their businesses. One where they are able to take the most appropriate parts of their Māori and their Pākehā cultures to develop a business model which is different to both and meets all the requirements they have of their businesses.

Māori businesses do not conform to what may be described as a western business model. Māori businesses appear to have values that are more closely aligned to the

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<sup>&</sup>lt;sup>62</sup> Courtesy of the owner

cultures of other non-western business people. Western ways of doing business do not always sit well with Māori and by drawing examples from other business cultures it may be possible to better understand small Māori businesses.

### Māori business



Fig Twenty; Art works often feature in the Māori business owner's product offering 63

The New Zealand business person finds themselves working in a western style of business. New Zealand business laws are based on the western style of business which values wealth creation. It makes little difference which cultural or ethnic group a

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 $<sup>\</sup>frac{\text{http://www.google.co.nz/imgres?start=336\&hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=Em8QGfC}{\text{WYRmS-M:\&imgrefurl=http://www.stuff.co.nz/national/5392606/Artists-fight-flood-of-fake-Maoritrinkets\&docid=s1ru4NWiE16aRM&imgurl=http://static2.stuff.co.nz/1312463122/761/5395761.jpg&w=618\&h=360\&ei=6RcdUrenNpGglQX4kIG4DA&zoom=1&iact=rc&dur=125&page=9&tbnh=133&tbnw=215&ndsp=55&ved=1t:429,r:44,s:300,i:136&tx=118&ty=98$ 

business person comes from they still need to work in a system which works predominantly on western principles. But this does not mean that the western system has to be used to the exclusion of the business owners own values.

The non-western (usually non-European) business person (or entrepreneur) is not necessarily used to the same business values as the European or western business person. How does the western business person/entrepreneur operate?

To find a single all-embracing definition of entrepreneurship is difficult in the extreme with so many definitions arising over the last 200 years. The oldest is most likely that of Richard Cantillon<sup>64</sup> who described buying at present prices and selling at future prices.

Mark Casson in his 1990 publication Entrepreneurship (Casson 1990:1) was able to say that "entrepreneurship is an important and, until recently, sadly neglected subject." In saying this he was lamenting on how poorly understood the concept of entrepreneurship was, just twenty years ago.

Signald J Harryson (2006:13) was able to shed more light on the concept of entrepreneurship when he said "The actual term entrepreneurship was introduced around 200 years ago by the French economist J. B. Say. To him the term was meant as a declaration of intent" The entrepreneur was someone who in a sense upset the old order of things by daring to do something different and by doing so, profit from it.

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<sup>&</sup>lt;sup>64</sup> Irish French Economist – Died in May 1734 being born at some unknown date in the 1680's

In the western sense an entrepreneur has been further and variously defined as, "self employment of any sort. Entrepreneurs buy at certain prices in the present and sell at uncertain prices in the future. The entrepreneur is a bearer of uncertainty." so said Richard Cantillon circa 1730<sup>65</sup>. John Baptiste Say in 1816 wrote; the entrepreneur "...unites all means of production and who finds in the value of the products...the reestablishment of the entire capital he employs, and the value of the wages, the interest, and the rent which he pays, as well as the profits belonging to himself" Both writers have identified that a pivotal ingredient of entrepreneurship is the desire to make a profit. All other desires are secondary to this. For to make a profit means that the entrepreneur can go from project to project investing as he goes and reaping the monetary rewards of those investments. Any other considerations are secondary to profit.

Joseph Schumpeter, who is seen by many as perhaps the person who most understood the entrepreneurial ethos, said in 1934;

The entrepreneur is the innovator who implements change within markets through the carrying out of new combinations. The carrying out of new combinations can take several forms; 1) the introduction of a new good or quality thereof, 2) the introduction of a new method of production, 3) the opening of a new market, 4) the conquest of a new source of supply of new materials or parts, 5) the carrying out of the new organization of any industry.

(Schumpeter, 1934)

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<sup>65</sup> http://westaction.org/definitions/def entrepreneurship 1.html

Schumpter's view of the entrepreneur is different to that already described, one of innovation and change in goods, production, markets, use of raw materials, or organisation. In this sense the entrepreneur is seen as the "harbinger" of change. A person who seeks to go where no one has gone before, to do things differently, to improve and by doing so, perhaps to make the world, or a portion of it, a better place.

Other writers describing entrepreneurship in the western business paradigm speak of economic motives as the principal drivers. For example Sharda et al (2006:14) in their book "The Spirit of Entrepreneurship" described a western view of entrepreneurship as;

an expression of a person's unique vision, creativity, purpose and fulfilment in life. Creation of material wealth as measured in shareholder value. Innovation through new products and services as well as in stimulating competitiveness in the economy. Job creation through venture employment and additional creation of jobs in supplier and customer companies. Contributions to the quality of life in the local community.

Bjerke in his book, Understanding Entrepreneurship, claimed that there were a myriad of definitions for entrepreneurship but that to have one that actually described the outcomes of the process were somewhat unique. He has suggested that "Entrepreneurship = to create new user value" (Bjerke, 2007:17). This leads to the assertion that there is a relationship between creativity, innovation and entrepreneurship which is;

1. Creativity- to come up with new ideas, 2. Innovation- to apply these new ideas and that 3. Entrepreneurship- to come up with new applications

which others can use (as well) to fill a new and/or satisfy some demand, existing or created.

When markets are highly segmented, or involve many different niches, they often provide good environments for new ventures. New ventures can move quickly to fill small market niches.

(Baron & Shane, 2008:49).

The relationship between creativity, innovation and entrepreneurship is what leads to the new opportunities that arise in markets particularly in the high volume markets that have become segmented with volume and age.

According to Bygrave and Zacharakis "Self-funding by entrepreneurs, along with funding from informal investors, is the life of an entrepreneurial society." (Bygrave and Zacharakis, 2008:344).

In the early twentieth century writers on entrepreneurship were describing people who were interested in the changes they could make and in doing so they were are able to create wealth. By the late twentieth century there had been a subtle shift where modern writers see the concept of entrepreneurship as one of making positive changes for good with profits being (not perhaps secondary to the person, but) as a result of these improvements.

Carsrud and Brannback (2007:7) concluded that entrepreneurship took many forms including;

- > A new good or a new quality of good
- ➤ A new method of production not previously tested, that does not need to be founded on scientific discovery
- ➤ Opening of a new market, that is, a market that a form has not previously entered, whether or not this market has existed before
- A new source of supply of raw materials, irrespective of whether this source already exists or has to be created first
- > The carrying out of a new organisation

Entrepreneurship, therefore, can take a variety of forms, not simply the development of a new product for sale. For example, Charlie's Fruit Juices, a branded product whereby freshly squeezed orange juice, without additives, is delivered each day to restaurants and retailers. It could also be a new production system like the first mass-produced Ford cars in the United States, or a new delivery system like the Trade-Me on-line auction website, or any other innovation the entrepreneur wishes to consider.

For the term entrepreneur a wide range of definitions exists within the western business framework including development of organisations, recombining ideas to form a different one, development and exploration of opportunities, bearing the uncertainty of a new venture, bringing together production factors to simplify or making a new product possible. Though as shown there is now perhaps an emphasis on profit to enable the sustainable business.

In their book "Entrepreneurship" Hirsch et al claim that almost all definitions of entrepreneurship agree

that we are talking about a kind of behaviour that includes: (1) initiative taking, (2) the organising and reorganising of social and economic

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mechanisms to turn resources and situations to practical account, (3) the

acceptance of risk or failure.

They argue that to say entrepreneurship means the same to all people would be like

saying the way of doing business in every country is the same and that worldview has

no bearing on business and so entrepreneurship.

It is useful to differentiate between entrepreneurial management, which may take

place in the context of large established organisations, and entrepreneurship in terms

of starting and running one's own business, with a higher degree of risk and

independence that this implies. For this study small business enterprises are described

where entrepreneurship drive is coming from the top of the organisation.

For the Chinese, the pertinence of entrepreneurship is particularly relevant in the

proverb "It is better to be a chicken's head than phoenix's tail". This proverb

encapsulates the belief of every Chinese person who wants to be his own boss. Not

only do Chinese see entrepreneurship as being your own boss they see it as being in

control of your future. Here we see hints of differences between cultures in the

concept of entrepreneurship. The notion of leadership and being in charge of one's

destiny as opposed to harbinger of change, development and innovation, even though

both are interested in the profit motive.

Paul Di-Masi<sup>66</sup> described the entrepreneur as;

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<sup>66</sup> Di-Masi Paul. *Defining Entrepreneur*. (Internet)(accessed 19 April 2007) available

from www.centrin.net.id

He or she is the person who perceives the market opportunity and then has the motivation, drive and ability to mobilise resources to meet it. The major characteristics of entrepreneurs that have been listed by many commentators include the following.

- > Self confident and multi-skilled. The person who can 'make the product, market it and count the money, but above all they have the confidence that lets them move comfortably through uncharted waters'.
- > Confident in the face of difficulties and discouraging circumstances.
- > Innovative skills. Not an 'inventor' in the traditional sense but one who is able to carve out a new niche in the market place, often invisible to others.
- > Results-orientated. To be successful requires the drive that only comes from setting goals and targets and getting pleasure from achieving them.
- A risk-taker. To succeed means taking measured risks. Often the successful entrepreneur exhibits an incremental approach to risk taking, at each stage exposing him/her to only a limited, measured amount of personal risk and moving from one stage to another as each decision is proved.
- > Total commitment. Hard work, energy and single-mindedness are essential elements in the entrepreneurial profile.

Morrison et al (2005;129 – 131) said there were six characteristics of the entrepreneur in their book "Entrepreneurship in the hospitality, tourism and leisure industries"; Energy level, Need for achievement, level of risk, self-confidence, locus of control and tolerance for ambiguity.

The lists of Di-Maxi and Morrison confirm that the major attributes of the entrepreneur, or the character traits, are those of a hard-working change-maker. Profit takes a lower place even though clearly the other attributes cannot prevail in a sustainable fashion unless income exceeds outgoings.

In New Zealand the entrepreneur is seen as a person who sets up a new business (Cameron and Massey; 2003). In the USA, an entrepreneur is seen as anyone who is in business for themselves (whether or not they started it themselves) as has been explained above. In the United States, entrepreneurship can also be seen as business development by all or part of a large enterprise. In order to be consistent, this work only uses the accepted New Zealand interpretation of the word entrepreneur which refers to a person who sets up a business themselves and goes on to develop and run it themselves, in other words; the self-employed independent business person. Entrepreneurs or Māori small business owners in this study are from small organisations. As detailed in the chapter on methodology there are no business people, or entrepreneurs, from larger companies interviewed. Such entrepreneurs may well sell their developed organisation at some future time. Businesses being developed for sale were not part of this study.

There are two types of entrepreneur. There are those who become entrepreneurs because they have to. They do so because there is a lack of jobs in the geographical area or for their skills; have been made redundant, or maybe lack training for the jobs available. It is often a final effort to earn money and is usually undertaken with few resources, financial or otherwise. These entrepreneurs are known as Necessity Entrepreneurs. The second variety of entrepreneur, known as an Opportunity Entrepreneur, comprises people who undertake the activity because they see an opportunity in the marketplace and act to fill it. Such people are not forced to act, other than they are driven to use their experience and knowledge to build a business (Maritz; 2004)

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Lippmann et al (2005:10) define necessity and opportunity entrepreneurs;

Necessity entrepreneurship: Undertaken when there are few or no other

opportunities for gainful labour market participation - typically relies on

little or no financial capital and once the decision is made, success

partially dependent upon social and human capital.

Opportunity entrepreneurship: Undertaken to take advantage of perceived

market opportunities – recognition of such opportunities is positively

related to social and human capital and once decisions are made, financial

capital becomes relevant to success.

The fundamental differences between the necessity entrepreneur and the opportunity

entrepreneur are that the necessity entrepreneur relies on human and social capital

alone to achieve success whereas; the opportunity entrepreneur relies on financial

capital as well to achieve success. Amongst Māori only 17%<sup>67</sup> of entrepreneurs are

forced into having a business of their own, the necessity entrepreneurs. 83%, the far

larger portion of Māori wishing to be entrepreneurs do so as an opportunity presents

itself which they are then able to take advantage of, the opportunity entrepreneurs

(GEM, 2005). So we can say that the majority of Māori business people have started

up their business because this is what they want to do, not having been forced into it

through economic or other circumstances.

Hein Erasmus and Professor Pieter Nel (Erasmus and Nel, 2007:6 – 10) in their New

Zealand survey of businesses employing five or less people found that the usual

criteria for success as an entrepreneur were not rated by the business owners as

<sup>67</sup> Global Entrepreneurial Monitor Report

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important skills. Creativity skills, skills to raise funds, financial management skills, time management skills, social networking skills, skills to think in a critical manner, skills to assess issues, problem solving skills rated highly with the three top ones being; communication skills, leadership skills and negotiation skills.

From this observation it is possible the Māori business owner is not always aware of the characteristics they employ to become successful.

Such enterprises then, usually, grow slowly over time into something more substantial. Because of these small beginnings some experts in the area say that it should be thought of as part of a rural development strategy rather than general economic development of a region or business development. For example, Rodger Hustedde (Hustedde 2007: 43) says that

Microenterprises, those that employ four people or less, should be considered part of a rural development strategy for three major reasons; (1) they allow the disadvantaged to build assets and accumulate wealth; (2) they create the bulk of new jobs; and (3) microenterprise entrepreneurs

tend to become more involved as leaders in their community. 68

In addition Husstedde quotes Shuman<sup>69</sup> as claiming that

Local entrepreneurs are more closely tied to place, more resistant to relocation, and have a tendency to be good neighbours.

<sup>&</sup>lt;sup>68</sup> Originally quoted in Dabson, 2003 but not personally viewed. Dabson, Brian, 2003. Strengthening local economics through entrepreneurship. In American Midwest: managing change in rural transition. Ed. Norm Walzer pp177 – 96. Armonk NY M E Sharpe Inc.

<sup>&</sup>lt;sup>69</sup> Originally quoted in Shuman, 2006, but not personally viewed. Shuman, Michael, 2006. The smallmart revolution. How businesses are beating the global competition. San Francisco, CA. Merrett – Koehler Books.

So, small businesses of less than five employees may take on more social roles in their communities.

Entrepreneurship is seen as an old skill, something which has been around for centuries and was practiced by all groups of people. By contrast, for no apparent reason in fact, entrepreneurship is seen as something new to Indigenous cultures. Even though Indigenous culture may be as ancient they are not credited with having any business acumen at all. It is as if their entrepreneurial skills were not present until there was interaction with the newly arrived western culture. This is unlikely as if people who are the first people in an area, that is the Indigenous people who moved to another area could be entrepreneurial which would beg the question where did the trait come from in the first place. Clearly this assertion is absurd and Indigenous people are likely to be entrepreneurial like any other. For example Gido Mapunda (2005:6) notes that "While entrepreneurship is a relatively old, well-established discipline Indigenous entrepreneurship is a 'new' discipline by comparison." Butler and Hinch (1996) went further to explain that Indigenous peoples were not interested in entrepreneurship until there was a need to promote economic independence. Unfortunately this view is misleading as it ignores the reality that many Indigenous peoples were unable to enter into any entrepreneurial activity from soon after exposure to their European discoverers because their assets and resources had been taken away from them.

Its prominence in recent times can be explained by awakening of Indigenous cultures around the world coupled with international shifts towards first nation's rights and self-determination. Indigenous entrepreneurship is potentially a powerful tool that can be used to promote economic independence, self-determination and cultural preservation within Indigenous communities

(Butler and Hinch 1996)

Furthermore, Indigenous entrepreneurship in tourism, for example, is potentially capable of rejuvenating local economies, minimis(ing) the impact of negative tourism through local intervention, and strengthen(ing), support(ing) and value(ing) national heritage.

(Brokensha and Gulberg 1992)

Māori are entrepreneurial like any other group of people and Māori people were involved in tourism from a very early stage for example Poare II in the 1840's (Petrie, 2006).

As described above, until quite recently there has been a view amongst some writers that entrepreneurial activity amongst Indigenous people is something new. Something that was only learned after exposure to the business activity of the Europeans they first met, when in fact there was often considerable commercial and entrepreneurial activity by Indigenous people, on first meeting and often for sometime after the two cultures had interacted for some time (Petrie 2006). In the case of Māori in Aotearoa New Zealand there was a very vibrant trade interchange between Māori and Pākehā which did not cease until the Pākehā population had reached approximate parity with the Māori population after which Māori systematically had their resources taken from them (Petrie 2006, Belich 2001). It was not until relatively recently times after the Hui

Taumata Māori Economic Summit of 1984 and to a small extent from the Treaty settlement process that Māori were able to regain and develop their resources to the point that Māori businesses are once again beginning to thrive (Best and Love 2011).

Some writers, as discussed above, see Indigenous entrepreneurship as a relatively new phenomenon as well as seeing it as not very well developed in Indigenous people. This view appears to come from an unfounded notion that Indigenous people conduct business very differently to other cultures, particularly the western culture which is predominant in many countries with populations of Indigenous peoples. This may in fact be true. Not due to Indigenous businesses being different to western businesses but due to the values that western businesses have which are different to, not only Indigenous businesses but other business system around the world. An examination of some non-western business systems will help shed some light on this claim. It seems that by conducting their business activities differently to Europeans, Indigenous trading was not undewrstood to be trading at all. There is considerable evidence that Indigenous groups traded with one another long before, often thousands of years before, European contact (Cachon, 2011).

Polynesians also traded prior to European contact and had vibrant economies (Firth, 1965). It is clear that Indigenous peoples had vibrant economies and traded with each other long before European contact. Polynesians were no exception to this, nor were Māori who were also great traders prior to European contact. The way in which Māori people traded was perhaps different to the way Europeans might expect but not dissimilarly to other Indigenous groups. Indigenous groups appear to engage in commerce in a more similar way to Chinese and Islamic groups than to western ones.

These similarities are discussed on the following pages. Islamic and Chinese business values and concepts are briefly described in order to make some comparisons between the ways of western, Islamic, Chinese and Indigenous peoples doing business. Rather than Indigenous peoples using different values it seems that western businesses are operated in the different way. The greatest similarities for Indigenous people doing business is not with western businesses but with Chinese and Islamic.

### Characteristics of non western business systems

Business practices in various countries or cultures can be hugely different depending on the worldview of that culture/country. The culture (or cultures) of a country, geographical area, or peoples, drives the culture that will be found inside businesses and the way businesses conduct their business dealings. To help understand Indigenous businesses particularly in the relationships and comparison with western business practices it is worthwhile to make some comparison with business practices used in some other regions of the world.

Chinese and Islamic business systems are used here as examples of business systems which do not have the same values as western systems. Even within western business systems there are those which do not necessarily work in entirely the same way. Examples may include those from groups such as Mormon business practices or Quaker business practices of which Cadbury's is perhaps the most well known (it has now been taken into the Kraft group of businesses and so will no doubt change its culture accordingly). These businesses have a much more social way of working

which is not the norm for western businesses. These types of businesses have similarities with the collectiveness often exhibited in Indigenous businesses. These exceptions are based on business practices which are driven by a worldview which is a little different in some aspects from the western worldview even though the businesses have developed and flourished in a western economy. Mormon business practices encompass the values listed below, values which may not be understood by the majority of western businesses as described below;

- > Service matters
- ➤ Obedience leads to success
- Consistency counts
- Persistence pays
- > Expect a miracle

(Benedict, 2007:1-21)

This example shows an element of spirituality (expect a miracle) which is largely absent from other western businesses. An element of spirituality in the explanation of Indigenous knowledge has already been explained. Some Indigenous entrepreneurs bring an element of spirituality into their businesses, for example, dawn ceremonies and the blessing of new products, events and other items. Perhaps Mormon businesses take this a step further by including spirituality into the business in such a way that they expect it to have a material effect on the business from time to time. So, an element of spirituality may be found (albeit with a different foundation) in Indigenous businesses.

An understanding of the way cultures behave in their business dealings helps us to understand the different cultural aspects of business and will lead to an understanding of why Indigenous businesses behave the way they do. To help in this understanding, the next section comprises Islamic and Chinese businesses to help lay the foundation for understanding the way Indigenous businesses operate.

Indigenous businesses operate within a set of values which are different to their own. These are usually, with a few exceptions, the values of the western business. Whilst attempts have been made to describe Indigenous businesses using western descriptors (Lindsay 2005; Redpath and Nielson 1997) it is difficult to do so owing to the complexity experienced when one culture is being described in the norms of another culture. It is however valuable to compare Indigenous businesses "ways of doing things" with the ways things are done in other businesses systems. In this way it may be possible to understand better why Indigenous businesses may be seen as different. Indigenous businesses are collectivist in their approach (Lindsay 2005). There are other business systems which take a collectivist approach. Examples include businesses working in Arab/Islamic countries (Mutahari 1985) and businesses operating in the Chinese world (Chen 2001). Collectivism encapsulates the notions of family, wider family and community that are an important part of conducting business in these countries, notions which are similar to the cultural and social businesses outcomes sought by Māori businesses. Accordingly Islamic and Chinese businesses are described here and some conclusions drawn.

#### Islam



Fig Twenty-One; The face of the Islamic entrepreneur<sup>70</sup>

Communicaid (2004:1) in their Saudi Arabian website point out that

In a culture where confrontation and conflict are to be avoided, the concept of face is a fundamental issue of everyday life. Dignity and respect are key elements in Saudi Arabian culture and saving face, through use of compromise, patience, and self control is a means by which to maintain these qualities. Arabian culture utilises the concept of face to solve conflicts and avoid embarrassing or discomforting others. In a business context, preventing loss of face is equally important and essential.......

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 $<sup>\</sup>frac{https://www.google.co.nz/search?hl=en\&site=imghp\&tbm=isch\&source=hp\&biw=1280\&bih=819\&q=islamic+business\&oq=islamic+business\&gs\_l=img.12..0l3j0i24l7.2137.5179.0.7316.16.12.0.2.2.1.374. \\ \underline{1778.2-}$ 

<sup>6</sup>j1.7.0....0...1ac.1.25.img..8.8.1436.iXDEneBfPu0#fp=27c006b1bb7c583d&hl=en&q=arab+shop&tbm=isch

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The same article in referring to Islam in Saudi Arabia contends

In order to comprehend fully the culture of Saudi Arabia one needs to

understand the extensive influence of religion on society...... Islam, which

governs every aspect of a Muslim's life, also permeates every aspect of the

Saudi state. As a result, Arabian culture is often described as detail orientated,

whereby emphasis is placed on ethics and expected social behaviour such as

generosity, respect and solidarity. These are customs and social duties that also

infiltrate the Saudi Arabian business world and affect the way Arabs handle

business dealings.

In this example from an Islamic country, a number of values different to those we

expect from a western business immediately become apparent – face, patience (often

in the very long term), generosity, solidarity, respect for the others around you (from

employees to customers to stakeholders), the lack of need for immediacy; these are

concepts which western business operators fail to recognise and so become ineffective

in the face of these different values, worldviews, and "ways of doing things".

Philosophical perspectives, worldview, one's understanding of the world together

with expected social interactions govern the way in which groups prefer to do

business. An example of different values and perspectives is the western view of

borrowing money.

Rauf (2004:3) described that;

by the seventeenth century two extremely powerful ideas arose in Europe,....

■ The notion that reasonable interest on a monetary loan does not amount to

usury – an idea that made possible a certain system of banking

■ The invention of the corporation, especially the notion that the corporation is a separate 'person', with owners (shareholders) protected from responsibility for any liability, such as unpaid debt or crime, incurred by the company.

The notion of being able to lend money without it being usury, the charging of interest as described in the Christian bible, was a new idea to the western world. The further notion that a business enterprise could be an entity in its own right rather than simply made up of the proprietor or the group of investors who were part of the venture was something entirely new. These ideas had already been accepted by the Islamic business world, and, whilst used were not the preferred method of operating, Islamic businesses tended to be run as an extension of the family with the proceeds going to the family rather than an individual proprietor. Wider family and community would benefit as a result of the businesses. Here was the divergence from the western business model, the notion of individual wealth versus communal wealth. Islam is a system that embraces a code with social and community focus facilitating the operation of businesses in this way. There are similarities between this social and community connectedness and the wider family obligations felt by Māori people in businesss.

Muslims live their lives by the "Pillars of Islam... The five basic duties (of which) are: ...(Shahadah)<sup>71</sup> the establishment of prayer..... (Salah) the payment of Zakah (paying the poor their due), ....the Hajj (pilgrimage to Makkah) and Sawm Ramadam (fasting of Ramadan)."<sup>72</sup>

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<sup>&</sup>lt;sup>71</sup> The declaration that there is no god but Allah and Muhammed, his messenger)

<sup>&</sup>lt;sup>72</sup> Principles of Islam <u>www.geocities.com/Islamicmessage/Principles.htm?200717</u> now moved to <u>wikiz.info/islam/Principles.htm</u>

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The spirituality which rules the Islamic business person's life pervades all that he

(usually he) lives for. Respecting the five pillars is important along with the notion

that if one cannot use something oneself then it should be made available to others for

their use.

Maududi<sup>73</sup> says "It is not right that things created by Allah for the benefit of mankind

should be taken possession of, and then kept idle and useless. One should either

benefit from them oneself, or make them available to others."

The spirituality of Islam pervades the Islamic business person's life, the religious

values being the guiding values of their business. This is the traditional way that

Muslims wish to do business. Here, there are similarities, the spiritual notions that

enter Māori businesses through their owners and the use of traditional values to guide

their business dealings.

Machatchke (1995:16) observed that

Gambling is also forbidden in Islam, which is why orthodox Muslims reject

insurance schemes – usury – so that until recently there was no banking system in

the Islamic world". <sup>74</sup> These are examples of the way in which religious precepts

prove a restraining influence on development in a world in which of course a

good deal has changed over more than 1350 years since Muhammad.

The idea that that god created things for all and that they should not be kept to oneself

is different to the view of most western business people. The idea that lending money

for interest only, or insuring oneself against loss, is also different from western norms.

73The Economic principles of Islam www.islam101.com/economy/economicsPrinciples.htm

<sup>74</sup> Or that the Western world would recognise as one.

Thus there is a religious focus directing the way business people behave towards one another and their clients and customers. The way in which the businesses are run in Islamic countries is built on the Islamic culture. The culture affects the business values. These business values work to provide a kind of collectiveness in business that is not present in the individual wealth creation notions of the western business person.

In Islam the business venture is seen as analogous to life itself conducted by Islamic principles. Yusoff (2002:11) explains;

- 1.Business is the most widespread and beneficial of all human economic activities. Islam provides very large opportunities for Muslims to do good deeds to other mortals. Doing good deeds is therefore very much like conducting a profitable business;
- 2.Business honestly conducted will bring prosperity and happiness to mankind. Good deeds sincerely undertaken will achieve the same;
- 3. Business is the most profitable of human economic activities. Islam similarly promises the most generous rewards for good deeds.

An Islamic business person may see their business as the same as doing good deeds. The purpose of the business then becomes more than just for the benefit of the proprietor and his (usually his) family. Benefits come to the community the business person operates in as well. Again, this is a different basis to the western business system, but is not dissimilar to the Indigenous business where there is great interest in the social bottom line as one of the quadruple bottom lines of the Indigenous business (of cultural, environmental, financial and social) as well, which will be described in more detail later.

Islam requires business people to adhere to certain tenants based on the religion of Islam. Everything comes from Allah then provides guidance through the Koran on what can be done. Among the things that must be recognised is that Muslims are seen as a brotherhood and must work together to enhance life for all. The economic relationships are important as they help to meet this goal. These relationships do not need to be restricted to interactions with other Muslims. They strive for economic well being is seen as good for all. Again Yusoff (2002:26, 27) explains;

- 1.Only Allah has complete sovereignty over all his creations. Mankind therefore have to utilise the creations only in accordance with his tenets;
- 2.Strong bonds of brotherhood between Muslims of all races, creeds and colours. An Islamic economic system therefore exhorts all Muslims to work together to enhance the material quality of life. The prophet emphasised; **The relationship of pious Muslims with other pious Muslims is like a construction that strengthens each other**. The concept of brotherhood in Islam is therefore meant to contribute to an exploitation-free society and economy;
- 3. Since Islam encourages social and economic relationship with non-Muslims, an Islamic economic system also encompasses non-Muslims provided that they do not pose a threat to Muslims;
- 4.every man should strive to attain economic well-being and self sufficiency in income within the confines of Islam's moral norms and values. The prophet asserted; **truly Allah likes to see his servants striving to earn an honest income**.
- 5.the economy is built on a strong foundation of justice for all members of a community;

6.large economic freedom is given to individuals, subject again to the confines of Islamic norms and values and the common good of the community;

7.last but not least, the high standard of Islamic morality must prevail in all economic activities.

The Islamic business values derive from religious values which every practicing Muslim sees as part of the everyday religious obligations. It is natural that these religious tenets find their way into the operation of the Islamic business. The Islamic religion and culture guides business practice.

Whilst not every Islamic business attains these ideals, it is the basis on which the Islamic business person builds their business. According to Yusoff (2002:27, 28) these ideals are strived for under the framework detailed below;

The major objectives of an Islamic economic system are therefore as follows:

- 1. to ensure fair and equitable distribution of income for the following purposes; (a) no individual or community is deprived of the basic necessities of life; (b) wealth is not concentrated in the hands of a few individual. Allah reminds: ... in order that it may not (merely) make a circuit between the wealthy among you... (c) wealth is not left idle but used as productively as possible;
- 2. to achieve development that consistently has a proper balance between materialism and spiritualism, and between economic and social or humanitarian objectives;
- 3. to create equal opportunity for all to earn their legitimate income and acquire properties and to realise their individual potential based on their respective capabilities. The right of individuals to actively participate in the economy and earn a decent income is therefore very important in Islam;

- 4. to impose social, moral and spiritual constrains on production, one of the most important economic activities. As such Islam limits production to only those goods and services which have an obviously favourable and beneficial effect to both the individual and society:
- 5. last, but not least, to ensure that Muslims undertake all economic activities with the aim of obtaining Allah's blessing, and in this way be able to truly and sincerely serve mankind.

To ensure that an Islamic economic system operates fairly and justly, Islam imposes the following constraints:

- 1. although businessmen are entitled to their profits, Islam does not accept profit maximisation as the sole or even the most important objective of a Muslim businessman;
- 2. although Islam strongly believes in a market economy, Islam does not believe that mankind are perfect and therefore always behave rationally all the time. As such certain aspects of a market economy may be regulated at certain times in order to protect and promote the interests of the whole community.
- 3. the payment for the most important factor for production i.e. human resources, should not be based only on their production capabilities but also on their need to enjoy the basic necessities of life.

The profit motive is not seen as the primary reason for the business as it is to the westernbusiness. This means in practice that Muslim businesses must adopt these principles to create a harmonious business community that improves their own life circumstances whilst at the same time treating their workers fairly and paying them a fair wage. This is considered to be fair and act in the community's best interests. It means that Muslim businessmen are expected to be fair in all the dealings and are

under the watchful eye of Allah. This imposes social, moral, spiritual and economic constraints on their business dealings. It is seen as an indispensable and essential service to mankind and so to the wider community in which they live. There must be mutual satisfaction. There should be absolute honesty. Prices are fixed by the market. There are some similarities here between Islamic businesses practices and those of Indigenous businesses, particularly social and cultural outputs. In the same way as an Indigenous business is not necessarily in existence for economic gain, so too is the Islamic business.

To emphasise this point, David Jonsson (2006:112 – 113) summarised

The Four principles of the Islamic Economic system (as);

- 1. All wealth belongs to Allah
- 2. The community (Ummah) Is the Trustee of the wealth
- 3. Hoarding of Wealth is prohibited
- 4. Circulation of Wealth is a duty

Abulhasan Sadeq (2006) in his book entitled "Developing issues in Islam" described entrepreneurial development as part of the wider issue of human development. He describes;

the philosophical underpinnings of the Islamic approach to development are;

(i) Tawhid – God's unity and sovereignty

- (ii) Rububiyyah Divine arrangements for nourishment, sustenance and directing things towards their perfection
- (iii) Khilafah man's role as God's vice-regent on earth,
- (iv) Tazkiyah purification plus growth

The spiritual basis of the Islamic business is emphasised (Sadaq, 2006) here. This can be compared with the cultural outputs required from the Indigenous businesses. As such Sadaq claims that the;

Goals of a development policy would be:

- (a) Human resource development as per the Islamic value system
- (b) Expansion of useful production
- (c) Improvement in quality of life
- (d) Balanced development
- (e) Development of new technology suited to the conditions of Muslim countries
- (f) Reduction of outside dependence and greater integration of the Muslim world.

Sadeq sees that capital, business and commerce are closely entwined. Sadaq says that from a Muslim perspective Islam rejects the concept that the use of capital is interest. This is seen as unfair because the business person is at a disadvantage when interest is paid and a loss or low profit is made whereas the lender is at a disadvantage when large profits are made. So he sees this, in effect, as a transfer of assets and profit from one sector to another which he claims is inherently unfair. The Islamic system of banking is one that shares the risk and the profits between all concerned in the venture.

For Islam this business system is a way of life for the some 1.2 billion of the world's inhabitants. This is approximately one fifth of the world population<sup>75</sup>. The Islamic way of doing business, based on the Koran and Islamic religious teachings, are fundamentally different to the Western way of doing business. This Islamic way of doing business has grown over the last thousand years and has become the traditional way for Muslims to do business.

If the western business person is looking to make a profit whilst being the harbinger of change for good, the Islamic business person is looking to enhance mankind and to make wealth creation work for all.

The collectivism that originates from the Islamic world views and transported into the operation of the Islamic business is reminiscent of the whanau values and wider community of the Māori business as reported by my respondents.

The Islamic system is just one business system which has a different basis to the western system. The Indigenous way of doing business has some similarities with the Islamic way and both are somewhat dissimilar to the western way. Another way of doing business that is based on even older philosophies is that practiced by a large portion of the population of Asia. This is the Chinese business philosophy which also has similarities with the Indigenous way and dissimilarities with the western way.

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<sup>&</sup>lt;sup>75</sup> Population estimates for Muslims vary considerably. For example, The Barnes and Noble encyclopaedia in 1993 used a figure of 700 million. In 1996 the Universal almanac used 817 million; again in 1993 the Cambridge fact finder was using 951 million, whilst the world Almanac in 1997 was using 1.1 billion. In the same year the Council on American-Islamic relations was using 1.2 billion. Source, <a href="www.religioustolerance.org">www.religioustolerance.org</a>. One source has quoted as high as 1.56 billion in 2006. A figure of between 1.2 and 1.4 billion appears to be the most likely based on several country by country estimates done by a number of organisations.

## Chinese business philosophies



Fig Twenty-Two; A Chinese retail scene 76

The themes of the early Shang<sup>77</sup> religion continue in the later Chinese religions – the family, political, bureaucracy and maintaining harmony (Adler, 2002:24). Adler says (2002:25)

The remarkable continuity of these themes in the history of Chinese religion should not overshadow the transformations and innovations unique to each period..... In fact, one vital lesson we can learn from Chinese religions is that real meaning and value lie in the particulars of everyday life as lived by ordinary people.

https://www.google.co.nz/search?hl=en&site=imghp&tbm=isch&source=hp&biw=1280&bih=819&q= chinese+retail&oq=chinese+retail&gs\_l=img.12..0j0i24l9.1716.9406.0.10561.14.12.0.2.0.1.266.1609.2

<sup>7.7.0....0...1</sup>ac.1.25.img..9.5.1125.BAYcP\_So9p8#fp=27c006b1bb7c583d&hl=en&q=asian+shops+in+

street&tbm=isch

77 The Shang, is considered by most to be the first true dynasty of China. "The Shang worshipped the "Shang Ti." This god ruled as a supreme god over lesser gods, the sun, the moon, the wind, the rain, and other natural forces and places. Highly ritualized, ancestor worship became a part of the Shang religion. Sacrifice to the gods and the ancestors were also a major part of the Shang religion. When a king died, hundreds of slaves and prisoners were often sacrificed and buried with him. People were also sacrificed in lower numbers when important events, such as the founding of a palace or temple occurred." (source; www.mnsu.edu)

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Adler contends that the themes of maintaining harmony, beaureacracy, political and

family are the basis of Chinese society. It can be expected that these themes flow into

the business values too. Three Chinese thinkers have dominated Chinese thought over

the last two and a half thousand years, Confucius, Lao Tzu and Sun Tzu.

Confucianism had become the official state philosophy by the second millennium BC

(Chen, 2001:193). Lao Tzu was an older contemporary of Confucius. His writings

were of fundamental importance to the development of Taoism (Chen, 2001:194).

Sun Tzu was a military commander about 100 years after the birth of Confucius who

is perhaps most famous for his influential book on military strategy – "The art of war"

(Chen 2001:195).

Chen (2001:24) speaks of the four pillars Chinese Business;

Family-directed operation

> Dominant family head

> Enduring roles and family obligations

Family financed, family accountable corporation

These four concepts are important to Chinese business in that they explain the family

nature of business. Business is all about family. In this way the privately owned

Chinese business 78 is fundamentally different to the western style business which is

usually not a family business in the sense that only family members work in the

<sup>78</sup> Some 60% of Peoples Republic of China businesses are family businesses in the private sector. In 2010, however, 60% of business were still run by the state sector – this means that only about a quarter of Chinese businesses are family owned and operated. The largest portion of the rest are still owned and operated by the government

business, or are even considered for employment in the business. It is true that there are businesses run by families in the western world. There is a difference between a family run business and a business that is owned by the family. Family enterprises in the west are usually operated with financial returns in mind. The difference between this and the collectively operated business of the Indigenous, Islamic and Chinese world is that business are operated with the needs of the wider family in mind in the social and cultural sense as well as financial well-being.

In addition there is one extra important ingredient in Chinese business - the concept of Guanxi (Chen 2001:46), which pervades all business dealings in both the private and public sectors. Guanxi is a term which is fundamental to the notion of interconnectedness but means so much more. It is a concept and practice which western business people find difficult to comprehend and operate in. The development and nurturing of business relationships grounded in trust, mutual obligations and shared experiences arises perhaps out of the ancient Chinese roots of reciprocity and the other modes of social exchange used to build and maintain interpersonal relationships throughout society. These values are similar to those seen in Indigenous businesses.

Murray Weidenbaum (2006:4) notes that to Chinese the practice of getting to know a person before business is transacted is paramount. This might consist of "hosting people for meals, doing them favours, giving them gifts, and showing attention to their private concerns." This is at the heart of Guanxi. The closest European concept is networking, though this is really only part of what Guanxi means to a Chinese business person.

The principle of Guanxi has "its roots in the cultural philosophy of Confucianism" (Yiu-chung and Anderson: 2007, 41). Guanxi is the "social connection" which is the oil of Chinese business. The debts that are incurred between two people within the group are incurred on the basis that they will be repaid at some time. A concept that is not too different from the concept of utu in Māori culture or even the nature of koha. According to research by Yiu-chung (2007, 45) the Guanxi interconnectedness can cover; good friends, schoolmates, friends of friends, business partners, kinship, former colleagues, other relatives, and former employers.

Guanxi is almost inexplicable when using western ideas to explain it. Chinese grow up with the concept and understand it intrinsically. Western business people who have worked in China find that they must work within this system or business cannot be done. As with many cultural concepts, they are very difficult to explain in all but the language of the culture. Additionally, people growing up in the culture learn these nuances over a lifetime and practice them every day.

In China business activity and thus the business person is governed by Confucian and Taoist philosophy. For much of the 20<sup>th</sup> century communist (Marxist) philosophy became dominant and so contributed to the way business has been conducted in China. (Liao and Sohmen, 2001:27). Today the wisdom of the ancient philosophers is still the basis of the fundamental values used in Chinese business practices.

Kong Fu Ze, whom the Jesuit missionaries renamed Confucius, was a high civil servant in China around 500BC. Known for his wisdom, he was always surrounded

by a host of disciples who recorded what we know of his teachings. He thus held a position very similar to that of the Greek philosopher Socrates, who lived just 80 years later. Confucius teachings are lessons in practical ethics without any religious content; Confucianism is not a religion but a set of pragmatic rules for daily life, derived from what Confucius saw as the lessons of Chinese history. (Hofstede and Bond, 1988:7 – 8). Further according to Hofstede and Bond (1988:8) the key principles of Confucian teachings were;

- 1. The stability of society is based on unequal relationships between people.
- 2. The family is the prototype of all social organizations
- 3. Virtuous behaviour toward others consists of treating others as one would like to be treated oneself: a basic human benevolence<sup>79</sup>
- 4. Virtue with regard to one's tasks in life consists of trying to acquire skills and education, working hard, not spending more than necessary, being patient, and preserving.

These values of family, unequal society and relationships, behaviour, and acquisition of skills are drivers of business whilst still adhering to the Confucian philosophy based on the four basic principles of; culture, conduct loyalty and good faith (Dawson 1981:19).

The principles on which Chinese business is conducted is based on the relationships between people; treating them well whilst at the same time nurturing one's own skills, education (knowledge) emotions and conduct; and the overriding loyalty to family –

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<sup>&</sup>lt;sup>79</sup> which, however, does not extend as far as the Christian injunction to love thy enemies

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many of these concepts have their similarities in Indigenous businesses and so Māori

business.

The ancestors have always been important to the Chinese. According to Marcel

Granet (1975:80 - 81)

In every peasant house, not far from the central lar<sup>80</sup>, exposed to the

influence of all the powers of Nature, there was a dark corner where

beside a pile of seed awaiting the time of its germination, the Ancestors

lived confusedly around the domestic bed. In the dominal town the

ancestral temple was built beside the uncovered altar of the earth and

harvest Gods.

The ancestors are part of the family. They are the family members who are simply not

there at the moment. Accordingly like all elders of the family they must be revered,

honoured and respected. This shows some similarities to the Indigenous worldview of

the ancestors.

Howard Smith (1973; 14-15) said

The suggestion has often been made that Confucianism lacks many

elements vital to an institutionalised religion. Though it possess writings

which very early came to be regarded as sacred scriptures, it puts no

reliance on creeds and dogmas. It has never had a specialised priesthood,

or church organisation with rules and conditions of membership.

Confucianism has been rather a pervasive moral and spiritual teaching,

always working through education and example. However, though this is

true, Confucianism throughout the centuries has been closely bound up

<sup>80</sup> The lar or hearth is where the house fairies or spirits lived. Source <u>www.geocities.com</u>

with an elaborate religious cult, the officials of which were the emperor himself and all the officers of a state administration down as far as magistrates appointed to country seats....... The strict performance of these state rituals was believed to ensure blessing, happiness and prosperity to emperor, land and people.

Confucism therefore is instructing people on how they should lead their lives. This becomes important when the person's life extends to running a business. Running their own business is a goal many Chinese have.

Smith went on to say (1973:62-64)

Four elements of Chou civilisation <sup>81</sup> formed essential elements of his ethical system.

The first....was religion in the which belief in, worship of, and sacrifice to a supreme deity was linked to a profound reverence for the ancestor-spirits......Secondly, society centuries before Confucius had been organised on the basis of family..... third...the practical needs of an agricultural economy...fourth....the harmony and peace necessary for the development of a rich and happy communal life were seen to be promoted best by a careful regulation of all human relationships.

The fundamental ethical concepts are described by Smith (1973:66) as; Jen... love, goodness, benevolence, man-to-man-ness, human-heartedness, kindness; I,

<sup>81</sup> According to Will Pittman (2003) "The Chou or Zhou dynasty was the most lengthy of all of the Chinese dynasties. It lasted from 1100 BC to 221 BC. It is separated into two main time periods. The Western Zhou lasted from 1100 to 771 BC. The Eastern Zhou lasted from 770 to 221 BC. The Eastern Zhou is separated into two other time periods call the Spring and Autumn (770-476 BC) and the

Warring States period (475-221 BC). The Zhou dynasty was located in central eastern China. "

righteousness or justice...; Chung-Shu, Loyalty and consideration....; Li, Propriety, or the rules of good behaviour.

Confucism and Taoism were different philosophies, both of which were based on the notion of universal order, according to Granet (1981:122 – 123);

For Taoists" "Universal Order was reality, a concrete principle, the First principle - ..... a reality characterized by its logical necessity and considered the aspect of a Power of Realisation, prime, permanent, omnipresent.

These concepts of universal order direct the Taoist's day to day lives of Taoist's in business too. However, the long history of China up until today has been influenced by a large range of philosophies which has given rise to a kind of hybrid philosophy which drives business values today with the dominant philosophies having such similarities, family and interconnectedness controlling business today.

Today's Chinese business philosophy has been shaped by Confucism, Taoism, Materialism<sup>82</sup>, Islam, Nestorian<sup>83</sup>, Manicheans<sup>84</sup>, Judaism and Christianity and of

Materialism is the simplest (or most simplistic) explanation of reality: the belief that all that exists is the physical; there are no higher realities; no psychic or spiritual truths independent of the physical world. Materialism itself is a theme, a specific, culturally determined way of thinking about reality. <a href="http://www.kheper.net/topics/worldviews/materialism.htm">http://www.kheper.net/topics/worldviews/materialism.htm</a>

<sup>&</sup>lt;sup>82</sup> Materialism can refer either to the simple preoccupation with the material world, as opposed to intellectual or spiritual concepts, or to the theory that physical matter is all there is. This theory is far more than a simple focus on material possessions. It states that everything in the universe is matter, without any true spiritual or intellectual existence. Materialism can also refer to a doctrine that material success and progress are the highest values in life. This doctrine appears to be prevalent in western society today. Materialism can also refer to the term. http://www.allaboutphilosophy.org/materialism.htm

<sup>&</sup>lt;sup>83</sup> The Nestorian or Assyrian Church is a kind of oriental national church ("church of the east") that was opposed against the Roman church after the council of Ephesus in 431. The Assyrian Church is said to be founded by the apostles Thomas and Addai and was very widespread not only in Syria, Mesopotamia (modern Iraq) but also in Persia where the *katholikos* of Ktesiphon-Seleukeia acted as bishop of the Eastern Church. The bishop again renounced the council of Chalkedon in 451 and

course, more recently by Communism. (Giles 1906: 36 - 68). Confucism and Toaism being the most important.

Fingarette (1972:6) explained "Confucius saw, and tried to call to our attention, that the truly, distinctive human powers have, characteristically, a magical quality."

According to Mason<sup>85</sup>, Taoist principles, though, are built on harmonious action, oneness, cyclical growth and dynamic balance. It is based on "observation of nature... seeing observer and observed as one entire system."

Confucius's human powers versus the observer and observed being in one system. By intertwining these values of balance and harmony with loyalty to the family this

followed the teachings of Nestorios who believed in the unity of the human and divine nature of Jesus Christ, a dogma that was later manifested as the two hypostatic natures of the Christ (two natures, two persons, Chinese: erxing erwei). The bishop of the Eastern Church acted as head of all eastern Christians and promoted the voyages of missionaries to India and Central Asia. From the 7th to the 11th centuries Nestorianism was the Christian sect with believers in the most widespread territory. There is a bilingual stele in Chinese and Syrian (Ugaritian) in the prefecture of Xi'an (older texts write: Si-ngan-fu), erected in 781 and rediscovered in 1625 that reports the existence of Nestorian (Chinese: Niesituoli) parishes in China since the beginning of the 7th century. Nestorian monks lived in a "Persian" Yiningfang Monastery in Xi'an, and the first missionary was a Persian called "Aluoben" (Alopen). After the expellation of foreign missionaries in the 840's, the Yuan Dynasty period of religious tolerance against foreigners enabled a second wave of Nestorian missionaries (hence called erkehün, Chinese: yelikewen) to work in China. Since the 15th century Nestorianism lost its influence in China and vanished around 1550. Today the number of Nestorian Christians in the whole world is about 150,000, and the church is dived into different branches. In the last years many documents about Nestorianism in China were discovered in the Central Asian parts of China, like the translation of Nestorian liturgies, the Xutingmi shi suo jin, and Yishenlun "Monotheism". The Syrian script used by the Nestorians was the base for the creation of the Mongolian and Manchu alphabets. http://www.chinaknowledge.de/Literature/Religion/nestorianism.html

Manichæism is a religion founded by the Persian Mani in the latter half of the third century. It purported to be the true synthesis of all the religious systems then known, and actually consisted of Zoroastrian Dualism, Babylonian folklore, Buddhist ethics, and some small and superficial, additions of Christian elements. As the theory of two eternal principles, good and evil, is predominant in this fusion of ideas and gives colour to the whole, Manichæism is classified as a form of religious Dualism. It spread with extraordinary rapidity in both East and West and maintained a sporadic and intermittent existence in the West (Africa, Spain, France, North Italy, the Balkans) for a thousand years, but it flourished mainly in the land of its birth, (Mesopotamia, Babylonia, Turkestan) and even further East in Northern India, Western China, and Tibet, where, c. A.D. 1000, the bulk of the population professed its tenets and where it died out at an uncertain date. http://www.newadvent.org/cathen/09591a.htm

85 www.taoism.net/articles/mason/principl.htm

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generates a business approach dissimilar to the western one. Even governments should take on the mantel of the caring parent according to this philosophy.

According to Hsu (1932:105)

"The principle of benevolent government may be briefly stated as follows: Government should be based on virtue and should operate for the benefit of all people just as parents affectionately care for their children..... politics based on benevolence and righteousness."

According to Chi-Yun (1957:1) "He who possesses the fundamental virtues of wisdom, kindliness and courage is a gentleman."

These are the principles to which the Confucian business person aspires to.

Chi-Yun goes on to say (Chi-Yun, 1957:270)

The basic principle of Confucianism is the development of the human personality. Kindness is at once human and humane. The "original nature", "conscience", "Goodness" and "good instinct" mentioned by Mencius and "to follow the expression of one's nature is to be right" of the doctrine of the mean 86 all have reference to the development of human personality. Considered from the point of human motives, kindness is pure and true sympathy. It is like seeds of plants, full of potentiality of life. A kind man will try to ensure that every act is in accordance with reason and the development of his ability to distinguish clearly between right and wrong which is known as rationality. A kind man will try to be orderly and observe amenities in his social life which is known as courtesy or the observation of the rites. A kind man will try to do his best to discharge of his

<sup>86</sup>The Doctrine of the Mean is one of the Four Books, part of the Confucian canonical scriptures.

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social and political duties which is known as loyalty. A kind man will not do to

others what he does not want done to himself – this is understanding from which

stems tolerance.

...democratic thought underlay the basic sprit of the Chinese nation for two

thousand years. The political constitution of ancient China was substantially one

type of democracy.

(Chi-Yun: 1957:29).

Concepts including orderliness, the development of personality, having a conscience,

being kind, having good instinct, are encouraged in the Chinese business. Such

concepts are considered to be virtues and as such to be strived for. These concepts

partly give rise to the loyalty to family and quanxi.

Tu (1998:4) suggests;

The Confucians opted for a long-term solution to the collapse of the Chou

Dynasty through education and character building. They believed that one

could attain true nobility through self-cultivation and inner enlightenment.

Their ideal humanity (sagehood) and their practical model (the nobleman)

were not only the prophets and philosophers but also teachers and

statesmen. This combination of theory and practice made them men of

spiritual vision and political mission who shared a common faith and

creed.

In times of adversity this development of self took the place of development within

the country. If the country, that is the government, was proving to be unstable, or even

about to be removed, then personal stability took its place. Building on the idea of

harmonious relations, self cultivation and inner-enlightenment – these were considered important guiding concepts for the Chinese business person.

Burkhardt (2006:3) opined that;

For a few thousand years, prior to the leveling of incomes under the new dispensation, there were no more ardent worshippers of Mammon than all classes of Chinese society. Rich and poor alike cultivated his favours, for no one could have too much money. The poor needed it to raise themselves above the level of starvation, and with the rich it created a vicious circle, in that wealth tended to increase the family and the number of dependents for whom provision had to be made in accordance with the laws of Confucious.

For the Chinese business person; family, building good relationships, self development, order and profit are the basis of the business philosophy. These drivers have developed the business principles on which most Chinese businesses work today.

Family firms in China tend to be

organised as simple partnerships, relying on household capital and the resources' of kin and friends, demonstrating little separation of ownership and control

(Zelin 2007:2).

In the same paper Zelin goes on to suggest (2007:12) that many Chinese businesses today are founded on the concept of trusts owing to the legal protections these offer.

A modern development of the wider family concept which now has been able to obtain a legal protection not available until quite recently

A comparison of Chinese and Western business practices is reproduced below in table I

Table I

<b>Business practice</b>	Western	Chinese
Main Purpose of Company	Maximise Shareholder wealth	Serve family interests
Financial Openness	Public Financial reports	Financial information kept secret
Financing sources	Public sale of securities	Family and friends of family
Transfer of ownership	Mergers and unfriendly acquisitions	Companies are not sold due to family obligations
Advertising	Brand is promoted by advertising	Without advertising, sales are made via the family network
Management	Professional management, recruited on qualifications	Senior managers are recruited from within the family
Time horizon	Short term emphasis on bottom-line profits and shareholder value	Long-term family prestige is emphasised

(Reproduced from Inside Chinese Business (Chen, 2007:2)

In Appendix C this table has been re-developed and expanded to include Islamic and Indigenous businesses as well. By doing so a comparison can be made between the different ways important business issues will be approached. A simple comparison of Chinese and Western businesses alone, as above, highlights some important differences. The serving of family interests rather than maximising wealth, family interests may include wealth but can extend further. Finance is an area of difference; finance is often procured through the family and so not reported. Management and

ownership also, are kept within the family resulting in businesses not being sold. Time horizons in the Chinese companies are much longer than for western companies. As can be seen from the table in Appendix C there may be similarities between Chinese and Indigenous businesses.

This notion of family and community pervade the Chinese business in the same way as with the Islamic business. This notion of the importance of family and community in business is again reminiscent of the Māori business. This notion of family and community pervades these three cultures and yet in western culture and particualurly in business is not so apparent. For Māori it may be possible that to look to Asian and middle-eastern businesses for helpful models may be more productive than looking to western culture and business literature. When the table is examined there is a complete mismatch between the family of the Chinese business and the wealth creation, individualistic approach of the western business.

## **Indigenous business**



**Fig Twenty -Three**. Pearl divers – many pacific islands have black pearl businesses all of which are small family businesses<sup>87</sup>

Indigenous business is based on the same interconnectedness (Lindsay 2005) that Chinese and Islamic businesses are. Before describing those similarities in more detail it is helpful to take a quick look at the early history of hapū and iwi trading with Europeans in Aotearoa/New Zealand.

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 $<sup>\</sup>frac{http://www.google.co.nz/imgres?hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=KHHq3SYcQsWndM: \\ \&imgrefurl=http://www.theage.com.au/travel/activity/surfing-and-diving/legends-of-the-deep-20100716-$ 

 $<sup>\</sup>frac{10 djb.html\&docid=AQSPQ1mXCBneyM\&imgurl=http://images.theage.com.au/2010/07/19/1702159/Ama-Pearl-Divers-$ 

 $<sup>\</sup>frac{420x0.jpg\&w=420\&h=413\&ei=aysdUpozjoKVBYuSgPgL\&zoom=1\&iact=rc\&page=1\&tbnh=140\&tbnw=141\&start=0\&ndsp=26\&ved=1t:429,r:1,s:0,i:85\&tx=51\&ty=64$ 

### Hapū and iwi trading

By the time the first Europeans arrived in Aotearoa/New Zealand in 1769 Māori had a vibrant economy in place (Petrie, 2006). Despite conflict, commerce and trade was a day to day activity – large fishing nets, food storage, manufactured items all attest to this. Shellfish, pounamu, obsidian, and other items were moved around the country including across Cook Strait. Clearly these artefacts and foodstuffs were traded. The idea of trade was fully established when Captain Cook arrived. Māori began to trade almost immediately for the new technologies they saw on Cook's vessel. This ability to trade immediately would not have been possible unless the concept of trade was not already established in Māori society.

These entrepreneurial traits were to set Māori in good stead in the last years of the eighteenth and first part of the nineteenth centuries; trading with whalers, sealers, settlers and European traders and again in the late twentieth and twenty first centuries when the Māori economy began to revive after a long period of stagnation brought on primarily by Government policies and legislation. The nineteenth century policies and legislation resulted in large tracts of land being confiscated from their Māori owners. Along with the confiscation of their land Māori were subjected to restrictions which severely limited their access to resources and hence their ability to trade. The result of the policies, legislations, orders and restrictions were that Māori had very little to trade (Native Land Act 1864, Settlement Act 1865, Tohunga Repression Act 1907, Rebillion Act, 1865)

A supplement in the Dominion Post of 21<sup>st</sup> July 2007 paraphrased the work of Davidson (1984) and Petrie (2006) by reporting that as soon as East Polynesians arrived in New Zealand they were involved in manufacturing –

tattooing, canoe-building, making of adzes, fishhooks, tapa, netting, basketry and the shaping of patu were among the skills brought to New Zealand. (by 1200 to 1500). Objects created for daily life included flax pounders, canoe bailers, flutes, feather boxes, sinkers, serving bowls, burial chests, pendants and weapons. (By 1500 to 1800) carving and decoration became freer as large war canoes and wharenui (meeting houses) were built and was seen in objects like whalebone combs

According to the published MAF<sup>88</sup> timeline, trade or exchange of goods between Māori tribes was common – the trade was based on barter instead of the exchange of money. Māori had no monetary system as it is understood today in the western sense so trade was accomplished by bartering products whereby items were effectively swapped with ideally each party seeing the received item as having equal or greater value than the item they had parted with. Clearly there was a vibrant trading and manufacturing economy prior to European contact.

The system of barter in place may have rested on the Māori notions of koha and utu. This would have been effective when hapūhapū and iwi Māori groups traded among themselves whereby items were effectively gifted with the expectation there would be a return gift at some unspecified time in the future. Trade with Europeans was most likely more immediate with items changing hands simultaneously. So it is possible that iwi when, trading amongst themselves, pre-European and in the early contact

<sup>88</sup> Ministry of Agriculture and Fisheries when this article was written. Then the Ministry of Agriculture and Forestry, then the Ministry of Agriculture, Fisheries and Forestry, now Ministry of Primary Industries.

phase, may have been using a less immediate system of "swapping" goods. The koha system may have been used extensively, comprising a gift that required an informal rather than formal obligation to reciprocate. Koha typically arose when a person had surplus produce or where the costs of a single event, such as a tangi, could be defrayed across many contributors. The principle of utu<sup>89</sup> could have been used in barter by ensuring obligations to the ongoing relationships between individuals and groups, having the function of binding people together by the criss-crossing of reciprocal gifts and obligations.

Hawke's Bay Māori's first recorded interaction with Europeans was distinguished by trade. Four waka gathered alongside Captain Cook's Endeavour on 10 October 1769 when it sailed near Te Mahia peninsula. The European crew received clothes, ornaments, Pounamu and whalebone patu, spears and a couple of waka paddles. In return Māori took away a collection of beads, trinkets, glass, Tahitian rapa cloth, an axe and a tomahawk. <sup>90</sup>

In Pre-European and of course in early European times Māori were trading amongst themselves in a variety of products that may have included stone, whalebone, whale teeth, moa bone, shark teeth, dolphin teeth and including a range of artefacts made from nephrite and pounamu (Firth, 1963).

Ngai Tahu bartered water, firewood, pork and potatoes with blankets, biscuits, firearms and alcohol especially at Onuku, Port Levy and Port Cooper (now Lyttleton harbour)<sup>91</sup>.

<sup>&</sup>lt;sup>89</sup> Utu was recieprocity in the sense of keeping things in balance – but could extend to the European concept of revenge.

<sup>90</sup> Evening Post, Wellington, 30 December 1995.

<sup>&</sup>lt;sup>91</sup> www.ccc.govt.nz/CityPlan/BanksPeninsulaDistrictPlan/<u>Chapters/Chapter05.pdf</u> page two

Clearly Māori traded with one another prior to the arrival of Europeans. The widespread use of greenstone throughout the country when it was only found naturally occurring in the West Coast of the South Island is a testament to this. Obsidian, principally from Mayor Island is also found throughout the country. According to one website 92, out of this grew the custom "Homai o homai" – a gift for a gift.

One can easily conclude that Māori were active traders in both pre-European contact and early contact phases. So when Europeans arrived it was natural for Māori to start trading with Europeans as well. Later, after the early contact phase with Europeans, bartering and simple exchange slowly changed into exchange for money.of course, this was sold was for money. A wide range of items were bartered, from foodstuffs to collectible items in return for new technology in the form of metals, fabrics and tools. These ultimately made a considerable difference to the Māori way of life. By the early 19<sup>th</sup> Century Māori were exporting fish along with other foods to Australia.

By the 1790's there was continuous trade with the new colony of Sydney cove in New South Wales, Australia, and from the early 1790's American, British, Australian and later French whalers and sealers were hunting in the southern waters (Petrie, 2006), Māori were trading with these Europeans as well. Generally this consisted of food for metal items and presumably some weaponry. By the 1820's there was a successful ship building industry. British Royal Navy ships regularly cut spars to replace those damaged in the lengthy and the often storm-ravaged trip to Aotearoa. The Hokianga harbour in particular was frequently visited. From 1805 New Zealand seals skins,

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<sup>&</sup>lt;sup>92</sup> The website address is unclear the document is called MāoriMāori social structure – the society of the MāoriMāori of New Zealand

whale oil and timber were traded with New South Wales. Also by the 1820's the flax trade was booming. Te Atiawa at Ngamotu were trading muskets for flax by 1823.

In 1837, a customs report showed that 1063 tons of flax was exported. Sydney and Hobart merchants had established agents around New Zealand and Māori were regularly trading their flax with these agents for muskets, powder, shot, tomahawks, blankets, calico, clothing, pipes, and tobacco. There was great demand in Europe for flax to be made into cordage, rope and sails, as well as some clothing. So there was plenty of opportunity for Māori to trade the fibre for the range of goods they wanted.

In the 1830's wheat was exported to New South Wales. In Taranaki there were many flour mills – in fact more than were needed to supply European needs. For many hapū the flour mill had become something of a status symbol, something that each hapū wanted as it also enabled earnings from Pākehā interested in buying the foodstuff. Perhaps the nineteenth century equivalent of having the right car!!

According to Matheson (2000:1) Māori had utilised the flax fibre - harekeke, (Phormium tenax) for hundreds of years, using mussel shells to scrape and extracting the fibres from the leaf so that it could be woven or plaited into a range of garments and other items including; baskets, floor coverings, ropes, nets, and a multitude of other items requiring the fibre. From the 1820's to the 1860's there was a considerable trade in the hand dressed fibre between Europeans and Māori most of which went to Australia and Britain to be made into rope. By 1840 there was a small cordage industry in New Zealand and several rope makers were producing ropes and twines for local use. The trade with Māori for hand dressed fibre ceased fairly rapidly

when flax milling became mechanised due to the invention of the stripper that produced 250kg of fibre per day instead of the one kilogram by hand. But by then Māori had much of the weaponry and iron tools they needed. Trade had reached the replacement stage of the product cycle.

In his book, "Making Peoples" James Belich says there was a considerable amount of Māori entrepreneurship in the years prior to 1860 (2001: 213-217). He claims that Māori accounted for 60% of the custom dues paid on European imports in 1856 alone. He describes flour mills, flax businesses, kauri exports, gold, and says market gardens grew "large quantities of potatoes, maize, onions, cabbages, and peaches; moderate quantities of kumera, pumpkins, and grapes; and small quantities of melons, apples and quinces". This was augmented with wheat, flour, fish, pipis, oysters, pigs, chickens, ducks, geese, turkeys and goats. In the year priors to 1860 Māori entrepreneurship was the backbone of the New Zealand economy until the Pākehā population had risen to the point where European businesses were taking over from the Māori suppliers. Even those parts of the economy that were driven mainly by the Europeans, like sealing and whaling, only were able to thrive under the watchful eye of Māori who enabled those businesses to exist alongside their own communities for reasons of the commerce which they enjoyed as a result.

Belich also points out the trade with Māori had its peaks and troughs which were not the result of economics in the western sense. For example by the 1830's the flax trade was in decline, not because there was a lack of demand from the Europeans but because Māori had sufficient firearms and other technologies and no longer needed to use this resource to procure arms in the volumes they once had. By the same token

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there were more flour mills than needed because there was a status attached to having

a flour mill which was independent of its economic worth in the western sense. By

1847 the going rate was to pay European builders 400 pigs per mill.

Kaimoana was perhaps, the most important trading item as coastal tribes were able to

trade it with inland groups for goods such as birds, berries or workable stone. In

Canterbury, Kaiapoi pa was a trading pa with eight separate gates. Built on a similar

plan to European trading sites of the Middle Ages. Captain Cook claimed to have

seen fishing nets of 600 fathoms, or 3600 feet (Beaglehole, 1967). Such nets of a

kilometre or more were catching more fish than the hapū or whānau or even more

than a hapū could consume themselves. Whilst at least some fish would be dried for

storage, it is most likely that reasonable volumes of the catch were for koha and trade.

According to a Ministry of Fisheries document published on the web<sup>93</sup>

Traditional Māori fishing operations were very well organised. Different

tribes had their own fishing area. Tribal boundaries were marked by

landmarks and stakes and protected against trespassers.

Māori enterprise in the 20<sup>th</sup> and 21<sup>st</sup> centuries

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93 www.starfish.govt.nz/science/facts/fact-traditional-MāoriMāori.htm accessed 15th June 2007



Fig Twenty-Four. Whale Watch<sup>94</sup>

The New Zealand Herald<sup>95</sup> reported in December 2007 that 300 new Māori businesses start up each year – compared to a total new business start up of 60,000, across the whole economy in the year to February 2007<sup>96</sup>. This reported figure is lower than the actual figure owing to a Statistics New Zealand policy that necessitates that Māori claim (or state) they are Māori on the business census form the same as required for the population census. If a respondent does not do this then the new business start-up is not counted towards a new Māori business activity but simply a general new business start up. Due to this under reporting the portion of new Māori businesses start-ups is recorded as being disproportionately low at perhaps only 1 to 2 % of the total business start-ups. In addition to what seems to be a low start up rate, according to Statistics New Zealand data a Māori business is half as likely to survive the first three and a half years of its operation. Nevertheless according to GEM (2005) there

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 $<sup>\</sup>frac{https://www.google.co.nz/search?hl=en\&site=imghp\&tbm=isch\&source=hp\&biw=1280\&bih=819\&q=pearl+divers\&oq=pearl+divers\&gs\_l=img.12..0l3j0i5l4j0i24l3.2091.5180.0.7130.12.12.0.0.0.0.249.17\\ 46.2-$ 

<sup>8.8.0....0...1</sup>ac.1.25.img..4.8.1746.FJVBPRSkMyA#fp=27c006b1bb7c583d&hl=en&q=whale+watch&t bm=isch

<sup>95</sup> New Zealand Herald 31 December 2007

<sup>&</sup>lt;sup>96</sup> Statistics New Zealand

were 17,000 Māori entrepreneurs implying that there were this number of Māori businesses.

# Indigenous business and culture

According to Peredo et al (2004:14) ethnic entrepreneurship (business) almost always address the issues of migrant populations and the situation of relative newcomers to a particular region or nation. In contrast Indigenous entrepreneurship (business) deals with those who have always lived in the region or country and are in fact the original inhabitants.

Redpath and Nielson (1997:327) showed that core values were different between Indigenous and non-Indigenous communities. As the core values are related to culture then those values important to a culture will be, at least similar to values important to business endeavours, attitudes and personality of the people of that culture. Thus the culture of the business person must be an important aspect of their entrepreneurial activity.

Lindsay (2005:2) provides some focus for how cultural values, or worldview, may present itself in an Indigenous business;

where entrepreneurship from a non-Indigenous perspective is focussed upon the commercialization of innovation, Indigenous entrepreneurship is associated with creating, managing, and developing new ventures by Indigenous people for the benefit of Indigenous people. Entrepreneurial benefits to Indigenous people may extend from economic benefits for the individual to multiple social and economic advantages for entire communities. Underpinning these benefits are strong desires for self determination and the preservation of heritage. Indigenous people prefer to develop entrepreneurial strategies originating in, and controlled by, the community and with the sanction of Indigenous culture.

Indigenous peoples often look for businesses that are socially and culturally based and will provide cultural and social outcomes for the group operating them. Indigenous cultural values are often used to drive these businesses.

To further amplify this notion of cultural values driving business values we can turn once again to Lindsay et al (2006:58)

Whereas non-Indigenous entrepreneurship focuses upon the commercialisation of innovation (an economic perspective), Indigenous entrepreneurship embraces non-economic conditions (e.g. environmental dynamics and social conditions), as well as economic conditions. Indigenous people prefer developing entrepreneurial strategies originating in, and controlled by, the community and with the sanction of Indigenous culture. Thus business opportunities from an Indigenous perspective may embrace both economic and non-economic objectives and may be "different" than what non-Indigenous entrepreneurs regard as an opportunity from purely an economic perspective.

Lindsay et al (2006:60 - 72) based on their research into aboriginal enterprises claim that there are six traits that nascent<sup>97</sup> Indigenous entrepreneurs will show;

1. Nascent Indigenous entrepreneurs will exhibit high levels of empathy

<sup>&</sup>lt;sup>97</sup> Nascent refers to entrepreneurs who are only beginning to come into existence and display signs of future potential and are in the early development stage.

- 2. Nascent Indigenous entrepreneurs will exhibit high levels of achievement
- 3. Nascent Indigenous entrepreneurs will demonstrate high levels of hedonism<sup>98</sup>
- 4. Nascent Indigenous entrepreneurs will demonstrate a relationship between hedonism and expected personal performance (but not in all cases)
- 5. Nascent Indigenous entrepreneurs will demonstrate high levels of entrepreneurial attitude towards opportunity recognition
- 6. Nascent Indigenous entrepreneurs will demonstrate a relationship between their entrepreneurial attitude toward opportunity recognition and expected personal performance (but not in all cases)

Empathy, achievement, pleasure, opportunity recognition, and personal performance, here Lindsay is describing some of the characteristics of an Indigenous entrepreneur. That there will be empathy, high achievement, hedonism<sup>99</sup>, opportunity recognition, and that there will be a preference for projects which are sanctioned by the community and have a high level of Indigenous culture. This is consistent with Indigenous businesses wishing to provide for social and cultural benefits to their communities along with economic benefits for the owners of the business – who, of course, in many instances may be the same. This also aligns well with my research which shows that Māori business owners are interested in putting a lot back into their communities by using their business to foster development of others and to support Māori culture.

Hofstede, (1983) and in later work, Hofstede and Bond (1988) developed five measures of culture in respect to an organisation. By taking these it is possible to extrapolate these measures on to any culture be it organisational or otherwise. For

 $<sup>^{98}</sup>$  Hedonism, strictly speaking, is the theory of ethics which says that pleasure is regarded as the chief good (Oxford English Dictionary).

<sup>&</sup>lt;sup>99</sup> In this case hedonism refers to the pleasure the entrepreneur gets from their entrepreneurial activity. That is the person really enjoys being an entrepreneur. and can gain satisfaction from that alone.

what is culture if it is not a certain group of people, doing certain things in a certain way at a certain time, in general terms anyway. Using the Hofstede approach it may be possible to describe an Indigenous business through the "scientific" approach. This "scientific" approach towards culture is seen by Indigenous people as quite foreign to their own worldview. However, despite this "poor fit" between the western worldview of Hofstede and the Indigenous worldview it is helpful to look at Hofstede's cultural description of a business in order to test how these might work with an Indigenous business as Lindsay (2005) has done.

### His measures include;

- 1. Individualism-collectivism referring to the degree of integration between members of society and the extent to which it values individual over collective needs. In collectivist cultures, which most Indigenous cultures are, group interests supersede individual interests, and one's sense of identity is defined by the relationship to the ...extended family or community. Individualist cultures on the other hand place greater emphasis on self-sufficiency and individual identity
- 2. Power-distance which has to do with the degree to which unequal distribution of power and wealth is accepted
- 3. Uncertainty avoidance reflects the way different societies deal with the uncertainty of the future
- 4. Masculine-femininity has to do with the degree to which cultures stress aggressiveness, achievement, and pursuit of material things versus harmony, and preservation of the quality of life

5. Confucian dynamism (or time orientation) distinguishes between a long-term and short-term orientation toward life and work.

Hofstede's elements of individualism-collectivism, power-distance, uncertainty avoidance, masculine-femininity and Confucian dynamism can be used to describe an Indigenous business which the Indigenous owner might form and gives some guidance to understanding the elements of culture which one might expect in an Indigenous business. Lindsay (2005) and Redpath & Nielson (1997) have been able to do this and Redpath and Nielson (1997:329) further says in a précis of Hofstede's framework on the "application of cross-cultural differences in management, motivation and leadership", that (1997:330 - 336) Indigenous cultures tend to be collectivist; power distance is not important due to "native societies being nonhierarchical"; 100 uncertainty avoidance is usually achieved in Indigenous societies by "rules imposed by tradition"; masculine-femininity tends to show a bias towards masculine features; Confucian Dynamism tends to be very difficult to define in a western way due to the cyclical approach the Indigenous cultures have towards time, the traditions of the past and obligations to the future. In summary Redpath and Nielson claimed that Indigenous entrepreneurs would be collectivist in their approach; have no difficulties with unequal wealth distribution; be relaxed about uncertainty avoidance by using their own values; be aggressive and strive for personal achievement and pursue material gain; and may not distinguish between the short and the long term. All entrepreneurial traits which would stand them in good stead for working within the western capitalist system.

<sup>&</sup>lt;sup>100</sup> It is difficult to agree with this ascertion of *non-hierachical* as Indigenous societies have tiers of authority and specialised postions at least to the same extent as other societies.

Lindsay (2005: 4-7) came to alternative conclusions. He made 10 postulations largely drawing on Hofstede's work in understanding culture in organisations. In these postulations he has been able to draw some expected behaviours when comparing Indigenous entrepreneurs to non-Indigenous entrepreneurs. These are but briefly suggest there will be no difference expanded below for individualism/collectivism; power/distance, uncertainty avoidance or masculinity/femininity. Whereas the entrepreneurial attitude will show some differences; in fact of the Indigenous entrepreneur Lindsay predicts low levels of attitude toward achievement, innovation and self-esteem both in recognition and in orientation.

- There will be no difference on the individualism/collectivism cultural dimension between Indigenous entrepreneurs and Indigenous nonentrepreneurs
- 2. There will be no difference on the power distance cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 3. There will be no difference on the uncertainty avoidance cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 4. There will be no difference on the masculinity/femininity cultural dimension between Indigenous entrepreneurs and Indigenous non-entrepreneurs
- 5. There will be a relationship between culture and the entrepreneurial attitude of Indigenous entrepreneurs
- 6. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension achievement

- 7. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension innovation
- 8. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Attitude Orientation dimension self-esteem.
- 9. Indigenous entrepreneurs will demonstrate low levels of the Attitude
  Orientation Recognition dimension innovation
- 10. Indigenous entrepreneurs will demonstrate low levels of the Entrepreneurial Opportunity Recognition dimension innovation

Lindsay's views are important because he argues that there are few differences between the way in which Indigenous people behave when comparing Indigenous and Indigenous people who are not entrepreneurs.

Lindsay suggests that Indigenous people will behave essentially in the same way whether they are entrepreneurial or not. Lindsay also suggests that there will be a relationship between culture and their entrepreneurial (or business) attitudes which is certainly what my research found in the case of a wide range of Māori values being used by the Māori business owner. Additionally Lindsay postulates that Indigenous business people will show low levels of acheivement, innovation and self-esteem, whilst in the group of Māori business owners this thesis focuses on their was evidence from respondents that business for personal gain did not sit well, though this does not necessarily mean they were neither successful achievers or innovators.

My research has found that Māori business owners use many of their cultural values in their businesses and that they integrate their Pākehā and Māori values and concepts

innovatively to achieve the results they want. This is a little different to Lindsay's suggestion that Indigenous business people have low self-esteem, innovation and achievement. It may be that these levels are already higher amongst Māori than in Lindsay's study group, which could account for the differences.

According to Lindsay Indigenous entrepreneurs will make use of their culture in their entrepreneurial endeavours. The Indigenous business will not be as interested as their western counterparts in achievement, innovation and self-esteem but in other ways will be the same as their western counterparts. Yet, according to the GEM report Māori are amongst the most entrepreneurial people in the world and as we have seen entrepreneurs must be keen to make change. A conclusion may be that the Hofstede descriptors do not completely explain how an Indigenous business behaves.

Table II – comparison of Redpath & Nielson and Lindsay's conclusions on whether a descriptor was important to an Indigenous business.

Measurement	Redpath & Nielson	Lindsay
Collectivist	Yes	Yes
Power/distance	Yes	Yes
Uncertainty avoidance	Yes	No
Masculine/femininity	Masculine	Masculine
Confucian dynamism	Don't distinguish	Towards the longer term

Essentially the two areas of divergence for Lindsay and Redpath & Nielson are in Uncertainty avoidance and Confucian dynamism where each have opposing views on how Indigenous business owners avoid or not the uncertainties in their enterprises. Additionally Redpath & Nielson would claim that Indigenous business owners see no difference between what they do in the short term and what they do in the long term. Certainly Māori business owners generally have long term horizons with their planning processes often looking many years ahead. As already described entrepreneurs (or business owners) are risk takers to the extent that they appear to take risks the non-entrepreneur would not wish to take. Also as already described entrepreneurs are self confident and use this confidence to take smaller steps each of which they have confidence in but to the outside observer who only sees the big step this is seen as risky so business owners may erroneously be seen as taking risks. The intergenerational nature of some Indigenous organisations anecdotally is given as evidence that Indigenous entrepreneurs take a very long term approach. The truth of this assertion needs further research to determine how long term Indigenous businesses may truely see themselves. Many Māori business organsiations have long term plans covering many years (Tuaropaki Trust, Tainui Group Holdings, Ngai Tahu Holdings)

In their work with Ethnic businesses in Canada Perreault et al (2003:3) noted that "The first way in which entrepreneurs rely on their ethnic groups is in the hiring of co-ethnic employees".

Such practices ensure that like-minded individuals are staffing the organisation. People who will be able to work together and understand each other well. Certainly respondents in this research often described the importance of family in their business

Indigenous business owners often have issues to contend with which are different, to those of the non-Indigenous entrepreneur. For example, Siobhan McDonnell in her article (1999:9) on Torres Strait women entrepreneurs noted that the reasons for lack of success were largely financial including access to credit and lack of savings. These constraints are not dissimilar to those experienced by other Indigenous business owners. As well as financial implications for the Indigenous business owners other issues (barriers) come into play in a different way to their effect in the non-Indigenous businesses.

Barriers to Indigenous business fall into six main categories <sup>101</sup>;

- > Trapped outside the 'real 'economy
- Business readiness
- > Potential for cultural conflicts
- ➤ Access to capital and infrastructure
- > Governance
- ➤ Absence of skills transfer and succession planning

This article also explains the characteristics that are missing from the six main categories, including an understanding of the commitment needed to run a business, an ability to operate in a mainstream business culture, an education base sufficient to understand the operation of a business, work experience directly related to the

<sup>&</sup>lt;sup>101</sup> Indigenous Business Review Chapter 4 page 43

business, and the ability to articulate the business purpose. The obligations to share with family or the community can put undue strain on the viability of the business. In the financial sense the constraints are; the lack of family and or community wealth along with the lack of savings history, assets and liquidity or equity leads to underfunded and often as a result, an unviable business. Proper management and accountability systems can be lacking along with the lack of knowledge of the legal obligations giving rise to bad decisions and failure.

This means that Indigenous businesses often must work with community support. That community may be the social community within which it operates or the support of other Indigenous business people in the geographical area. This enables the business to become somewhat community focussed.

Mark Casson (1995:83) described culture as "dealing with values and beliefs to which everyone in the group performs" and "individual members are not aware of its influence. This in turn means that they are not naturally critical of these beliefs" The Indigenous entrepreneur often has constraints on their success which are additional to those faced by the non-Indigenous entrepreneur in western countries. Along with the values they bring to the business which are different to western values a range of constraints in the form of educational and financial difficulties can also arise.

Dispite these difficulties the strength of the Indigenous (Māori) business is in its collectiveness, it is in its adhesion to traditional family values which pervades the businesses described by my respondents. These notions of family and community are

not unique being found in Islamic and Chinese businesses as well. What may be unique is the individualistic approach of the western business.

### The best of both worlds

For the Moari business owner, their traditional knowledge rests firmly in their understanding of their Māori values. Their western knowledge lies in the Pākehā concepts and values they bring to their business. The Māori business owner is able to distinguish and choose the concepts, values, worldview and beliefs from each of their cultures to create the business they desire.

The businesses described in this thesis are all based on the use of some form of traditional knowledge. The business owners have melded and intertwined their Pākehā and Māori values and concepts into a new set of values and concepts which become their business. In the same way they, themselves, and their suppliers have done something with knowledge. Māori traditional knowledge and western knowledge are often brought together to produce, for example, vibrant new art forms like Māori artworks produced in plastics. This interweaving of knowledges has most likely been occurring since first contact with Europeans. Examples might include; trading in sailing ships; market gardens; flour mills; flax (harekeke) fibre manufacture and export; kauri gum; and wood for repairs to sailing vessels.

The use of Māori and Pākehā values and concepts; the use of Māori knowledge and cultural knowledge each interwoven into the other until the final outcome is seamless.

This interweaving of the positives from each culture is the basis of the ambicultural approach as proposed by Chen (2001, 2007). The ambicultural approach is useful in exploring how Māori are able to take the best from their own culture and the Pākehā culture to produce the results seen with Māori business owners.

The relational perspective ambiculture explains how cultures which may be seen as opposites do not necessarily need to be so. For example, "socialism and capitalism, competition and cooperation, friends and enemies (Chen and Miller, 2012). Using this relational perspective Chen and Miller (2012) argues that the opposites do not simply exist in a relationship with each other they are in fact bound to each other in a sort of interdependence. The relationship between the opposites is more important than the opposites themselves and that this relationship is what will eventually result in something worthwhile. In this world socialist and capitalist may exist together as a socialist market economy (Chen and Miller, 2011). Chen's research has encompassed organisations that bring together the concepts from the East and from the West.

We use the terms "East" and "West" to contrast two cultural traditions in certain aspects of their thought and social practices. By "East" we mean China and other so called "Far Eastern" countries, such as Singapore and Vietnam, that have been influenced in varying degrees by Confucian thought.

(Chen and Miller, 2011)

The terms of "East" and "West" are themselves neither of them homogenous. Confucious thought seeks balance in relationships, it seeks harmony. An ideal that is not very different from the concept of utu in Māori culture where the concept is to bring things back into balance.

China has had high growth rates for the last few years. The confucious philosophy of bringing things into harmony may explain Chinese success. The success arising from their being able to take the best of their Eastern culture, with the best of Western culture to build something new. The notion of the individual for Chinese is different to the western notion of the single unit. For the Chinese no individual may exist except in relationship to another (Chen 2002). The notion of connectedness that pervades the Indigenous world view is immediately brought to mind. In the Confuciasm world view then the notion of family is the extension of the individual;

The Chinese emphasis on family, then, may be understood as the social institutionlism of the relational perspective. According to tradition, not only is the individual defined within the context of family, but this mechanism of contextual definition serves as a prototype for all organisations, from social clubs to educational institutions to political parties. As a result, individuals are regarded at every level of social interaction not as self-contained entities, but as links in a broad social network.

(Chen and Miller, 2011)

This concentration on the collective rather than the individual has similarities to the Māori worldview.

This notion of the relational perspective giving rise to the notion of ambiculture is not restricted to the individual and collectivist ideas. For the west the notion of individual wealth as opposed to collective wealth seems to be at odds. However it does not need to be as organisations working in either worldview, individual or collectivist still wish to make profit and both can exist side by side. The opportunities for ambiculture go much further. There are many opportunities for taking the best out of the West and the East. The concept of time is also somewhat collectivist;

In China, events are said to unfold in continuous cycles with every event linked to every other; in fact, the Chinese calendar measures time in 60-year cycles.

(Chen and Miller, 2011)

This notion enables the Chinese organisation to work on very long time scales as it can plan for a future in which all its goals are possible. Again the similarity with the long term goals of Māori organisations is striking.

The leaders of Chinese enterprises are often looked to not simply as respected figures of authority, but as the embodiments of the spirit of their companies. Leaders are not only vital actors and direction setters, but their conduct in both intra and extra organisational relationships sets the tone and shapes the identity of their companies. With leaders acting as such important symbolic figures, character is essential.

The relational perspective puts a premium on the reputation, trustworthiness, and social "appropriateness" of the leader, who is defined by relationships with other parties.

(Chen and Miller, 2011)

The concept of connectedness pervades leadership qualities as well; in just the same

way it does with Māori.

The relational approach is used by Chen and Miller to describe the relationships that

occur and how issues that may appear contradictory do not need to be. The relational

approach is the basis of ambiculture which is a term coined by Chen to describe the

way in which an organisation, or person can meld two cultures and enable them to

work in harmony. "Has been to take the best from Chinese and Western philosophies

and business practices while avoiding the negatives. We call this the "ambicultural"

approach to management." (Chen and Miller, 2010). Chen bases much of his early

work on ambiculture on the Acer group and its legendary founder Shih who he says

embraces the ambicultural approach to doing business in the Chinese and western

markets.

Chinese culture values doing what is effective in the long term; there is more

patience in China than in the West. Thus .... values not short term financial

rewards but the creation of a sustainable organisation for the future.

Many Māori organisations have similar asperations for example Ngai Tahu Holding's

mission statement

For us and our children after us

I suggest that the long term view held by Chinese is similar to the long term view held by Māori. I also suggest that the collectivism approach of the Chinese, so dissimilar to the individual approach found in the western world has echoes in Māori world view of collectivism.

West focuses on the individual, China places more emphasis on the collective. Shih's philosophy of an altruistic, benefit-sharing community is in many ways consistent with that collectivism and harmony.

A key part of collectivism and harmony is pride in the community and concern with one's reputation in the community.

(Chen and Miller, 2010)

Here a melding of the individual needs and the group needs is being made taking the best out of both cultures. By taking what works from one culture and what works from another culture and working them into a new culture for the business.

In these examples from research in Chinese companies (Chen, 2001, 2007, Chen and Miller, 2010, 2011) it has been possible to take good notions collectivism, harmony, individualism and the long term view and take the best out of each to use in the operation of a company

It is suggested that in the same way Māori business owners are able to take the most appropriate concepts out Māori and Pākehā cultures to create something new and

better. Concepts of community, whanau, individual, and spiritual are woven together into a new sey of values which encompass the best of both.

Not everything from each culture needs to be kept. Turning once again to the research of Chen and Miller; mistrust, secrecy, centralised authoritarianism and ethnocentrism are four that whilst generally present in a Chinese business do not work so well when dealing with the west.

In Chinese culture, there is an initial mistrust of strangers..... by contrast, Shih believes in the natural goodness of people and expects that they can be trusted to do the right thing.

(Chen and Miller, 2010)

By infusing an organisation or people with the right values then the company will be motivated to act for the benefit of the entire community. In this way by not picking up on the mistrust usually exhibited it has been turned into an opportunity to develp alternative values leading to benefits in the community which in turn foster collectivism and harmony.

Chinese culture has prized secrecy for centuries...... "the master holds back secret tricks". But Shih believes broad knowledge and sharing is the key to human capability and development.

(Chen and Miller, 2010)

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By, in fact, doing the opposite and ensuring that there is a good deal of exchange of

information, in the form of mentoring and experience sharing so that good ideas can

have the widest impacts in the community and so again can faster collectivism. The

outcome is closer to the western system of using individual mentoring to encourage

development.

Chineses culture is paternalistic, with entrepreneurs centralising power in

themselves and employing and authoritarian, top down style of management.

Shih has.... encouraged decentralised management practice in which employees at

all levels are trusted to do the right thing and empowered to do so...... Shih did

not allow his family members to enter the business

(Chen and Miller, 2010)

Decentralised management would generally be considered a western way of doing

business. The idea of the authoritarian family group running a business is discarded in

favour of the decentralised western approach

Chinese society can be ethnocentric and convinced of the superiority of its

way of doing things

(Chen and Miller, 2010)

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Ethnocentric notions are not used in Shih's business instead using a wide range of

non-Chinese ideas which results in Acer's ability to draw on a wide range of business

ideas from around the globe.

The ambicultural approach of relational perspectives describes how a business owner

is able to take from their own cultre and another culture to build new set of values by

which they operate their business. The way in which Māori business owners take the

parts of Māori culture and parts of Pākehā culture they need to build their businesses

is very similar. So similar in fact that it is possible to say that Māori business owners

are taking an ambicualtral approach to the operation of their businesses.

Māori values

Garth Harmsworth (2006:3) suggested <sup>102</sup> that

Māori values are largely based on traditional concepts, beliefs and values. From

whakapapa and through time Māori acquired knowledge, termed Matauranga

Māori; and from knowledge came Māori values. For Māori this knowledge is still

being created and is not just a remnant of the past. Māori values form the basis

for developing principles, protocols, ethical and cultural standards, and for

guiding philosophies for sustainable economic development.

Harmsworth (2006) and Mead (2003) opine that knowledge is being created all the

time and that Māori values form the basis of the ways things are done, tikanga, are

also changing all the time. So, Māori knowledge and values are continually changing.

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<sup>102</sup> In stating this he referenced C Barlow in Tikanga Whakaaro and H Mead in Tikanga MāoriMāori.

The changes that a Māori business operator brings into their business by intwining Māori and Pākehā values is simply part of this change process. Harmsworth (2006) further observed "Principles and a guiding philosophy based on values can determine how a company wishes to operate, and organise internally, how it relates to others, how it wishes to be seen by others, and help establish a company culture." In stating this, a very clear association is made between cultural values and business philosophy. It follows then that Indigenous values or Māori values will have an effect, maybe a profound effect, on the business values an Indigenous business will adopt. The tikanga of the business will reflect the tikanga of the individuals within the business. In the case of the Māori business the Māori tikanga will be evident. The Māori values incorporated into the business contribute to the tikanga and kawa (the right way of doing things and the protocols) the business employs.

Māori businesses prefer to use the Māori cultural norms and Māori values (Harmsworth: 2002a, 2002b 2005a, 2005b 2006). This is further supported by a TPK<sup>103</sup> report, "Investigating key Māori Business Characteristics for future measures: Thinking Paper' (2007:10) which stated that Māori businesses responsible for running iwi assets looked for a number of bottom lines including; "Cultural, political, environmental, social and commercial imperatives" Māori values are used to reach the bottom line outputs. In this analysis attitudes and values were seen as different. Business values based on Māori values would be expected to vary very little over time as these were seen as based on the historical values of Māori culture. These values change only slowly over time (Mead 2004), whilst attitudes may change over time and may change from day to day. Māori business people make these changes as the

<sup>&</sup>lt;sup>103</sup> Te Puni Kōkōri – The Department of Māori Affairs.

take the best from their Māori and Pākehā cultures. This is the same as Chen and Miller's (2010, 2011) descriptions of Chinese business people taking the best from their Chinese and western ways of doing business.

Mead may be arguing that Māori values do change slowly over time. Today everything is not done the same way as the ancestors did things. Environmental and other pressures act to change tikanga pragmatically. This is evident as Māori do not do things the same way now as East Polynesians do; otherwise Māori would not have developed into a distinct culture. However, tikanga, according to Mead, should not be changed lightly and must be the subject of much debate and scrutiny to ensure changes are for the better. On the other hand people's attitudes may change often, moulded by a range of forces. The various arguments to change tikanga are evidence of this. In the same way Māori business people give considerable thought to the use of the mix of Pākehā and Māori values and concepts which build the business they wish to develop. This is exemplified by one of the research respondents declaring the four parts to their business as product; service; knowledge and values; and money.

Lindsay et al (2006:59, 60) describe values as

......provid(ing) a stable and inner-oriented understanding of individuals – more so than attitudes. Whereas attitudes are open to change – across time and situations, values are stable and occupy a central position within a person's cognitive system. Once a value is learned, it becomes part of a value system in which each value is ordered in priority to other values. Value systems provide a complete understanding of the motivational forces driving an individual's beliefs, attitudes and behaviour.

Consequently values can be learned and where a people are influenced by the values of more than one culture the values of other cultures may be incorporated into their own. This is very much the ambicultural approach of taking the most appropriate out of each culture.

The values that businesses operate by are important to the way in which a business operates and succeeds. In the case of the Māori business there is more emphasis on the social and cultural well being of the organisation — as well, these are key to the how Māori business would see itself as successful A Māori business is much more interested in the long term sustainability of both itself and its community than we would expect to see in a European business. These are Māori values which rest, and derive from, Māori culture. Hence the interest in cultural, environmental, and social outcomes for the long term. Māori are interested in the long term survival of their culture. Māori business values reflect this.

Appendix B shows some useful comparisons of various aspects of Chinese, Indigenous, Islamic and Western business. These comparisons serve to emphasise the similarities between some business systems – similarities which are based on the similar values which some cultures have with others. Even a cursory glance at this table develops the notion that maybe the western business philosophy is out of step with the some other business philosophies used around the world. Certainly a comparison with Chinese, Indigenous and Islamic would foster this view. The values which are derived from Indigenous values drive the differences we find between Māori businesses and western businesses. The values preserved by the cultures

represented in the businesses come from different cultural values. The values a business uses, the culture from which these are derived have a profound effect on the way a business is operated. The way a business is operated effects the outcomes the business is able to produce. Studying Indigenous values will help in understanding the Indigenous business. How do these values add to the productivity of the business in providing the outputs the Indigenous business requires? Do Māori values affect the day to day operation of Māori business in driving the outputs Māori business desire — cultural, environmental, financial and social? How does the Indigenous entrepreneur commercialise traditional knowledge to provide the outcomes Māori value.

Māori business owners are able to take some of their values and really make them work for them in their businesses. Māori business owners are able to take their whanau values that bring a collectivist approach to their worldview and use family both to enhance their business and by using their family connections and where appropriate providing employment to family members where their skill matches the business.

# Conclusion – Māori business owners are developing new business models to operate their businesses

Māori business owners are working in the western world, and the Māori world. They use Māori and Pākehā values and concepts skilfully interwoven to enable them to run a business that is not simply about wealth creation. They create businesses that cater to cultural, environmental and social outcomes as well. The cultural and social aspects

of these businesses show some similarities with some other non-western business cultures, notabley Islamic and Chinese. Not only must this give rise to the enterprise being sustainable financially it also produces results which benefit the community it operates in. By doing this it enhances and enlivens Māori culture and provides benefits to the Māori community which may be of little interest to a non-Māori enterprise. Social and cultural benefits are important and it is the Māori values that drive the cultural and social outputs (along with the environmental and financial outputs) that make the Māori business (or business organisation) unique. This uniqueness arises from Māori values. Māori values provide the drivers which ensure the success of the business in Māori terms. How Māori values contribute to the success of a Māori business will help in our understanding of what makes a Māori business successful. Clearly Māori take an ambicultural approach to their businesses which enables them to take the most useful concepts of both cultures and to build something new and different.

What do small Māori business owners want out of their businesses? How do they integrate their Māori and Pākehā values into their businesses and how does this enterwining of cultural values provide them with what they want out of their businesses?



Fig Twenty Five<sup>104</sup>

This chapter described the Māori business owner. A business owner operating inside a business culture which is different to that which is the "norm" in New Zealand. A workable definition for a Māori business within the scope of this thesis has been developed. The notion that Indigenous businesses are somehow different to all other businesses is dispelled and replaced by the notion that it may be western businesses which are different. The history of Māori trading is established as a basis for the modern Māori business enterprise. The cultural elements of the Māori business have been described and the notion of the ambicultural approach to describing a Māori business is introduced in more detail as a possible way in which a modern Māori small business uses the cultural values of two cultures to to build their operation. Māori values in this business context are discussed.

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 $<sup>\</sup>frac{http://www.google.co.nz/imgres?hl=en\&biw=1280\&bih=819\&tbm=isch\&tbnid=2\ oPbsun15rJqM:\&imgrefurl=http://sweetartdesignsstudio.wordpress.com/category/banners/&docid=4UxwJ40XdAFpfM&imgurl=http://sweetartdesignsstudio.files.wordpress.com/2010/03/final-6x3-maori-banner-e1269334996148.jpg&w=900\&h=450&ei=MTIdUoqSHM6FkwXWkICwAg&zoom=1&iact=rc&page=1&tbnh=140&tbnw=280&start=0&ndsp=40&ved=1t:429,r:0,s:0,i:78&tx=256&ty=72$ 

#### **CHAPTER 4**

#### **METHODOLOGY**



Fig Twenty Six<sup>105</sup>

#### Introduction

This chapter tells of the methodology chosen and how the respondents were selected. A description of how the interviews were conduscted face to face using quantitative and qualitative sections in the interview is given along with the analysis methods. The methodology is described including how respondent enterprises were selected. Whilst some quantitative analysis was performed this was simply as a check on the results attained from the qualitative work which comprises by far the larger portion of the data provided by respondents.

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 $<sup>\</sup>underline{12j0j1.13.0...0...1ac.1.25.img..9.12.2948.vr7VjDVlFRk\#fp=27c006b1bb7c583d\&hl=en\&q=fern+unrol\\ \underline{ling\&tbm=isch}$ 

The purpose of this research was to understand how small Māori businesses blend their Māori and Pākehā values and business concepts to operate a business that is profitable in the ways the Māori business operator wishes to measure their business success. The purpose was to understand how small Māori businesses integrate their Māori values into their businesses, how they integrate and utilise both Māori and Pākehā values and concepts to provide the outcomes they want.

The information sought from Māori business organisations was to understand and answer the question.

What do small Māori business owners want out of their businesses? How do they integrate their Māori and Pākehā values into their businesses and how does this enterwining of cultural values provide them with what they want out of their businesses.

The approach taken has been a conversational one. The business owners spoke about aspects of their business. I wanted respondents to be able to tell their own story with the question lines merely being used to ensure respondents were helped to talk about the issues which were relevant to them. Enabling the business owners to tell their own story was important in order to gain the information and insights which explain what the owner is in business for and to explain how they operate their businesses in their own way. This was important because I wanted to understand why the owners were taking the approach they were towards the development and operation of their business. The questionnaire to finish up with met my concerns that perhaps not all the values and concepts which might have been discussed were covered. I also wanted to

generate some feeling for how important values and concepts were to owners. A mixture of conversational oral interview along with the questionnaire specifically about values meets these needs.

In order to answer this question information was sought which would provide understanding of the processes and the circumstances that gave rise to the business in the beginning. Further information about why the business person wished to stay in business after the initial start-up phase. Some businesses are started with the intention to sell the business for a profit when it reaches a certain stage. The businesses in this study were not of this nature. Only where a business was set up for its own sake, that is, not for the purposes of resale. An understanding of the Māori processes and values being utilised in the business and the outcomes and benefits to the Māori owner derived from the business was required. This includes the benefits that might accrue to others not directly associated with the business, but of interest to the business person. An understanding of the process that leads the Māori business operator into business and kept the person there was also sought.

It was critical that the person chosen to be interviewed as the representative of that organisation be the person most knowledgeable of its genesis, goals and objectives, mission and operation. Generally, this is the owner operator – the person who started the business. The design of the questionnaire and question lines were developed with the understanding that the interview(s) would be with the owner themselves. In each case the interviewee was the current proprietor, the person who effectively ran the organisation. The owner was sought as it is they who have the intimate knowledge of its reason for being and day to day operation of the business.

Permission was obtained from Victoria University's Human Ethics Committee to conduct this research. Letters provided to interviewees are reproduced in Appendix E.

# The selection of organisations to interview



**Fig Twenty-seven**. Harakeke kite<sup>106</sup>.

<sup>106</sup> 

<sup>12</sup>j0j1.13.0....0...1ac.1.25.img...9.12.2948.vr7VjDVlFRk#fp=27c006b1bb7c583d&hl=en&q=flax+bask ets&tbm=isch

The scope of this research was to understand Māori business owners who have used traditional knowledge as the basis of their product (or service) offering. This parameter has resulted in many Māori organisations not being included in the list from which the sample was drawn. Those Māori organisations not included in the original list from which the sample was taken comprised; large organisations (those larger than small as defined by Statistics New Zealand <sup>107</sup>); organisations run by groups of people, such as trusts or rūnanga, or those which were effectively joint ventures between two or more organisations, for example Gourmet Mokai <sup>108</sup>. Also, it did not include organisations that had had their genesis in a Treaty settlement, Government Act or were formed under the Te Ture Whenua Māori Act (1993); or organisations that had been studied and written up in some detail in the literature before; or organisations that may be considered to be very well known like the Tamaki <sup>109</sup> Brothers or Kia Kaha Clothing. <sup>110</sup> These two organisations, by way of example have been copiously written about already (Te Puni Kōkiri, 2003a, 2003b, 2005).

Organisations that did not self identify as being Māori were excluded from the list.

By way of example this led to the exclusion of such organisations as; Gourmet Mokai, Kia Kaha Clothing, Ngai Tahu Holdings <sup>111</sup>, Ngati Whakaue Tribal Lands

<sup>&</sup>lt;sup>107</sup> That is up to 19 employees. Almost all organisations interviewed had less than five employees including the proprietor.

Gourmet Mokai Ltd, is a joint venture owned 50% by Gourmet Paprika Ltd, 25% by the, Hauhungaroa partnership, and 25% by Tuaropaki Trust.

<sup>&</sup>lt;sup>109</sup> Tamaki Heritage Experiences works out of Rotorua and Christchurch providing Māori cultural tours <sup>110</sup> Kia kaha Clothing manufactures Māori designed clothing which is available though their nationwide stores. Whilst in operation at the time of drawing up the list, this organisation has now ceased trading.

<sup>&</sup>lt;sup>111</sup> Nga Tahu Holdings is the holding company for the commercial investments of Ngai Tahu and includes such companies as Shotover jet and Whale Watch

Incorporated 112, Parinihi Ki Waitotara Incorporation 113, Pukeroa Oruawhata Holdings 114 and Pukeroa Oruwhata Trust, Tamaki brothers, Tainui Holdings 115, Tuaropaki Trust<sup>116</sup>, Tohu Wines<sup>117</sup>, Waitahu Kuratau Trust<sup>118</sup>, Wakatu B<sup>119</sup>, Whale Watch<sup>120</sup> other similar organisations.

By making these exclusions the universe of organisations was naturally reduced to small companies, who claimed they were Māori businesses and these are the very organisations the research was hoping to understand. Lastly, and perhaps most importantly for the purpose of this thesis, organisations needed to self-identify as using Māori traditional knowledge in their product or service offering. Accordingly, the organisations and individuals shown in Appendix A are a subgroup of selfidentified Māori organisations who utilise some aspect of traditional knowledge in the products or services they provide.

The list of organisations finally compiled were small Māori operated businesses which used traditional knowledge in their businesses. The list was compiled by "word of mouth", searching for such businesses on the internet and by observation – some were discovered through brochures, often at tourist information centres.. The list is

112 Ngati Whakaue Tribal Lands Incorporated runs the Ngati Whakaue farms of which there are four.

<sup>&</sup>lt;sup>113</sup> Parinihi Ki Waitotara Incorporation, known as PKW, is the holding company for PKW Farms and PKW Investments. Some 14 farms and other investments make up the group.

<sup>114</sup> Pukeroa Oruawhata Holdings Limited was set up for the specific purpose of developing and managing the Railway Reserve lands returned by the Crown under the October 1993 Ngati Whakaue Agreement.

Tainui Holdings is the holding company for the Tainui commercial assets.

<sup>116</sup> The Tuaropaki trust is an example of an Ahu Whenua Trust. As such it is incorporated under the Te Ture Whenua Māori Act (1993). It is the amalgamation (in 1952), gained from the Māori Land Court of the multiple-owned lands from the descendents of seven Mokai hapū; Ngati Parekaawa, Ngati Te Kohera, Ngati Wairangi, Ngati Whaita, Ngati Moekino, Ngati Haa, and Ngati Tarakaiahi.

<sup>&</sup>lt;sup>117</sup> Tohu Wines is branded as an Indigenous wine company.

<sup>&</sup>lt;sup>118</sup> Waitahu Kuratau Trust owns the Waitahu Kuratau Station and unusual sheep station which produces sheep milk.

Wakatu Incorporation is based in the Nelson. It has extensive commercial interests in the area including Tohu Wines.

<sup>&</sup>lt;sup>120</sup> Whale Watch offers boat based sight seeing of whales off the Kaikoura Coast.

progressively added to in the hope that it will be valuable for further research. Businesses are only added when they appear to be sustainable. This is usually considered to be 42 months (or three and a half years) after their birth<sup>121</sup>. Quite recent new start-ups were not used in the sample. This was because recent start-ups were unlikely to be able to describe their successes and failures mostly due to them being too young to have experienced them. In some cases business owners had started more than one business over their careers so this was not always a reason to exclude such a business from the sample.

#### **Some Anomalies**

The number of organisations run by Māori in 2003 was in excess of 3000 and rising by around 300 per year <sup>122</sup>. How this relates to the figure of 17,000 Māori entrepreneurs in 2004 as enumerated in the GEM report cannot be explained. It is expected that this large discrepancy may be more due to how a Māori business is defined, than for any other reason. Whilst Statistics New Zealand requires a Māori business to self identify, it is not clear that the GEM report uses the same criteria. By defining an Indigenous organisation as such using other criteria could easily lead to the large differences in the populations reported. So, the most likely explanation for the different populations reported may be through the definition of a Māori organisation or a Māori business, or being Māori. Statistics New Zealand data is

<sup>&</sup>lt;sup>121</sup> MāoriMāori This crieris was used to be consistent with Statistics New Zealand

<sup>&</sup>lt;sup>122</sup> Source Statistics New Zealand and Catalyst R&D Ltd newsletter #18 (to be found at <a href="https://www.catalystnz.com">www.catalystnz.com</a>). Unfortunately Statistics New Zealand does not keep business statistics on a cultural, ethnic, or more importantly Māori basis, though this is now changing rapidly. So, any estimate of the number of businesses run by Māori in any given year can only be that – an estimate, and, in all probability one with a large error on it. This still does not completely explain the large difference between the GEM figure and the Statistics New Zealand/Catalyst R&D figure.

based on people and organisations self-identifying as Māori, so the Statistics New Zealand figure may be lower by the number of people who have Māori ancestry (whakapapa) but did not record it. Alternatively the GEM report may have been higher than the actual figure due to the sample or selection process perhaps identifying respondents as Māori when in fact either they were not, or did not wish to be, identified as such. It is still a large, unexplained discrepancy that indicates a need for some accurate statistics in this field. In the case of the sample taken in this work, only those organisations that self-defined as being Māori were included.

Organisations which have no aspect of traditional knowledge in the product or service offered have been excluded. Such businesses could be any type of business from a carrying company to a fishing company; artists to restaurants or bars. Organisations like Tohu Wines, Pacific Catch<sup>123</sup>, and Whale Watch, to name only three successful Māori enterprises, were not considered for the purposes of this study because they are not based on traditional knowledge (also they are all parts of larger organisations) even though one might argue that clearly Māori were fishing long before Pākehā arrived and were most likely fishing commercially<sup>124</sup>. Whale Watch is an interesting case. Whilst it does not use traditional knowledge per se it does rely on knowledge of whales in the area which would have been observable prior to European contact — nevertheless it was still excluded on the basis of size and prior literature describing studies on this organisation. Tohu Wines on the other hand uses a European system of wine production even though it uses Māori values in its management style. Pacific Catch is similar in that it uses European techniques to catch its products and Māori

<sup>123</sup> Pacific Catch is one of the larger Māori fishing companies and is part of Ngai Tahu Holdings

<sup>&</sup>lt;sup>124</sup> Captain Cook records in his log, seeing a fishing net "600 fathoms long" – that is 3600 feet or just over one kilometre. Such a net would catch such an abundance of fish that it is most likely that the excess would be used as koha or in trade with other hapū (Beaglehole, 1967).

values in its management style. All can be considered Māori businesses, and they are because they self-define as being so, but none use traditional knowledge as the basis of their product, or service, offering (even though considerable debate could be entered into on this subject in the case of Whale Watch owing to their clear use of Māori values whilst at the same time having stated at times that they are not a Māori business).

This touches on an interesting and relevant point. Since Europeans first arrived Māori have been building up a considerable body of knowledge in Pākehā products and services which they have used in the development of their own businesses. Whilst it can be argued that such businesses are no less Māori than any other Māori business, still for the purposes of this research only businesses using traditional knowledge have been included. For the purposes of this study traditional knowledge (as discussed earlier) is knowledge that was here prior to colonisation. This works well for this research. This position is taken dispite the fact that it could be argued that for Māori businesses selling a traditionally European service or product there may have been a similar melding of Pākehā and Māori concepts and values.

The sample universe comprised those businesses which are in some way part of the tourism, art, food, clothing, plants, or medicine markets. By far the most fertile area for the location of the organisations finally interviewed was the internet. Many of these companies have a website primarily for advertising purposes and this is particularly true of those organisations in the tourist sector as many companies in the tourist sector use this medium to promote their products and services.

The final group of organisations was gleaned from sources such as; directories of business organisations, the Federation of Māori Authorities, magazine articles, Ministry of Building, Innovation and Enterprise, newspaper articles, professional societies, Te Puni Kōkiri, searching the World Wide Web; by word of mouth; or already known to me.

All the businesses chosen have taken some aspect of Indigenous knowledge and commercialised it. There are many organisations run by Māori which do not use Indigenous knowledge, these were excluded. By way of example, such exclusions included organisations like Paewaimullens <sup>125</sup> Shearing Ltd, a shearing company which has been operating for four generations. It works with a non-Indigenous product, shearing sheep, which has no pre-European history, there being no sheep in New Zealand prior to European contact. So there can be no aspect of Indigenous knowledge in the service being offered. Interestingly the service could, and in fact does, include some aspects of traditional Māori values but this is broader than the thesis topic.

The sample was taken from organisations that had been in business for three and a half or more years at the time of the interview. By doing this, organisations had got over the hump of those that fail in the first two years of operation<sup>126</sup> and consequently those being interviewed had already had a modicum of success or at least were sufficiently solvent that they were able to continue in business. That they had been in business for three and a half years or more was a success in its own right! It was also

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<sup>125</sup> http://www.shearingnz.co.nz/

For example In February 2001 reference period there were 42,850 new enterprise births. Of these, 79% survived the first year, 66% survived the second, 57% survived the third, 50% survived the fourth, 45% survived the fifth, and 40% survived the fifth. Source; Statistics New Zealand, Hot off the Press 26<sup>th</sup> March 2008.

considered that organisations needed to have been in business for this period to ensure that there was in fact some history which the respondent could talk about other than the reasons for setting up the business in the first place.

## Respondent selection and interview

A great deal of effort was given to how the respondents can be selected. Linda Smith's book *Decolonizing Methodologies: Research and Indigenous peoples* provides the principles to use when conducting research with Māori respondents, emphasising *kanohi a kanohi korero* (face to face interview).

Interviews were conducted over an extensive period. In many cases before the interview was conducted and in many cases before the business person was even contacted their product or service was sampled in some way. This was part of the familiarisation process with the organisation which extended to gathering as much public information about the organisation as it was possible to do. These generally included (as well as sampling the product or service) Internet, pamphlet, media reports and so on. Organisations were chosen which had not generally already been written up in the academic literature.

The research was carried out as consistently a possible with Māori values. In particular, Linda Smith's (1999) advice on interviewing Māori;

- 1: Aroha ki te tangata (a respect for people).
- 2: Kanohi kitea (the seen face ... that is, present yourself to people face to

face).

- 3: Titiro, whakarongo ... kōrero (look, listen ... speak).
- 4: Manaaki ki te tangata (share and host people, be generous).
- 5: Kia tupato (be cautious).
- 6: Kaua e takahia te mana o te tangata (do not trample over the mana of the people).
- 7: Kaua e mahaki (don't flaunt your knowledge).

Linda Smith (1999:120)

Pākehā researcher, with no Māori whakapapa researching Māori As a entrepreneurship to understand the commercialisation of traditional knowledge, I found the research difficult from a cultural perspective, very nerve-racking as well. This was because working in another culture, not one's own, is difficult. I was concerned that I treated people well and with respect. Both them and the knowledge they were entrusting me with. Respect is everything, observing the correct kawa and tika was always uppermost in my mind as a researcher. Interviews were carried out after an introduction was made by a person known to both parties. Even after the introduction I found it very difficult to ask for the interview and conduct them in a way that upheld tikanga Māori. I kept, at the top of the interview sheet, Linda Smith's seven items of advice as detailed above. This enabled me to adhere to these principles. Only the people I interviewed can say how I might have succeeded. Prior to every interview I ensured the respondent knew what my journey was that had brought me to the interview and to ensure that they were comfortable with what I would be doing with the information provided. Only when the person I hoped to interview was fully aware of what my thesis was about and how the information provided would be handled and used, did the interview begin.

Permission was gained to record interviews as well as take written notes. Within twenty-four hours of the interview a copy of the entire recording was provided on a CD, where possible a sound file was e-mailed to the respondent as well. Respondents were given two weeks or longer if they wished, to make any comments they wanted to on the interview, including withdrawing comments or the whole interview if they wished. Fortunately no respondent wanted to do that.

Interviews were always conducted at a place and time of the respondents choosing, which was generally the business premises..

The concept of kia tupato<sup>127</sup> was strictly adhered to at all times

#### Purpose of the interviews and the interview process

The purpose of the interviews was to discover the range of issues that Māori consider and use in the development and operation of their organisations when the product or service is based on Indigenous knowledge. A predominantly qualitative approach has been taken. The first part of the interview was a free ranging discussion designed to learn as much as possible about the genesis and operation of the business as was possible. The second part of the interview consisted of gaining an understanding of the extent to which Māori values are used in the organisation. Likert. The

As with all concepts, it is very difficult to describe a concept in one culture in the language of another culture. Kia Tupato is approximated by the use of a number of English phrases including, listen,

another culture. Kia Tupato is approximated by the use of a number of English phrases including, listen, be careful, keep quiet, treat with respect, be humble, wait for the information to come to you, don't push, be circumspect, take a precautionary approach, be polite In the interviews with people, in fact even before the interview began I made sure that I did everything on the respondents terms, with full

disclosure and being a polite and respectful as possible.

questionnaire came at the end of the interview so that there could be no prompting of the values in the qualitative section of the interview. In fact, many such values were "volunteered" during the first part of the interview – the face to face discussion about the business and the owner.

The qualitative approach was chosen to enable the business person to describe all that they wish to tell me about their business. The question lines were chosen to provide a loose framework to guide the conversation to ensure issues were covered. The interviews were transcribed and entered into NVivo<sup>128</sup> to enable analysis for themes and sub-themes offered by the respondent.

The quantitative approach using the written questionnaire was included to confirm the values used and to enable the interviewee to provide information on values not thought of during the oral section of the interview as well as to gauge the extent of the use of a value. The PASW<sup>129</sup> program was used to analyse this data. The analysis sought was to understand which Māori or Pākehā values score over the mid-point (that is those values which were used every day or almost every day) and those values which score below the midpoint that were used either not at all or almost not at all.

#### The information sought

<sup>&</sup>lt;sup>128</sup> NVivo is a <u>qualitative data analysis</u> (QDA) <u>computer software</u> package. It is produced by <u>QSR International</u>. The final analysis is done in NVivo 10 whilst earlir work was done in a previous version <sup>129</sup> PASW used ot be called SPSS, changing its name during the time this thesis was in production. PASW refers to Predictive Analysis SoftWare whereas SPSS the same program, before upgrades was called Statistical Package for Social Sciences

Question lines were used to gain the information sought. Question lines were used to ensure that a certain line of questioning was achieved. These allowed the interviewee to answer questions fully in their own way without feeling constrained by questions which followed a particular theme or worse, may have been leading the interviewee in a particular direction. These can be seen in the full interview outline shown in Appendix B in which the interviewer had a series of questions that could be asked and further detail was sought as each topic was raised by the interviewee. The range of question lines chosen ensured that all aspects of the genesis, development, strategies, philosophies and general running of the business were covered.

The intention was to discover how Māori business people are motivated to start their businesses and how does that person see success in their business from both their Māori and their Pākehā values. The information sought was to enable understanding of the person who set up the businesses so as to understand the driving philosophies of the business.

The face to face interviews enabled the respondent to describe their business in detail in their own words. Respondents were able to describe their reasons and philosophies for getting into and operating their businesses. They were able to describe, unprompted, the values they used in their businesses, both Māori and Pākehā, along with the influences that had played a vital part for them. The respondents were able to describe what they saw as success in their businesses, along with what they saw as failures. Respondents described their criteria for success and described how they viewed what they saw as failure and how they were able to build on both (the success and failures) to meet their expectations of the business. Respondents were able to

expand on their lives and why they liked being an entrepreneur and why they liked being in the business they were in. This provided a huge amount of information about the operation of their businesses. Many respondents provided very confidential information which enabled intimate understanding of how the business worked. Information that cannot always be used to illustrate assertions due to its confidentiality but which nevertheless enabled understanding of how values are interwoven into business practices and preferred outcomes for the business.

Not only was an understanding of how the business worked explained by respondents, an explanation of why they were in business was also provided. This allowed for an in-depth understanding of "what makes the person tick" along with an appreciation why the person engaged in the activities they do which ultimately results in an enterprise that is successful in the eyes of the Māori business owner.

Various ways of interviewing were considered including e-mail, phone and mail as well as face to face video and sound. Due to the large amount of information sought face to face was chosen with sound recording only. Video was considered but discarded as it may have lead to the respondent feeling more scrutinised and so decrease their comfort and not enabling the interviewee to speak freely being perhaps concerned about the camera. Many of the respondents were not known to me personally prior to the interview. I was introduced to the business operator by a third person who was mutually known to us both. This was a further reason to use a face to face interview so that it was more personal than a faceless phone call. It also enabled a friendlier flow of information

Whilst some of the information could be sought in a questionnaire form and it was, at the end of the interview, it was expected that the bulk of the information would need to be teased from the respondent. In the event it was not teased out, the information came readily and freely from respondents. Both the question lines and the written questionnaire are in Appendix B.

#### An Interview in two parts

The interview was in two parts. The first part consisted of the oral face to face interview guided by the question lines. The question lines were designed in such a way to encourage the respondent to cover a wide range of topics, which they did and this provided for a rich data collection. The second section of the interview, using the questionnaire, focussed on a range of Māori values which might be used in the business context. This was followed by a list of western business values that might also be used (see Appendix A).

The questionnaire section was much shorter in terms of time and was done at the end of the interview. This was to enable interviewees to self-identify the values used rather than to be prompted into indentifying them. The values described in the questionnaire were compiled from a range of resources (Bjerke, 2007; Bollard, 1988; Foley, 2000, 2003, 2004, 2005; Harmsworth, 2002a, 2002b, 2005, 2005b, 2006; Harmsworth et al 2002; Massey, 2005, 2007). The questionnaire was provided to back up the comments mad by respondents. Whilst it did help to quantify use its major value was in confirming the use of values reported by respondents in their oral interview.

Respondents had alreadyself-defined the issues they might wish to speak of. The owner had been enabled to bring up the issues and describe how they used them in their own words in the oral section. This enabled the business owner to describe both their use of Pākehā as well as Māori values and concepts within the context they used them. Then in the questionnaire was able to describe the frequency and add any more that they may not have mentioned in the oral section of the interview.

## **Processing the results**

The quantitative results were processed used the PASW/SPSS software (Statistical Package for the Social Sciences)<sup>130</sup>.

Information on a range of Māori and Pākehā values which might be used in the respondents business was being sought in this second part of the interview – the questionnaire (see Appendices). The questionnaire was presented to the respondents at the end of the interview. This was to ensure that the information sought in the questionnaire did not influence the information provided in the dialogue of the first stage of the interview. In the event many of the Māori values in the questionnaire were discussed during the interview. As was hoped, Respondents identified for themselves all the issues relating to the adoption of concepts from both Māori and Pākehā values and the questionnaire became a check and measure on the use of values.

<sup>&</sup>lt;sup>130</sup> Now called PASW – Predictive Analytics Software.

The respondents were able to show how much a particular value was used in the businesses by grading that value on a one to five Likert scale. 1 (one) signified the value was not used at all or considered unimportant by the organisation and a grade of 5 (five) signified that it was very important to the business and used on a daily basis.

The SPSS (now increasingly known as PASW) programme was used to understand which values were the most important across the range of respondents interviewed.

I wanted to get a feel for how often the business person was using cultural or business values in the operation of their businesses. Whilst an absolute value may have been interesting – say four times per day, it would have told little about how important the businesses person felt the value was to them. So an ordinal scale providing some indication of frequency was considered. The Likert scale was preferred, perhaps for its popularity, but more particularly because it met the needs of the research. I wanted to understand if the business operator was using a value a lot or not at all. So, some sort of ranking was called for, with no need to quantify the degree of difference between them.

The Likert scale (Murphy and Likert, 1938) was not intended to be used in its entirety, that is taking the group of Likert items and summing the responses. More it is that each line or item (that is the Māori or Pākehā value or concept) itself was rated. Usually the Likert system requires the choice of measure like; strongly disagree, disagree, neither disagree or agree, agree, strongly agree. This research used a slight modification of this by asking the interviewee to rate each Māori or Pākehā value by;

5 = used every day, 4 = used almost every day, 3 = used less often like once a week to once per month (occasionally), 2 = almost not at all, 1 = never.

The Likert system meets the needs of this research because it allows the respondent to provide their own interpretation of use and then to declare the frequency on the five-point range, 1 to 5, provided. This provides useful information because in seeking to know how the Māori business person interweaves their Māori and Pākehā values and concepts they bring a part of themselves into the questionnaire by declaring what they believe to be so.

The analysis of the data was achieved using bar graphs to distinguish the more important and less important values. This was done by graphing values individually. By analysing each value separately it became obvious early on which were the favoured values of businesses trading in a traditional knowledge product or service and in fact some three quarters of values identified were used every day or almost every day.

The qualitative data was very rich in the type and range of information provided. Respondents picked a wide range of topics to speak about. Topics which respondents saw as important to their organisation in many ways, including the positive and negative aspects of issues they raised.

#### Difficulties with the methodology

As with all face to face interviews of this type the information received may be dependent on the rapport built between the interviewer and the interviewee and may also be dependent on whether the right questions are asked of the respondent. In the case of the respondents in this study, a wide range of information was already available to the interviewer. The internet and advertising material already provided a wealth of information about businesses. . In many instances the product or service had been sampled prior to the interview. This helped to build a "picture" of the respondent's business long before the interview took place. This also enabled a good sense of the business allowing for extra probing to seek clarification where the interviewer's understanding was different to the information being provided by the respondent. The picture built for each business, for these reasons, is accepted as accurate as it did interweave well with the information already available about the respondents and their business. In the case of the questionnaire there is room for some error as a respondent's understanding of a value may differ from others thus causing them to answer slightly differently. Respondents were very helpful in filling out the questionnaire. Some respondents filled it out reasonably quickly whilst others discussed the ramifications of the choice in relation to the business use of the term. This has perhaps resulted in some positioning on the scale to be more accurate than other positioning, possibly even on a question by question basis. This has little effect on the outcome as the position at one end of the scale or the other provides the most useful information in this context. In the context of a lot of use is made of a value, or little use is made of a value. The results showed that for the majority of values they were used regularly, that is every day or almost every day

The self-identified Māori respondents were also asked to gauge their use of Pākehā values in their business. One respondent really helped early on in the research by stating;

"We had our Strategic planning meeting this morning for our company and all of these things came up – what is important is the relationship between them."

Indicating that the Pākehā values on the questionnaire were the very ones they were using to assist in measuring their business performance.

# **Summary**

The quantitative and qualitative research methods used enabled an understanding of how Māori business owners commercialise traditional knowledge to provide the outcomes they desire, by interweaving Māori and Pākehā values and concepts. The outcomes business owners are looking for from their businesses determine how they commercialise the traditional knowledge in their care. Proprietors of small businesses, who self identified as being Māori, offering a traditional knowledge product or service were interviewed. Larger business, those less than forty months (three and a half years) old and businesses part of a larger group were not part of the research.

Qualitative and quantitative research techniques and analysis were performed.

Analysis of the quantitative work was accomplished using the PASW package. NVivo

was used to assist in the analysis of the qualitative portion which yielded considerably more information.

The Likert system was used to assess the use of values using a questionnaire.

Information was sought on the values that proprietors used to operate their businesses; the outcomes they desired; the reasons for being in business; how their businesses worked for them, in their whānau and wider communities; how proprietors saw success and failure; along with other information the respondents felt comfortable sharing.

The methodology used has proved to be a robust way of understanding how Māori businesses are able to commercialise traditional knowledge. Traditional knowledge, that the businesses are entitled to use, traditional knowledge they have permission to use. This methodology has enabled an understanding of how Māori business owners interweave their Māori and their Pākehā values and concepts to operate their businesses in a way that gives them the cultural, environmental, financial and social outputs they seek.

## Chapter 5

#### **Results and Discussion**



Fig Twenty-eight<sup>131</sup>

#### Māori values for Māori businesses?

In this chapter I will describe how Māori and Pākehā values are used together to create the Māori small business which my respondents have described to me. These values are chosen by the operator as those which best suit the business. I describe how my respondents create their business from a mix of Māori and Pākehā values which create something new from both cultures. A process of using relational perspectives by which the owner is able to create their business from the two cultures.

<sup>131</sup> 

 $<sup>\</sup>frac{https://www.google.co.nz/search?hl=en\&site=imghp\&tbm=isch\&source=hp\&biw=1280\&bih=819\&q=\%22Polynesian+Products\%22\&oq=\%22Polynesian+Products\%22\&gs\_l=img.12..0i24.7753.18595.0.20514.21.21.0.0.0.0.452.3182.2-$ 

 $<sup>\</sup>underline{12j0j1.13.0....0...1ac.1.25.img...9.12.2948.vr7VjDVIFRk\#fp=27c006b1bb7c583d\&hl=en\&q=flax+bask\\\underline{et+with+contents\&tbm=isch}$ 

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The oral nature of Māori traditions were described by some by some respondents as

the basis of their business.

"It is really about tikanga, ........ This is the deep stuff, and this is really what

it is all about. It is about the story telling"

This idea of oral story telling is a constant theme. Another recurring theme was the

notion that the business owner was in some way dissatisfied solely working in the

Pākehā world and returned to, or started a business to enable them to practice there

more in their own culture than was available to them working for someone else. This

can give rise to a conflict for the Māori business person whereby they do not see their

business as a Māori business. They may not see it as a Paleha business either; instead

the business may culturally walk in both worlds through the intertwining of the Māori

and Pākehā values and concepts they employ. This is in a very similar to the way in

which Chinese companies who have taken the best of both cultures to create

something new (Chen, 2001, Chen and Miller, 2010, 2011). Chen describes an

ambilcutlural approach which enables a new way of operating. One that takes the

appropriate sections from two cultures to produce a new operating culture.

"and returning to the company was a way of achieving those ends."

"my personal experience was that I became dissatisfied because I did

not personally have control of my circumstances"

"I do not see it as a Māori business"

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"being entrepreneurial through relationships and for Māori and Māori

families relationships are an extremely important"

At the same time my respondents did not see themselves as Māori businesses despite

acknowledging their use of Māori values. This view seemed to stem from their

interweaving of their Pākehā amd Māori values and concepts which gave rise to a new

blend. In a way a new set of values and concepts, at least for their business. The

notion of this new blend of Pākehā and Māori is best described using the ambi

cultural approach already described where the business owner is taking the best of

both cultures and building something new which is perhaps neither one nor the other.

However there is still a grounding in their Māori values, and whanau is one of these.

Whanau values weigh heavily on the Māori business person.

Analysis in NVivo of the oral interviews showed that all these Māori and Pākehā

values and concepts below were used regularly by each of business people

interviewed.

Akoranga

Atua

Awhina

Being Accountable

Continuous improvement

Cost management and efficiency

Creating and enhancing shareholder value

Creating value for clients

Customer Delight

**Developing People** 

**Initiative** 

Innovation

Kawa

Manaakitanga

Teamwork

Treating everyone fairly and with respect

Whakapapa

Win win relationships

But a simple analysis of the values used provides little insight as to what is really happening within the business other than to ascertain that both Māori and Pākehā cultural values are used.

The real interweaving that takes place is in the support provided to both whanau and community balanced against the need to make a financial return and enable a sustainable business. The support of the community in particular no doubt encourages more of the community to support the business. So there maybe some commercial pay-off, but the greatest part is the social return that is generated. Further interweaving takes place in cultural dividends exacted by the business. The use of te reo by respondents on all their public is seen by them as an essential part of their business's reason for existing. Further cultural outputs were sometimes involved, for example food and various art forms. These cultural and social outputs are woven into the strategy of the business having equal importance to the commercial strategy. Strategic plans and a commercial return, peculiarly western notions are interwoven with spiritual considerations, along with the social and cultural outcomes

The collective values fall into two main categories; support of whanau and support of the community. Respondents said that whanau was very important to them in their business endeavours. Commercial values fell into just one category; that profit has to be made to keep the business sustainable. Spiritual values arise through the linking of karakia and other blessings used in the commercial framework. This leads to the strategic planning process including Māori and Pākehā outcomes.

When one looks at these concepts, and how they are used, in some depth it becomes apparent they are not the complete answer to what is going on. In fact it appears these values are being used to provide something much more beneficial than the results of using the values themselves. The values are used to provide a range of benefits. But not benefits just from the Māori values, from the Pākehā ones as well. These values are intertwined and used to provide something better, that is the best out of both cultures. The values are rolled up into a series of outputs. It is difficult ascribe any particular cultural value to an output; rather it is a complex matrix that almost defies analysis.

The output areas described by my respondents were;

Commercial

Community

**Economic** 

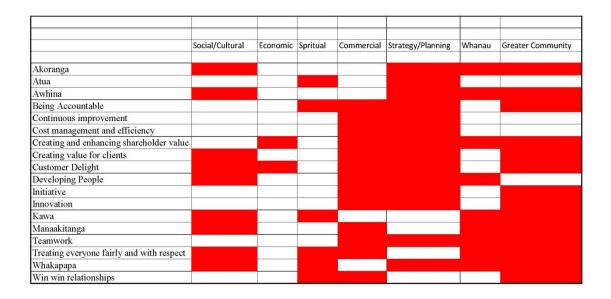
Social and Cultural

**Spritual** 

Strategy and Planning

Whanau

It is possible to group these against the values that my respondents most frequently decribed. See below;



**Table III** – showing the interelationship between values and the outputs the owner wants.

This table is compiled from the qualitative data, taking the statements made by my respondents and matching them to the output areas also described by respondents.

The table shows the complicated nature of the interactions between the outputs my respondents spoke of and the values they reported using. According to my respondents pulling out individual values and saying "yes" or "no", we use them is too simplistic as the relationship between values and the interplay of one with another is of greater importance. For example, the use of spirituality to bind the community by doing the right thing and acknowledging the connections in the community and showing respect which in turn generates community support for the business and ensures its sustainability. The commercial aspects of the business are dominated by a large number of the values respondents said they used and this was the same for their strategic planning processes. The same sets of values, with little variance were used in the execution of their community outputs, their social and cultural outputs and to a lesser extenet their whanau obligations. This shows the close relationship the Māori business owner has between their social, cultural, spiritual, commercial, whanau and greater community obligations and outputs in their strategic planning process.

Community work and the commercial work becomes linked through the desire to assist the community; this is particularly so for the art retailing industry where the link between the commercial operation and assisting artists is very strong.

The complex interationships between the concepts and values derived from each culture being interlaced, mingled and knitted together into a new complete whole by the Māori small business owner illustrate the complexities that exist in working in two cultures. This is a task which each Māori small business owner has individually solved in developing the model for the business. Business models which may be unique to Māori businesses and perhaps may provide a glimpse of what a new template may be for guidance to new Māori entrepreneurs developing a business of their own.

## Pākehā Values, but are they really?

Pākehā and Māori values and concepts were described by respondents in the qualitative section of the interview. In the written section of the interview respondents were able to say how little, or how much a value was used. This is helpful in two ways. The first was that it enabled the respondent to rate the values they used. It also was a check list that enable the respondent to rate the value even if it had not been covered in the oral part of the interview.

The ratings given in the quantitative work did not achieve the understanding of he interealtionship between values, This was described in greater and more useful detail during the oral interview.

The rating itself provided at least some indication of whether the value described was seen, by the respondent, as important to the business, or not. Pākehā values are used consistently and frequently by the Māori business people interviewed. This indicates the Pākehā (western) way of doing things was important to the sustainability of their business particularly for their financial needs and to some extent social needs which overlapped with their Māori values providing social needs, particularly in the areas involving relationships and mana.

Indigenous knowledge is a product from the natural world where the natural world speaks directly into the consciousness of the individual

being able to leverage a value or an advantage through being able to manage a large number of relationships must generate, I mean us Māori are terrific at that

Sixteen Pākehā values were offered in the questionnaire with respondents circling a number 1 to 5 indicating the frequency they used that particular value. 5 being the most frequent use, and 1 very infrequent use. All 16 Pākehā values scored very highly with all respondents saying they used the value either everyday (5 on the Likert scale) or most days (4 on the Likert scale), shown in the second part of Section 7 in Appendix A. These values were; being accountable and taking responsibility; commitment to society; continuous improvement; corporate pride; cost management and efficiency; creating and enhancing shareholder value; creating value for clients; customer delight and putting clients first – service excellence; developing people; high performance; initiative; innovation; integrity and honesty; maintaining a high quality reputation; safety; teamwork; treating others fairly and with respect; value orientated culture where people enjoy working; and win-win relationships. No other scores were recorded for Pākehā values, that is, no 1, 2 or 3 scores. All respondents answered this section and there were no "don't know" or "refused to answer" responses. This indicates that these Pākehā business values are very important to the day to day operation of Māori businesses with a traditional knowledge offering. . Figure three shows all of these values ranked from the most favoured to the least favoured. Even for the least favoured more than a quarter of businesses reported that they used the value every day. (with the reminder saying they used it almost every day). This means all Pākehā values were very popular with all respondents.

## Fig Twenty-nine

# Ranking of Pākehā values (see appendix D for the graphs) – possible scores were 1 to 5. (Further down the table shows an increasing number of 4's)

Pākehā Value	scores		
Being accountable and taking	5's only recorded		
responsibility for what we do			
Value oriented culture where people	5's only recorded		
enjoy working			
Customer delight and putting customers	5's only recorded		
first – service excellence			
Treating each other fairly and with	5's only recorded		
respect			
Initiative	5's only recorded		
Corporate Pride	5's only recorded		
Maintaining a high quality reputation	5's only recorded		
Teamwork	5's only recorded		
Winwin relationships	5's only recorded		
Innovation	Inc		
Cost management and efficiency	war		
Continuous Improvement	asing rds 4		
Creating value for Clients	9 4		
Integrity and honesty	em:		
Safety	asing emphasis		
Developing People	ISIS		

High Performance		
Creating and enhancing shareholder value	ue	
Commitment to Society		

Prior to answering the questionnaire the face to face qualitative part of the interview had already brought out instances of how the financial interest, for example, became imperative for the business despite the Māori values tugging at the business person.

"At the end of the day we still have to sell the item...... there have been times where, not so much that I think this person is not worthy of having this piece,"

Māori use their Pākeha values intertwined with their Māori values. There is pressure to work in the Pākehā way within the western business structure prevalent in New Zealand and there is some evidence that it is an unwelcome way to operate the business from a Māori perspective.

"Māori people feel embarrassed to seek advantage for themselves out of relationships by selling things....... that we are seeking an advantage for ourselves....... We are concerned that entrepreneurship is self centred and self serving."

"...in terms of Indigenous entrepreneurship ..... the idea that (we) are able to create value ...... and trying to seek opportunities that I think we have difficulty with"

My respondents reported that operating their business for financial gain felt that it was at odds with their needs to meet their social and cultural obligations to the business, that this compromised them to some extent. Creating financial gain for themselves appears to feel self serving, which may be why such emphasis is placed on the cultural and social outcomes which provide the real worth to the individual owners. Pākeha values are used in conjunction with Māori values. So, Pākehā values are part of the Indigenous entrepreneur's operation but only to enhance their Māori gaols;

"We had our Strategic planning meeting this morning for our company and all of these things came up – what is important is the relationship between them."

There is some evidence that whilst Māori entrepreneurs embrace Pākehā values in their businesses this is not with any gusto and may be more to do with creating a sustainable business that has a positive cash flow and so is necessary in order to achieve this within the western economy it is operating.

The conundrum is, that whilst the western business values may not sit well with Māori entrepreneurs they nevertheless interweave these values everyday or almost every day into their businesses. This interweaving of Pākeha and Māori values produces a valuable business for the Māori owner.. Māori in business use Pākehā business values even though these sit unwell with them. This is owing to the reasons why the Māori business person in business initially wished to enter into a business of their own. Māori entrepreneurs need to have sustainable businesses which ensures the long levity of their businesses and ensures they obtain a reasonable standard of living from it. Māori entrepreneurs in this field – the commercialisation of traditional knowledge – also wish to fulfil wider goals, social and cultural goals which foster and develop aspects of Māori culture. They use their Māori culture in the day to day

operation of these businesses by practicing Māori values. They give back to their culture in many ways by encouraging, funding and working with Māori cultural projects.

Many of the western values tested for were in fact (with a few exceptions) based on values which would give a financial result and as such would be expected in order that the business would be sustainable. Only a net positive cash flow over the years can result in a sustainable enterprise. Whilst Māori business people understand this, the profit motive for its own sake feels uncomfortable to Māori, as one respondent said;

"And the fourth thing is really about money – and I know that should be first but that is the way I look at things. You have got to make a profit and that is all I really want to say about that."

Respondents felt embarrassed talking about any financial rewards they may get preferring to say simply that a positive cash flow is required to sustain the business.

There are two western business values not based on a financial view but are based on society and culture which would be expected to show high use by Māori businesses enterprises and in fact culture (as in valued oriented culture where people enjoy working) is used every day (5 on the Likert scale of 1 to 5 where 5 is the most used and 1 the least used) whilst society (as in commitment to society) scores highest for most days (4 on the Likert scale). These values are those of commitment to Society and a value oriented culture where people enjoy working interweave more comfortably with the Māori business person.

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"they enjoy the manuhiri, they enjoy giving good service."

The social outcomes of providing excellent manaakitanga provides a real impetus to the business.

Māori businesses in the business of commercialising traditional knowledge have embraced western business values and incorporated them into their businesses. They have made them as a much a part of their business as their Māori values.

### Māori Values

As discussed in Chapter Three there are a number of similarities between Indigenous and Chinese, and Indigenous and Islamic businesses. These similarities are most noticeable around the concepts of family, community, financing and the long term nature of the business, in the way these notions are used and accommodated in the business. In this research the importance of family resonated clearly in the face to face interviews where respondents claimed family ties, influences and obligations were important to the business.

"quite good friends with weavers and carvers, and those people are now quite renowned weavers and carvers and... sort of set up a space I suppose, for them to come and, where they could come and carve and weave" "The idea of welcoming them – you have got whakapapa trying to identify the link with people and the other responsibility is the kaitiakitanga the kaitiakit and all that sort of stuff'

"I like seeing family there somewhere,"

"for Māori and Māori families relationships are an extremely important thing."

"Whānaungatanga sits well with business because people want that relationship with people around the world. Family and all that so I think whānaungatanga sits well because it is important to Māori business".

The empathy described fits so well with the Chinese (Asian) obligations. The family obligations are well understood in both cultures to the extent that it may well be that Māori businesses looking to joint venture or work with other business partners may do well to consider Chinese partners preferentially to western partners as they may find more synergies in their values than synergies with the values they would find in western organisations.

Māori values pervade the Māori business but are not necessarily always at the forefront of the person's mind. Māori values fall into two key categories. There are those values which are seen as important in everyday or almost every day workings of the business, scoring a four or five on the Likert scale. Then there are those values in a second category which were seen by some respondents as very important and by a much smaller group as unimportant – that is they were used only a little or slightly more than just a little and certainly not each day. For Māori entrepreneurs who have

taken traditional knowledge to commercialise, whilst almost all see Māori values as an important part of the way they operate their business, there is the smaller group who see that not all Māori values are important to the operation of their business. A very minor number of Māori values were seen differently which is discussed in the more detail below. This result has effectively broken respondents into two major groups. Those who use Māori values a lot in their day to day operation of their businesses and those who use, at least some, Māori values, but much less. This result, perhaps more than anything illustrates the mix and match that Māori small business owners are able to make in their businesses while some Māori values are seen as "can't do without" in the business there is more flexibility with others.

As the questionnaire was filled out by the respondent at the completion of the oral section of the interview there was no opportunity for the respondent to be prompted to think about particular values in the oral interviews. The respondents spoke of the same values sometimes in a slightly different way to the expression of those same values in the later written questionnaire.

"Our main benefits are our artists being able to practice"

The quantitative results provided insights as to what it means to be a Māori business person operating their own business in another culture, a culture predominantly European, and very different fron their own. This is evident from the use of Pākehā and Māori values in the operation of their businesses. Respondents revealed that they use all of the Pākehā values whilst also using over three quarters of the Māori values described in the questionnaire. Respondents reported interweaving the two sets of values.

"This gives her the opportunity to work here and ... that we also educate people out there about Māori art"

"but for me to be able to work here and do what I love doing – you know – But then there is the economic side"

"using Māori designs then they should have to pay for them and it should come though a Māori graphic artist."

The traditional knowledge product or service offered could be expected to have some bearing on the extent to which Māori values are used in the business 132. Specifically those values reported exclusively as four or five on the Likert scale, that is, used every day or almost every day included; aroha, awhina, hauroa, ihi, kaitiakitanga, kawa, kotahitanga, mana, mana whenua, manaakitanga, matauranga, mauri, ngakaupono, noa, oranga, taonga, tapu, te ao tūroa, tika, tikanga, tino rangatiratanga, waioratanga, wairau, whakapapa, whakapono, and whānau. These values are often those which a Māori person might use every day, almost without thinking about it, on their marae. Values and concepts like; manaakitanga, kaitiakitanga and whānau are at the core of Māori life whether in the social or business setting. So for a Māori person who had already self-identified their business as a Māori business it may perhaps be expected that they might also embrace basic Māori values and concepts in their day to day activities. Perhaps one of the very useful conclusions of this research is precisely that. Māori who self-identify their business as a Māori business will themselves self-identify as Māori and so embrace Māori values and concepts in their everyday life.

<sup>&</sup>lt;sup>132</sup> This would be a useful piece of research in its own right. That is, does the weighting of traditional knowledge used in a Māori business have any bearing on the amount of MāoriMāori values used in its operation.

Massey et al (2005) explained that generally small business owners in New Zealand made little demarcation between their business and private lives with each spilling over into the other.

Some values reported by Māori business owners were being used almost every day whilst other respondents claimed they used these values only a little. These values included; ākoranga, atua, kōkiri, mana moana, and mana taiao.

Only two values wehi and utu were towards the middle of the scale. That is a three (neither, nor) or leaned a little towards almost every day.

Those values which have a split – that is for some respondents the value was used each day and for others hardly at all, have a considerable range in the ideas they convey. Atua refers to the gods; Kōkiri refers to being warlike; mana moana to having sovereignty over the water; mana taiao as caring for the environment and ākoranga as traditional teachings<sup>133</sup>. Proprietor's views of the atua may be expected to differ as it is reasonable to expect individuals will have differing views on spirituality especially as it is associated with their business. With a value such as ākoranga one would expect all traditional knowledge businesses to embrace this value. This is not always the case and respondents gave no reasons that might shed light on this. Traditional knowledge products and services rely heavily on knowledge handed down orally over many generations. Traditional knowledge is often not handed down to just any member of the hapū – some knowledge is traditionally handed on to a handpicked recipient who is identified as a person who has some empathy with the knowledge and

<sup>&</sup>lt;sup>133</sup> Each of the translations reproduced here is an approximation only – Appendix A contains a copy of the questionnaire which has a wider range of phrases which may more accurately encapsulate the meaning.

who will use the knowledge wisely. An example is, Rongoa Māori – Māori medicine along with the correct use of the herbs and methods used for treating everything from ailments to injuries. Such learning is usually achieved through the wānanga <sup>134</sup> environment whereby the students are in a tuakana/teina <sup>135</sup> environment enabling a two-way intercourse for learning – the traditional way in which traditional teaching took place.

Some respondents gave an indication on how they learnt from mentors and family.

"Dad was brought up in the bush so he know it well, we were always catching the creepy crawlies,"

"I can remember getting up early in the morning to get the hinaki out of the river – a wire cage to set up at night – put bait in it the eels come along and they cannot get out of it – it is a trap"

Other respondent's spoke of the training they gave their staff and also the ongoing assistance and two-way learning between suppliers, employees and themselves. A lot of the training is given around the Māori cultural aspects of the business and helping people understand the product.

"coming from an oral culture a lot of that information has not been documented

<sup>&</sup>lt;sup>134</sup> A wananga is the traditional Māori learning environment through a tuakana/teina approach whereby the younger person gradually learns the skills of the older person by a mixture of teaching, discussion, observation and experimentation.

<sup>&</sup>lt;sup>135</sup> Strictly speaking older/younger. It is the mentoring process by which the younger learn from the older.

so I have talk about it"

It is reasonable to conclude that the ākoranga of the tipuna was seen as more collegial and perhaps a more simple teaching of experience gained in the wanaga of pre-European schooling. Although in the workplace transfer of knowledge is seen as simple teaching or perhaps learning by experience, at least, some respondents did not see this as necessarily happening everyday and so would place it in a lower position than where it perhaps might normally reside. There was a high score for matauranga. Knowledge was seen as part of the business, but not all knowledge is necessarily passed on in a deliberate learning process so was not therefore seen as deliberate teaching or learning.

"One of the biggest benefits of the business is the promotion of Māori, Māori stories, Māori people, Māori food, Māori music, Māori values"

"Talking about Māori designs talking about traditional designs and what the designs represent and tribal variations in carving styles"

However these are businesses that rely on traditional knowledge so there is some expectation that the process of acquiring knowledge is important.

Kōkiri can mean warlike or thinking forward and this is the way it was translated on the questionnaire. Kōkiri can also be translated as assertive. Perhaps if this translation had been used rather than warlike or thinking forward then more respondents may have said that they used it in their business. Nevertheless, respondents saw this value as falling into one of two categories; moderately important or never used.

Respondents speaking of their business did not say, or give the impression; they saw themselves as pushing the boundaries or doing anything really special. Accordingly it is unlikely that respondents would then claim on the questionnaire that they had a thrusting organisation forging a new pathway! — even though to some outside observers it may seem that way. Many of the respondents seemed very humble in the way they viewed themselves and their business activities. Other respondents may have realised they were doing something quite special, but not realising how special, have tended to downplay their abilities and enthusiasm for what they do. Many Māori are naturally humble about their achievements. — *Kahore te kumara I korero I tona reka - the kumara does not speak of its own sweetness*. This humbleness may lead respondents to be less effervescent or self-promoting about the achievements of their business. This in itself is the use of a Māori value in the business.

Respondents did comment that the notion of selling things, or seeking advantage for themselves did not sit well with them;

"Māori people feel embarrassed to seek advantage for themselves out of relationships by selling things – I mean I feel that too sometimes – that we are seeking an advantage for ourselves, individually by that personally by seeking advantage from those circumstances and being entrepreneurial. We are concerned that entrepreneurship is self centred and self serving."

Accordingly, the concept of Kōkiri may also not sit well with the Māori entrepreneur for the same reasons. So it is possible that even with the interpretation of assertiveness the incidence of the use of these values may not have been too different. Perhaps any further research could ask this question to provide a clearer indication one way or the other about the usefulness of the Māori value kōkiri for a Māori business operator..

Alternatively, kōkiri can be considered to have other meanings. Kōkiri, in the sense of striving to move forward was mentioned. It was not seen as one of the important values though it was reported by some as a value which was not used on a daily basis. Again, maybe this is because it does not sit comfortably with the Māori entrepreneur, in the sense of putting themselves forward as described earlier, as one respondent, who alluded to kokiri said;

"I always wanted to do something with art. I often thought about becoming a curator....."

It is very likely that the reason kōkiri was not brought up more often as a concept could be due to the reluctance of respondents to think of themselves as the special person they are, nor a wish to not put themselves forward.

Māori people feel embarrassed to seek advantage for themselves out of relationships by selling things

Mana moana and mana taiao both pertain to the environment. Mana moana is about sovereignty over water and mana taiao about caring for the environment. It is not, perhaps, unexpected that the level of caring, or a claim to sovereignty might be different for each individual, and so different for each business. It may be expected. the more a business relied on water or the environment then the higher it might rate these values, It is not possible to be sure if this is correct as no business reliant on the environment to a great extent was interviewed.

Additionally where respondents do not have a business that is related to the water, Owners did not mention the environment as important to their business. This is perhaps unexpected as Māori generally feel very connected, with a very close affinity, to the environment. An area for further research is whether there are any differences between rural and urban Māori businesses, in the extent to which they embrace the concept of mana taiao.

These five values (or concepts) of; ākoranga, atua, kōkiri, mana moana and mana taiao are attributable to certain aspects of the Māori business person's business. Aspects that not all businesses have, except, perhaps, in the case of ākoranga, which is a dichotomy owing to the reasonable expectation of its use, all others (Atua, Kōkiri, Mana Moana and Mana Taiao) have an aspect that could be peculiar to certain types of business and may be so. Ākoranga, as a Māori value, may need more research in the business sense to understand its application, if any, more fully.

Utu and wehi both showed the greatest number of respondents sitting in the middle of the scale indicating that these values were used a little but were certainly not an everyday occurrence. These values seemed to be treated differently from other values specifically covered in the questionnaire. Utu was very much in the middle of the scale with few respondents reporting it unprompted in the oral interview. None saw utu as an everyday occurrence. Where the value was raised it was in the sense of two way interactions between suppliers and retailers of their works, or repeat business with clients.

"One of the things we always pride ourselves on is that when people leave they say I have had a good time and when they are local people they say they will bring someone back"

There were only two times where utu was mentioned, un-prompted, in the sense of the wider meaning of utu – reciprocity. though respondents did opine that they were particularly interested in having good relationships with their suppliers and repeat customers. Repeat customers that is, in comparison to one-off customers with whom they were unlikely to have any ongoing relationship – as one respondent declared;

"we always want to give our customers a great experience".

Wehi (the notion of awe, respect or reverence) was mentioned in the oral interviews sparingly and perhaps in a different way. An example of this was one respondent describing a great day when one the employees had grown unexpectedly over the time they held a job with the business. The person described the thrill of this happening in a very emotional way –

"by the time he left people were saying how polite he was and how caring he was".

"One of the things we always pride ourselves on is that when people leave they say I have had a good time and when they are local people they say they will bring someone back"

Another example where a sale of a particular artist's work reached a particularly emotional level owing to the way the customer handled and spoke about the work.

".....but you are so lucky to be having this piece and you should be so honoured!!!!!" (laughs)

All these instances were part of descriptions by respondents of days that had gone particularly well for them. Days, which for the respondent were important. The wehi value is more related to their own perceptions of the event.

As described above by far the greatest number (twenty six out of thirty three) of Māori values were reported by respondents as values they used on a daily (or almost daily) basis. These values were recorded both in the oral section of the interviews and in the written questionnaire. With the questionnaire coming last, it did not influence the discussion at all. These values can be grouped into the following categories of; community and customs; health and well-being; knowledge; power; sovereignty; spiritual and sustainable use.

Table IV – showing the grouping of values by category

Community,	Power	Knowledge	Sovereignty	Spiritual	Health and	Sustainable
Customs					Well-being	use
Aroha	Mana	Matauranga	Tino	Noa	Oranga	Taonga
	Whenua		Ranagatiratanga			Tuku Iho
Awhina	Mana			Tapu	Hauora	Te Ao
						Tūroa
Manaakitanga				Mauri	Waioratanga	
Ngakau Pono				Wairua		
Tika				Ihi		
Tikanga						

Whakapapa			
Whakapono			
Whānau			
kaitiakitanga			
Kawa			
Kotahitanga			

Already described is the Māori business's aim for a quadruple bottom line of cultural, environmental, financial and social outcomes. The respondents have clearly identified that the Māori values they use in their businesses provide the cultural, environmental and social basis for the business. The integration of their Māori values into the operation of their business provides for all but much of the financial side of their enterprise. Pākehā values, discussed above appear more suited to the financial, and so the western, or European, side of their operation. This fits well with respondents reporting that entrepreneurship does not sit well with Māori and that the concept of doing something purely for yourself feels wrong. The use of Māori values in the business counteracts, or balances, the European or financial side of the business. The European values may be embraced purely due to the necessity of doing so to operate a sustainable operation largely within a western framework. Some Māori business leaders have already remarked that a new business model may be appropriate for Māori businesses as the current model does not sit well for Māori. Certainly for small businesses this conclusion would be easy to come to. The widespread embracing of the European values in Māori businesses commercialising Indigenous knowledge is a testament to this. Somewhat akin to having to travel to work each day; one might not like doing it, but it has to be done if the person is to get to their place of work each day.

As can be seen from Table Two the most used Pākehā values – in fact all but two, are best categorised into the social or cultural area indicating that this may be at the core of the Māori business. It is possible that the explanation for the Pākehā values used is explained alternatively by the financial well-being of the organisation also being at the core of the business. This would indicate that maybe cultural, financial and social outcomes were important aspects of the business with, maybe, environmental not so important, particularly in a day to day sense.

It is easy to come to the conclusion that Māori values are very alive in traditional knowledge businesses. The large number of Māori values attributed by respondents attests to this. However, it is the way Māori values are mixed and entwined with Pākehā values that explains the Māori business operation.

It is inspiring that such a large number of Māori values can be used in conjunction with European values. It is more inspiring that Māori business people in the traditional knowledge sector have been able to interweave values from two different cultures into successful and sustainable businesses. This adaptive ability is reminiscent of the successful Māori businesses formed when Māori and Pākehā first started trading with each other in the 18<sup>th</sup> century, when those first interactions took place between Māori and Pākehā culture. Those interactions must have resulted in learning about each other's cultures and perhaps the beginning of two peoples, at least for a while, working in a dual culture, their own and each others The entrepreneurial spirit is very much alive in the Māori business owners of the 21<sup>st</sup> Century.

The interrelationship of Māori and Pākehā values for my respondents was very trong. My respondents have taken, what they consider to be, the best from each culture in a considered and thoughtful way building their business from each so as to provide the business outputs they desire. The choice of Māori and Pākehā values gives the mix of Māori and Pākehā outputs being looked for. Their Māori values tend to be providing the cultural and social outputs desired with the Pākehā values tending to provide the finanjcial outcomes required. All comes together in a combination that provides for a business that is operated differently to western businesses. A business of two cultures.

## Conclusions, observations and future research.

The Māori business person commercialising traditional knowledge lives in two worlds. The Māori business person<sup>136</sup> lives in their Indigenous Māori world having access to traditional knowledge and employing Māori values extensively in the operation of their business. The Māori business person also lives in the Pākehā world extensively employing Pākehā values and concepts in their business. Most of the Pākehā and Māori values are employed on a daily or almost daily basis.

The Pākehā values provide the financial basis of the business. They enable the Māori entrepreneur to run a sustainable, profitable business that allows the Māori small business owner to sustain both the business and themselves. This leaves resources available to pursue social, cultural and environmental outcomes they desire from their

<sup>&</sup>lt;sup>136</sup> To clarify – the MāoriMāori business person commercialising traditional knowledge does have access to the use of the traditional knowledge. That is they do have permission. It may not be the case that all MāoriMāori in the group have access to the knowledge. But the business person must have in order to be able to commercialise it.

businesses, outcomes that are more in keeping with their Māori values. Whilst the Pākehā values provide the commercial sustainability of the business the Māori values provide the value-added aspects. Those value-added aspects are in fact the core of the Māori small business. The cultural and social divedends that develop family, community and Māori cultural enhancement.

Being of Māori origin may enable the product or service to be sold at a premium. For the Māori small business owner the Māori origin is paramount – traditional knowledge being used – the fostering of the knowledge enables the Māori owner to meet their social and cultural goals in the business.

The Māori values provide the ethos and heart of the business. The Māori values are the guiding principles underlying the operation of the business. Aroha, kotahitanga, mana, manaakitanga, matauranga, ngakau pono, taonga tuku iho, tika, tikanga, tino rangatiratanga, wairauratanga, whakapapa, and whānau are used by businesses every day. Being accountable, pride, importance of the customer, innovative, reputation, teamwork, fairness, culture, win-win concepts are used by businesses every day. The Māori entrepreneur is keenly aware of both their Māori and their Pākehā side. Embracing both cultures to take the most appropriate from each for the operation of their business. The need to run a profitable, sustainable business arise from their Pākehā side whilst the need to provide social and cultural benefits arises from their Māori ancestry.

Those Māori small business owners, who commercialise Indigenous knowledge then, may well be the true bi-cultural people in Aotearoa – able to embrace their Māori

ancestry and values whilst at the same time enabling them to embrace Pākehā values and enabling them to meld both cultures into a successful business culture for their own enterprise.

Indigenous entrepreneurship base(d) on the ideas in matauranga Māori .... You have to have collective and individual together

You know in the business we have got four key centres. One of the centres is about (the product).... the second centre is all about service...... then the third part of it is all about knowledge and values..... and the fourth thing is really about money.

The social and cultural side of the business employs Māori values whilst the financial side of the business employs Pākehā values. Both sets of values are interwoven to provide the social and cultural outputs as well as the financial results expected.

Māori business leaders have spoken about the need for a new Māori business model. This research shows how small Māori businesses meet their social and cultural needs through the way in which they interweave two cultures to operate their business. Further research on this aspect of the operation of larger Māori businesses may provide some insight into to what the final model may comprise.

My respondents in this study all commercialise some aspect of Māori (traditional) knowledge, so it is reasonable to ask if the same interweaving of values also take place in a non-traditional knowledge business. How uncomfortable is this interweaving of the two sets of values for Māori? Or is it perhaps an inevitable development given the extent of interaction between the two cultures over the last 150 to 200 years and the extent to which a Māori business works within the western framework? As the size of the business increases with a greater number of individuals does this interweaving still take place in the same way, or to the same extent? How are larger businesses different, if at all?

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The business values reflect the values of the business owner. Being small, these businesses to some extent take on the personality of their owner. The person who on a day to day basis operates the business and further, formulates and drives the policies and procedures of the enterprise <sup>137</sup>. It seems possible that Islamic and Asian countries may practice similar values to those found in Māori small businesses. Such countries emphasise family and community as important for the business as do Māori businesses like all Indigenous businesses. Owing to some similarities in family and community values between these geographically separated businesses it may be that these similarities offer some opportunities to Māori businesses in New Zealand. One such advantage maybe that Māori businesses may find it easier to work with Islamic or Asian businesses due to synergies and common ideals that derive from seemingly their similar values. It may well be that Māori businesses will find these easier to work with than they may find with western businesses.

This research shows that for the Māori business owner commercialising Indigenous knowledge there is at least a vaguely uncomfortable fit between the Pākehā and Māori values of the business.

Māori people feel embarrassed to seek advantage for themselves out of relationships by selling things...... that we are seeking an advantage for ourselves....... We are concerned that entrepreneurship is self centred and self serving.

In Islamic and Asian countries it may be that at least some of the lack of comfort may be removed if a Māori business was working with a business from these cultural groups.

Māori values and culture are alive and strong in the businesses studied; it is this

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<sup>&</sup>lt;sup>137</sup> MāoriMāori values are generally of no interest to the Pākehā entrepreneur.

strength that enables these enterprises to get over the first hurdles of developing a business.

As a conclusion it can be said that Māori and Pākehā values are used consistently throughout the Māori businesses interviewed. Māori and Pākehā values are entwined and used together and interchangeably to provide the outcomes important to the business owner. Financial considerations may be secondary to cultural and social considerations whereby financial considerations are only relevant to the sustainability of the business and in the provision of a living for the owner. The Māori small business owner chooses their Māori and Pākehā values for their business by incorporating the most appropriate from each culture.

This research has implications for the development of business models describing Māori businesses. It may be useful to look at Māori businesses through a non-Western business lens in order to examine critically why they operate the way they do. By examining Māori (or any indigneous business) using a relational framework may open up opportunites for study. The similarities between Indigenous and other non-Western business frameworks may enable Māori businesses to look in more compatible places for business models to serve them rather than models which work in a western paradigm and may not be a comfortable fit for the Māori business operator.

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### Appendix A

### COMMERCIALISATION OF TRADITIONAL KNOWLEDGE BY MĀORI ENTREPRENEURS

Thank you for making the time today to tell me about your business. It is appreciated very much. I hope you do not mind if I turn the recorder on. Is that OK? I will be very happy to provide you with a transcript of the recording if you would like one. When my thesis is finished I'd like to be able to e-mail you a copy so you can see the valuable contribution you have made to the study of Māori entrepreneurs, hopefully helping more Māori entrepreneurs to succeed.

### Part 1

May we start by talking generally about how you came to be running this business (name the enterprise)?

Would you tell me about your heroes, the people you admire, both whilst growing up and now? What were the values they had that inspired you?

If the respondent does not speak of them un-prompted;

Prompt for childhood experiences that led or guided them in to running a business rather than simply working for wages or salary.

Without giving away any secrets about the traditional knowledge you use in your business can you tell me about the history of the knowledge you use and how you came to make it the basis of your business. Would you tell me about how you came to choose the Māori knowledge you did to be the basis of your business.

Prompt for their world view;

Can you tell me about the influences that lead you to become entrepreneurial and run a business? Would you tell me about prior businesses you have had?

In your business what are the things that are most important to you.

We have been describing your business as a Māori business. Can you tell me why you see it as a Māori business – for instance this may be because you use Māori values to run, look for Māori outcomes etc.

### Part 2

We've talked about what lead you to go into business. I'd now like to go on to look at how you view your business and the business philosophies and ideals you strive for. Would you like to start by telling me about what you think makes a Māori business.

### Part 3 (use)

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Thinking now about your traditional Māori knowledge used in this business.

Would you tell me about how you see Māori Knowledge, (traditional, Indigenous, TEK etc) being different to other forms of knowledge, like western scientific

knowledge.

Would you tell me about how you see your Māori knowledge as unique? How might

this uniqueness be expressed?

Do you have any special requirements of the customers who use your product (or

service).

Part 4 (protection)

Thinking now about the protection of Māori knowledge.

Would you describe to me what you do to ensure that no one, not entitled to do so,

can copy or use your knowledge in a way that you do not wish it to be used (this

includes its use at all!). As an owner of the business and kaitiaki of the knowledge

what do you do to ensure secrets remain inside the business.

Would you tell me about the ownership of your Māori knowledge is owned and how

you (and others) are able to have access to it?

What do you think should be available through national and international processes to ensure that Māori knowledge stays with the traditional owners of that knowledge. In other words how should Māori knowledge be protected?

#### Part 5

I would now like to turn to the way you see the benefits and outcomes of you business

What outcomes do you currently gain from your business and how might these change in the future. I would like to get a feel for how you measure the benefits you get from your business and how you prefer to use these. I'm thinking in terms of economic, social and other benefits.

Would you tell me about the growth of your business and how it differs from the one you set up.

How have your business views changed as the business has grown and matured.

Would you tell me about some of the successes you have had in your business.

Would you now tell me about some of the things that have not gone so well.

### Part 6

In closing could you tell me if I was Māori setting up in business today what advice might you give me. What are the things that you see as absolutely crucial to get right

### Part 7

I'm going to give you a list of Māori values. I'd like you to tell me to what extent you use each particular value in your business. 1 - not at all to 5 - really important. (5 = used every day, 4 = used almost every day, 3 = used once a week to once per month 2 = almost not at all, 1 = never).

Ākoranga (Doctrine, learning, training, traditional teachings)	1	2	3	4	5
Aroha, arohatanga (Care, love, respect, charity).	1	2	3	4	5
Atua (Departmental gods, deity, divine, supernatural being)	1	2	3	4	5
Awhinatanga, awhina (Caring for, assist, help, support)	1	2	3	4	5
<b>Ihi</b> (Internal strength, power, inspiration, essential force)	1	2	3	4	5
<b>Kaikōkiri, Kōkiri</b> (Advance, competition, enterprise, warlike, going forward)	1	2	3	4	5
<b>Kaitiakitanga</b> (Guardianship - environmental and cultural)	1	2	3	4	5
Kawa (Protocol, custom, ceremony, standards)	1	2	3	4	5
<b>Kotahitanga, whakakotahitanga</b> (Unity, team work, consensus, working together)	1	2	3	4	5
Mana (Prestige, authority, status)	1	2	3	4	5
Mana moana (Sovereignty, prestige, responsibility, autonomy, status over water,	1	2	3	4	5

oceans marine environment)					
oceans, marine environment)  More Toige (Caring for the environment)	1	2	3	4	5
Mana Taiao (Caring for the environment,	1	2	3	4	3
authority to care of the environment)				4	
Mana whenua (Sovereignty, prestige,	1	2	3	4	5
responsibility, autonomy, status over land)					
Manaakitanga, manaaki (Looking after,	1	2	3	4	5
caring, hosting, hospitality)					
<b>Matauranga</b> (Knowledge, traditional	1	2	3	4	5
knowledge)					
Mauri (Life force, quality, power, energy, life	1	2	3	4	5
essence)					
Ngākau pono (Sincerity, in good faith, loyalty)	1	2	3	4	5
Training point (Sincerity, in good fatti, loyalty)	1	_	3	•	3
Noa (Open, accessible, unrestricted but	1	2	3	4	5
conditional use)	1	2	3	4	3
,	1		2	4	_
Ora, Waiora, Hauora (Health)	1	2	3	4	5
<b>Granga, ora</b> (Wellbeing, living, welfare)	1	2	3	4	5
Taonga tuku iho (Sustainable use and	1	2	3	4	5
protection of treasures, resources, inter-					
generational equity)					
Tapu (Sacred, closed, prohibited, off-limits,	1	2	3	4	5
restricted use)					
Tau utuutu, utu (Reciprocity, giving back what	1	2	3	4	5
you take, maintain balance)	-	_		•	
Te Ao Tūroa (Sustainable use of resources,	1	2	3	4	5
inter-generational equity)	1	2	3	7	3
	1	2	3	4	5
<b>Tika</b> (Truth, accurate, appropriate, correct,	1	2	3	4	3
doing things the right way)				4	
Tikanga (Values, customs, protocols, guides	1	2	3	4	5
of behaviour, lore, framework, correct,					
correct way, the right way)					
Tino rangatiratanga, mana motuhake	1	2	3	4	5
(Sovereignty, self determination, authority,					
independence, empowerment)					
Waioratanga (Soundness, quality)	1	2	3	4	5
Wairua, wairuatanga (Spiritual dimension,	1	2	3	4	5
spirituality)					
Wehi (In awe, fear, respect, reverence)	1	2	3	4	5
		_	-	•	-
Whakapapa (Ancestral lineage, hereditary)	1	2	3	4	5
vuanapapa (Ancestrai inicage, nereditaly)	1	4	3	+	5
Wholesman (Taust 1-11 1 1 1	1	2	2	A	
Whakapono (Trust, believe, honest, honesty)	1	2	3	4	5
Whānaungatanga, whānau (Family, extended	1	2	3	4	5

family, relationships)	

I'm going to give you a list of Pākehā business values. I'd like you to tell me to what extent you use each particular value in your business. 1 - not at all to 5 - really important. (5 = used every day, 4 = used almost every day, 3 = used once a week to once per month 2 = almost not at all, 1 = never).

Being accountable and taking responsibility for what we do	1	2	3	4	5
Commitment to Society	1	2	3	4	5
Continuous improvement	1	2	3	4	5
Corporate pride	1	2	3	4	5
Cost management and efficiency	1	2	3	4	5
Creating and enhancing shareholder value	1	2	3	4	5
Creating value for clients	1	2	3	4	5
Customer delight and putting clients first - service excellence	1	2	3	4	5
Developing people	1	2	3	4	5
High performance	1	2	3	4	5
Initiative	1	2	3	4	5
Innovation	1	2	3	4	5
Integrity and honesty	1	2	3	4	5
Maintaining a high quality reputation	1	2	3	4	5
Safety	1	2	3	4	5
Teamwork	1	2	3	4	5
Treating each other fairly and with respect	1	2	3	4	5
Value oriented culture where people enjoy working	1	2	3	4	5
Win-win relationships	1	2	3	4	5

Thank you, that is the end of the formal part of the interview. But before we part is there anything else that you may wish to tell me to help me understand any of the issues we have brought up.

# Appendix B

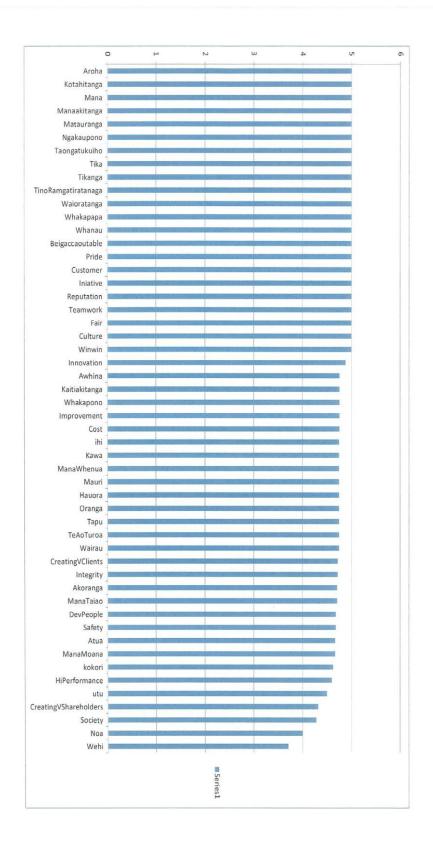
Business	Western	Chinese	Muslim	Indigenous
practice				
Main Purpose	Maximise	Serve family	Community/	Economic
of Company	Shareholder	interests	self	cultural,
	wealth		Sufficiency	social and
				environmental
Financial	Public Financial	Financial	Investor and	Family and
Openness	reports	information	family	investors
		kept secret		
Financing	Public sale of	Family and	Investors	Whānau,
sources	securities	friends of	lend and	friends and
		family	take equity	own resources
Transfer of	Mergers and	Companies are	Kept	Family
ownership	unfriendly	not sold due to	amongst	obligations
	acquisitions	family	original	and usually
		obligations	owners	not sold
Advertising	Brand is	Without	Brand and	Brand and
	promoted by	advertising,	networks	networks
	advertising	sales are made		
		via the family		
		network		

Management	Professional	Senior	Senior	Managers
	management,	managers are	managers	recruited
	recruited on	recruited from	often	within
	qualifications	within the	recruited	whānau and
		family	from within	hapū where
			the wider	possible
			family	
Time horizon	Short term	Long-term	Long term	Long term
	emphasis on	family prestige		
	bottom-line	is emphasised		
	profits and			
	shareholder			
	value			

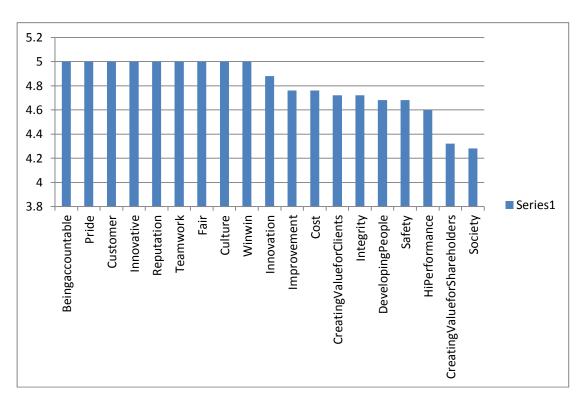
Partially reproduced from Inside Chinese Business (Chen, 2007:2).

### **APPENDIX C**

Bar graph - all values averaged showing how few values are not used on a very frequent basis. From most used to least used.



### Pākehā Values from most to least used



## **APPENDIX D**

Relationship between outputs and values

	Social/Cultural	Economic Spritual	Spritual	Commercial	Strategy/Planning	Whanan	Greater Community
Akoranga							
Atua							
Awhina							
Being Accountable							
Continuous improvement							
Cost management and efficiency							
Creating and enhancing shareholder value							
Creating value for clients							
Customer Delight							
Developing People							
Initiative							
Innovation							
Kawa							
Manaakitanga							
Teamwork							
Treating everyone fairly and with respect							
Whakapapa							
Win win relationships							

### Appendix E

Dear,

Thank you for agreeing to be interviewed for my thesis on trying to understand "how an Indigenous entrepreneur commercialises Indigenous knowledge for the benefit of the people who have traditionally owned that knowledge".

Attached is some information about the project and a consent form which I shall ask you to sign when I arrive to do the interview on

After the interview I will provide you with two written transcripts one of which is for you to keep and the other for you to note any inaccuracies on and to send back to me. I also offer you an electronic copy of the final thesis after it has been marked.

Once again thank you for making the time available to help me with the thesis.

Kind regards

Philip Best

# VICTORIA UNIVERSITY OF WELLINGTON CONSENT TO PARTICIPATION IN RESEARCH

### Commercialisation of traditional knowledge by Māori entrepreneurs

I have been given and have understood an explanation of this research project. I have had an opportunity to ask questions and have them answered to my satisfaction. I understand that I may withdraw myself (or any information I have provided) from this project (before data collection is complete and analysis has been started) without having to give reasons or without penalty of any sort.

I understand that any information I provide will be kept confidential to the researcher and the supervisor. The published results will not use my name, and that no opinions will be attributed to me in any way that will identify me. I understand that the interview recordings will be electronically wiped at the end of the project.

I understand that I will receive a copy of the transcript and that I will have an opportunity to check the transcripts of the interview and make changes before it is used in the analysis.

I understand that the data I provide will not be used for any other purpose or released to others without my written consent.

I would like to receive a summary of the results of this research when it is completed. I also understand I will be offered an electronic copy of the final thesis after completion of marking.

I agree to take part in this research.	
Signed:	
Date:	

### Participant information sheet for a study of Māori entrepreneurship

Researcher: Philip Best, Te Kawa a Māui (School of Māori Studies), Victoria University.

I am a PhD student in Te Kawa a Māui at the Victoria University. I am researching the commercialisation of traditional (Indigenous) knowledge by Māori entrepreneurs. The University requires that I obtain ethics approval for research involving human participants which has been obtained.

The information I am entrusted with will provide valuable information for my thesis. Specifically I am hoping to understand "How does the Indigenous entrepreneur commercialise their Indigenous knowledge for the benefit of the people who have traditionally owned that knowledge".

I am inviting Māori entrepreneurs to participate in this study. Participants will be asked to agree to a face to face interview at their normal place of work or other location which suits them and at a time to be arranged. The interview will last one to two hours. The interview will consist of a number of discussion points which the respondent will be asked to give their views on.

Responses collected will form the basis for my thesis. The work will be submitted to the University for marking. When this has been completed an electronic copy will be offered free to all participants. Only grouped responses will be used in the thesis. All material collected will be seen by no other person than my supervisor or myself. It is envisaged that portions of the work may be submitted separately for publication in scholarly journals.

If you have any questions or would like to more information about the project, please contact me at Victoria University – 463 5466 or by e-mail <a href="mailto:philip.best@vuw.ac.nz">philip.best@vuw.ac.nz</a> or Dr Danny Keenan at Te Kawa a Māui, PO Box 600 Wellington phone 463 5468 or e-mail <a href="mailto:danny.keenan@vuw.ac.nz">danny.keenan@vuw.ac.nz</a>.

Kind regards

Philip Best