

**A hybrid social governance Indigenous entrepreneurship
model for sustainable development: The Gumatj Clan
innovation**

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Abstract

In spite of the Australian government continuing commitment to Indigenous entrepreneurship as a healthy strategy for facilitating the economic advancement and wellbeing of this disadvantaged group the initiative has had limited success. Engaging mainstream entrepreneurship, which is framed on principles to deliver personal profit and the exploitation of self financial opportunity, is discordant with missions of non profit, promotion of community good and allegiance to cultural sensitivities, which are the dominant social features of remote Australian Indigenous communities. Yet entrepreneurship is a pathway for responsible Indigenous development. An entrepreneurial initiative integrating the two disparate perspectives, which has been developed by an Indigenous group, is the central element of this paper. Challenges and the potential worth of this innovative Indigenous inspired commercial framework are discussed.

Introduction

A major plank of the Australian government commitment to developing economic independence of Aboriginals is expressed in strategies promoting Indigenous entrepreneurship. Acknowledging the importance of business development for increasing the wealth and socioeconomic status of this disadvantaged sector of Australia society, the government has placed strong emphasis on initiatives to provide business advice, support, and training to assist Indigenous people to establish their own small business (*Australian Government* 2007). Encouraging Indigenous entrepreneurship has been promoted as a primary strategy to improve the economic development of Australian Aboriginal communities, which continue to experience higher rates of poverty (Altman 2009; Hunter 2009a), lower labour force participation (Hunter 2009b), poorer health and lower life expectancy (McDonald et al 2008; Pholi, Black & Richards 2009), the people are more likely to be reliant on welfare and their wellbeing is considerably lower than other Australians (Dockery 2009; Lee et al 2008). However, endeavours to enable this most disadvantaged

group to engage in small business has not significantly established Australian Indigenous entrepreneurship, which is generally low compared to the participation rate in other countries (Furneaux & Brown 2008; Hindle 2002), and in particular tourism, which is a most popular enterprise with Indigenous Australians has been found to be precarious and unviable (Russell-Mundine 2007).

Despite a great deal of literature focussing on Indigenous entrepreneurship being generated in the past two decades there is still a lack of sustainability in these entrepreneurial ventures. Often the writings, generally by well intentioned non Indigenous social scientists, has targeted entrepreneurial activity against Western hallmarks of individual characteristics (Lindsay 2005; Morrison 2000), organisational properties (Lutz, Kemp & Dijkstra 2010; Stringfellow & Shaw 2009), or environmental factors (Dana 1995; Russel-Mundine 2007). These comparative indicators may have been employed to capture the innovative nature and essence of entrepreneurial activity as a key driving force of the free market economy (Hindle & Moroz 2009; Kukoc & Regan 2008; Manpunda 2005). But these benchmarks may be assumptions not endeared by the Indigenous entrepreneurs. For instance, social interaction may be a more desirable feature of the enterprise, and hence, the non pecuniary collective spirit is more valued by the firm rather than the employment of mechanisms that promote economic dimensions of success like sales growth, profit or market share.

Social entrepreneurship is a field of interest that challenges traditional assumptions of economic and business development. Jones (2007) defines social entrepreneurship as a hybrid commercial model blending economic and social values, which is a wider interpretation of capitalism having a major mission of profit maximisation (Yunus 2008). Although the success of social enterprises is gauged less on profit and more about how well societal problems are resolved with innovative solutions, the meaning and boundaries of social entrepreneurship is in a state of conceptual confusion (Dacin, Dacin & Matear 2010). In spite of the increasing global phenomenon of social entrepreneurship the investigations have largely been limited to anecdotal evidence and a variety of definitions have emerged in endeavours to leverage the conceptual and practical boundaries (Zahra et al 2009). For example, Peredo and Chrisman (2006) presented the concept of community based enterprise, which operates as a corporate enterprise to sustainably pursue economic and social goals to foster community good. These authors acknowledged while the concept is an alternative and promising unconventional model for transforming Indigenous impoverished communities they do conjecture a number

of unique features, that are likely to be embedded in a community based enterprise. These features of Indigenous entrepreneurship are often linked with ancestral lands, associated natural resources, social capital and relational networks (Blanch 2008; Kilpatrick, Field & Falk 2003) to provide connection with community based economic development.

Social Indigenous entrepreneurship captures distinct and unique pillars of value creation and societal arrangements. Whereas mainstream entrepreneurship theory promotes the primacy of economic goals (Lutz et al 2006), and Indigenous entrepreneurship allows the rebuilding of communities with motivation to lessen poverty and improve a range of socioeconomic indicators (Furneaux & Brown 2008; Peredo et al 2004), social Indigenous entrepreneurship can reflected these two features, but is fundamentally undertaken to "... address areas of unmet social need or new social opportunity ." (Nicholls 2006: 15). Indeed, the label of social Indigenous entrepreneurship does not disqualify the enterprise from making a profit when mixing principles of business, elements of charity, and social ambitions to generate sustainable solutions to community problems. Social Indigenous entrepreneurship, which is an evolving phenomenon, allows members of a distinct cultural group to employ their natural resources in frameworks of customary and existing social structures (Altman 2002; Tapsell & Wood 2008) to deliver outcomes for the good of the community. Within this paradigm individuals may be financially rewarded for their contribution to the broad based and locally focussed objectives of the venture, yet levels of personal wealth are not maximised as the motivation of the entrepreneur is primarily on social impact. The importance of developing an understanding of these patterns and how they diverge from conventional entrepreneurship is critical to facilitate the economic independence of Indigenous people and particularly in Australia where the Federal government is committed to developing business and employment opportunities for Australian Indigenous people (*Australian Government 2007*).

These notions are drawn together to disclose the conception of an Indigenous social entrepreneurial organisation for promoting sustainable employment and a better socioeconomic status. The Indigenous group is the Gumatj clan nation, which is independent of other clan nations of the Yolngu people, whose heritage is cast in the Gove Peninsula of the Northern Territory (NT) of Australia. It is believed the Yolngu people had descendants who occupied the region some 55,000 years ago. More recent written records disclose these people traded extensively with seafarers from the north of Australia. There is evidence the Yolngu were employed by the Macassarese in the 1770s, and the interaction would have considerably

impacted the beliefs, values, economy and social organisation of the clans (Worsely 1955). Indeed, the last vision held by the Indigenous people of the departing Macassan sailing ships (in March when they returned to the north by the south east trade winds) would have been the ship sails, and today large sail like banners adorn Yolngu burial sites. The contemporary surviving clans, which are bound through the moieties of Yirritja and Dua, have inherited the knowledge of oral language, laws that give them ownership of the land and sea, and the beliefs which they share as they live their lives in this remote region of Australia. Shown in Figure 1 are the places of interest nominated in this manuscript.

(Put Figure 1 about here)

The paper is presented in five main parts. In the second part (after the Introduction) is outlined a lineage for social Indigenous entrepreneurship. This section begins with the constraints reported for Australian Indigenous tourism entrepreneurship and is linked through these barriers to the pillars of Australian Indigenous social entrepreneurship. The establishment of these principles provides the buttress for the Gumatj clan proposal for their social entrepreneurship scheme, which is delineated in the fourth section of the paper. Discussion how this model has some relevance with the emerging literature is the fifth section of the manuscript. A concluding section identifies avenues and challenges for the administration of the Gumatj clan entrepreneurial innovation.

Brokering Remote Social Indigenous Entrepreneurship

One stream of the relevant literature has disclosed Australian Indigenous entrepreneurs experience a relatively broad set of barriers to entrepreneurial development. Frequently identified is a lack of capital, which can be economic (Giddy, Lopez & Redman 2009; Ivory, 1999) or social (Foley 2003). These two types of barriers are not uniquely different to problems experienced by non Indigenous small business, and in fact capital has been identified as a specific market entry barrier to small enterprises (Lutz et al 2010). Arguably, a more profitable examination of pathways for Indigenous economic and social development might be found in the distinct disciplinary field of Australian Aboriginal tourism entrepreneurship literature, which has been undertaken with expectation these ventures will lead to stand alone commercial businesses and assist in the development and improvement of the members.

Australian Indigenous Entrepreneurship Constraints

In spite of programmes for Australian Indigenous small business a coherent industry has not emerged. A number of reports (Astic 1994; Pitman 1994; Pritchard & Gibson 1996) during the 1990s may have been the genesis for enthusiasm by Australian Indigenous communities to popularly endorse tourism as a pathway to better futures. But many of these ventures declined with expenditure of the seed funding (Birdsall-Jones, Wood & Jones 2007; Russel-Mundine 2007). Whitford and Ruhanen (2010) contend the precariousness of Australian Indigenous tourism is linked with policies of Australian governments. Their argument is based on finding after critically examining 35 State/Territory/Federal Australian policies that over 91 per cent of them "... demonstrates 'sustainability rhetoric' that lacked the rigor and depth to realise any legitimate moves towards achieving sustainable tourism development for Indigenous peoples." (p.475). Although tourism small business has been appealing to Indigenous Australians the reality is this type of entrepreneurial development has been limited, and has not been a robust avenue for greater self determination of Australian Aboriginals.

Wide based Australian Indigenous business creation programmes have been promoted and evaluated. Although a plethora of these programmes have been installed their delivery has often been impeded by a variety of barriers to demonstrate the need to balance both economic and social goals. Indeed, a range of social scientists (Altman 2002; Arthur 1996; Blanch 2008; Giddy et al 2009) claim the notion of economic issues being paramount to sociocultural and environmental issues when developing sustainable Australian Indigenous entrepreneurship has been unhelpful. The challenge how to blend economic and non economic elements of contemporary Australian Indigenous entrepreneurial business has been discursive for the Australian government. After establishing The Aboriginal and Torres Strait Islander Commission (ATSIC) in 1989, as the agency responsible for the administration of an array of Indigenous business programmes, the Howard Government abolished ATSIC in 2004 for non compliance with accountancy requirements (Anderson 2007). Clearly, entrepreneurship is beset with a diversity of complexities and the identification of pathways to overcome the barriers and constraints will facilitate the sustainable self determination and economic independence of Australian Indigenous entrepreneurs.

Russell-Mundine (2007) delineated the common barriers to Australian Indigenous tourism that have been reported in the substantive literature from the 1990s. Data were obtained from

government reports, departmental enquiries and a great deal of systematic academic investigation to reveal there were four main barriers. These barriers were 1) Economic (capital, land access), 2) Resources (managerial, infrastructure), 3) Industry (linkage, itinerary rigidity) and 4) Cultural (observance of social and cultural protocols). Although these barriers were determined from the tourism literature often these same features have been reported as disadvantages for Australian Indigenous entrepreneurial development in general (Altman 2003; Foley 2006a; 2006b; Furneaux & Brown 2007; *Open for Business* 2008; *Submission* 2001).

Pillars of Social Indigenous Entrepreneurship

Social frameworks and cultural nuances have critical functions in fostering social Indigenous entrepreneurial activity. Prominent features of social organisations are displayed as family binding energy, trust, norms that guide interactions, and a high level of membership reciprocity cooperation contained in densely interlocked networks of relationships (Onyx & Bullen 2000; Taylor 1999). When these and other attributes such as a gift giving economy (the Yolngu term the process humbugging) are processed in the community these resources are referred to as social capital (Kilpatrick et al 2003), which is a resource allowing community members to cooperate and build synergies. According to Coleman (1990), and later Putman (2000), social capital is a resource available to community members for mutual and collective benefit, and being based on relationships can be displayed as a diverse variety of loose and informal networks capable of providing foundation for the mobilisation of assets.

Social relations and networks are recognised as the central elements of entrepreneurship. These arrangements, stemming from social capital, give local capacity the confidence to undertake entrepreneurship with the building of collective knowledge, confidence and reliance on other community members (Granovetter 1985; Manning, Birley & Norburn 1989). Later, Johannisson and Monsted (1997) referred to the collective forces of social networks as ‘creative bridging activity’, and the importance of social networking for the development of small business in remote communities has been identified (Dana 1995; Lyons 2002). Peredo and Chrisman (2006) succinctly summarise *how* the process operates when they write “The community acts as an enterprise when its members work together to jointly produce and exchange goods and/or services using the existing social structure of the community as a means of organising these activities.” (p. 316). Informed judgements about *why* communities

engage in entrepreneurial activities are evolving although some guidance was given by Dana (1995), who proposed the motivation may stem from cultural perceptions of opportunity. Indigenous social entrepreneurship illustrates the emergence of opportunity within a community that practices fundamental sociocultural principles. Peredo and colleagues (2004) stated the motivation of Indigenous people to engage the process of entrepreneurship is driven to become self reliant, but Australian Indigenous social entrepreneurship attracts greater delineation as the activity is a tangible pursuit of the ideal of self determination (Foley 2000; Sanders 2002), which embraces more than economic independence. A policy construct of self determination, within the state recognised role for Indigenous organisations is “... the right of Indigenous Australians to participate in making decisions that relate to their communities.” (Anderson 2007: 138). In spite of reframing Indigenous policy in terms of mutual obligation with the abolishment ATSIC in 2004 the social policy approach to Indigenous people of the Australian government remains as universalism, yet Australian Indigenous people have cultural and economic circumstances very different to the dominant Australian culture (Altman 2002). In remote regions of Australia where Indigenous communities are often disadvantaged in a range of social indicators (e.g., education, employment, health, housing, incarceration, income and poverty) rural communities engage entrepreneurship for two primary reasons One reason is to pursue the notion of self determination, and the second reason is to improve the socioeconomic standing of their community. These remote communities have strong cultural continuities with historical heritage and these properties facilitate the evolution of an unique social community based entrepreneurship.

Underpinning of Gumatj Clan Entrepreneurship

Recently, Giannetti and Simonov (2009) found social networks are an important element of entrepreneurial activity. In an extensive empirical study they observed the existence of residual environmental entrepreneurship (neighbourhood) can be a substantial driver of new entrepreneurial activity, and peer effects were linked with substantial non pecuniary benefits. The identification of these two features has strong implications for the Gumatj clan entrepreneurial vision.

There is a legacy of residual historical entrepreneurship with the Indigenous Yolngu people, who live on and in the region of the Gove Peninsula of the NT. Evidence shows the Indigenous Yonglu people traded across the different clans as well as with seafarers from north of Australia. Worsley (1995), and Berndt and Berndt (1999) refer to the clans trading

(there were bartering centres) with the Macassans, who travelled from Sulawesi (Celebes). In his book *Why Warriors lie down and die* Trudgen (2000) specifies the tariffs that were levied on the Macassarese for rice and tobacco from 1894 to 1903 when the South Australian government administered the NT. But the trade records exist much earlier. For instance, the Dutch explorer Jan Van Carstens named east Arnhem Land in 1623, followed by the notable Australian seafarer Abel Tasman in 1644, and in 1803 the British explorer Mathew Flinders also engaged the Indigenous Yolngu of Arnhem Land in trading activity. Clearly, Indigenous Yolngu were engaged in entrepreneurial activity until this international trade was terminated by the South Australian government, that was responsible for colonial administration of the NT, about 1907.

A century later the Australian federal government is encouraging Indigenous entrepreneurship to alleviate poverty, unemployment and the wellbeing of Indigenous people. The decision for a Gumatj clan member to be a part of the entrepreneurial group is likely to be influenced by their neighbourhood spirit, and an Indigenous aspiration to manage their country has drawn many Indigenous Yolngu people, in remote Arnhem Land, to live in small communities called outstations on their traditional lands (Altman 2003). When engaged in entrepreneurial activity in these remote communities provides opportunity to 1) socially connect to the clan structure within the arrangement of member status and entitlements (i.e., protection, kinship, gift economy, survival), and 2) involvement in customary cultural continuities of hunter gatherer pursuits on their traditional lands. Yunupingu (2009) refers to the traditional ancestral ceremonial lands as the universities of the Yolngu people (who are from an extant oral society) where knowledge of laws, that give ownership of the land, and the rules by which they live are learned. In spite of Australian Indigenous people endeavouring to be proactive in starting a business, and initiatives by Australian government agencies for the benefit of Aboriginal enterprises (Smith 2006), the Indigenous entrepreneurship participation rate in Australia has remained consistently low (Daly 1994; Ivory 1999; Furneaux & Brown 2008).

Since the 1970s mining royalties have enabled the Gumatj clan to intensify entrepreneurial activity. On the Gove Peninsula is the green field town of Nhulunbuy, which was established to service one of the largest bauxite refineries in the southern hemisphere. Nhulunbuy is a fully serviced town (shopping precinct, hospital, police and emergency services, airport, recreational facilities) with a population of some 4000 people (mostly non Indigenous) many of whom are employed by the miner Rio Tinto Alcan at the mine site or the refinery, or the

residents are engaged in auxiliary service and manufacturing functions. The refinery will have a capacity of 3.8 million tonnes of alumina per annum, and the port facilities also export bauxite ore. All of the ore is mined on Indigenous property and some 79 per cent of the mining reserves are on Gumatj traditional lands. The mining royalties have provided considerable economic capital and together with the extensive natural resources on their lands has enabled the Gumatj clan to foster a succession of small businesses.

From the mid 2000s there has been gathering momentum in establishing entrepreneurial businesses by the Gumatj clan. A pivotal venture was the establishment of the Garrathiya cattle station some 90 km south, south west of Nhulunbuy. This enterprise is a non profit community arrangement, which hosts a modest 400 head of mixed cattle. The vision of the clan is to provide cryovaced beef products to the nearly remote outstations, but before this innovation can commence a considerable amount of infrastructure will be required. For instance, accommodation with messing and ablution facilities for additional young Indigenous men has been constructed in a network arrangement with the Jack Thompson Foundation (Territory Quarterly 2008). Subsequently, the Gumatj clan has exploited their familial prowess in cooperation arrangements to forge linkages with 1) a major building construction company to provide carpentry supervision, 2) an university architectural school to prepare construction drawings, and 3) Forestry Tasmania to give instruction to Gumatj men how to mill timber logs on their ancestral lands. Combining these resources with willing Gumatj people led to construction of a high quality timber living quarters for the incumbent Garrathiya employees. This substantial outcome obliged other clan members to fell suitable trees and mill timber on their ancestral lands (Pearson & Helms 2010, Robinson 2009). With growing confidence the Gumatj clan has constructed a large five bedroom timber house at Dhanya on the shores of Port Bradshaw (Pearson & Helms in Press), and a fledgling timber furniture company at Gunyangara.

These several entrepreneurial ventures have been undertaken as ‘stand alone’ simple organisational frameworks. Each organisation has been loosely attached to another with informal arrangements to coordinate the different output and inputs. For instance, the milled timber produced by a 10 man team (two timber fellers, one end loader operator and the remainder operating the Lucas mills) has to be aligned with the construction sizes of timber required by another team that is building the house some 20 km away, or the timely cutting of timber that can be air dried for timber furniture manufacture at Gunyangara. The planning of

the milled timber requirements for the separate business has been undertaken by the Gumatj leader Galarrwuy Yunipungu, but it is recognised this ad hoc system will be unsatisfactory for the intended diversification into an array of additional small businesses (e.g., shipyard, fishing, crocodile farm, milling timber on the new mining reserve). The new business arrangement that has been developed by the Gumatj leadership is illustrated as Figure 2.

(Put Figure 1 about here)

The Gumatj Social Community Entrepreneurship Model

Figure 2, the proposed social entrepreneurship network, has three main streams. On the far left of Figure 2 is shown the training stream, which will be managed by the Marngarr Community Government Council in office buildings at Gunyangara. With the impending termination of the Community Development Employment Project (CDEP) scheme (a ‘work for the dole’ arrangement), to be restructured as a work readiness training initiative from 1st July 2011 (Participant Fact Sheet 2009) federal government funding will be available for training Yolngu people, and particularly Gumatj clan members for ‘real jobs’. The second central section of the Figure 2 is the business stream. The intention is to appoint two non Gumatj persons for a period of two years to occupy the designated positions of CEO and General Manager. A number of the small businesses (at the foot of the business stream) are already operating in a loose, informal community arrangement that lacks rigorous coordination, and better linking of these ventures will be primary function of the General Manager. The far right hand side of Figure 2 is the investment stream, which will be overseen by the Financial Manager, who is to be an elder Gumatj clan member. In addition to the indicated financial flows audited by the Financial Manager, this role will also have the important function of nominating clan members for training, and when skilled these people will work in the operating small businesses. The three senior managers (i.e., CEO, head of Marngarr Community Government Council, and the Financial Manager) will report to the Gumatj Board.

Embedded in the operation of the Gumatj clan proposed entrepreneurial framework there are two prominent caveats. The first caveat is within two years all members will be of the Gumatj clan. That is there will not be any non Indigenous office holders. Currently, the number of clan members is about 500 people. A second important caveat is those clan members, who are

capable of working must undertake training and be employed in a Gumatj business to receive mining royalties. This second caveat is a substantial move away from a reliance on welfare and a progressive step toward self determination.

The second author recounted how a central pillar of the Gumatj social entrepreneurial model is the notion of self determination. Some years earlier when the concept of the organisation was being discussed the clan leader enquired what were the viable options for funding the visionary enterprise. When told the government would expect rigorous control of expenditures and full economic auditing of granted funding, and a bank would want all the loan repaid with additional interest to a strict timeline the leader Galarrwuy Yunpingu decided his clan would not be overwhelmed by their extreme disadvantage. Consequently, the Gumatj social community entrepreneurship model has been slowly evolving being progressively funded by mining royalties. A new mining tenement land agreement is close to resolution and the anticipated royalties will enable the installation of the visionary model.

The Gumatj clan is natural resource rich and the signing of the land agreement will provide the economic capacity to install the social community entrepreneurial arrangement. A lack of adequate Indigenous housing has provided cultural opportunity for the timber related business units. For instance, the delays in the Australian federal government strategic Indigenous Housing and Infrastructure Programme (Toohey 2009) have kindled enthusiasm for the Gumatj to build houses for their community. In late 2010 a programme for the construction of four houses at Gunyangara, commenced. Maintaining a healthy lifestyle and wellbeing in remote communities is extremely arduous which can be made more difficult by a lack of supply of nutritional foods by contractors responsible for community stores (Indigenous Business Australia 2009). Securing access for Indigenous remote communities on the Gove Peninsula to nutritious seafoods and beef products is an ambition of the Gumatj clan. Moreover, often in these rural areas there are few jobs opportunities, and consequently, most Indigenous people are reliant on welfare (Giddy et al 2009, Gray & Hunter 2002, 2005) whereas the Gumatj entrepreneurial ventures will provide local mainstream employment. Operating the social entrepreneurial model will enable Gumatj clan members to exercise individual and collective responsibility, and thus, epitomising the notion of self determination.

Discussion

In spite of the ongoing political and bureaucratic commitment to Indigenous entrepreneurship as a mechanism for increasing the economic independence of this disadvantaged group the Australia government continues to grapple with the issue. The failure to install sustainable Australian Indigenous entrepreneurial development has been hampered by a number of reasons including government practices, which is a disturbing outcome given the guidance by a number of acknowledged academic contributions (Altman 2002, Foley 2006b, Furneaux & Brown 2008, Hindle & Moroz 2009, Peredo & Chrisman 2006). Despite a thread of this literature delineating the importance of social factors as motivators of Indigenous entrepreneurship Australian governments and their departments have discernibly lacked understanding of this salient dimension and invariably given prominence to profit and commercial achievements as benchmarks of success. More disturbing was the abolishment of ATSIC, which had been established for the primary purpose of being the dominant Indigenous business financier. The latest evidence the Australian government is struggling with the concept of Indigenous entrepreneurship is the publication *Indigenous Economic Development Strategy* (2010). This document repackages an expression of commitment to Indigenous economic self reliance and invites public submission for the latest draft of the Commonwealth Government (May 2010) Indigenous Economic Development Strategy.

Challenging for the Australian government is acceptance of hybrid Indigenous entrepreneurial arrangements. On the one hand Indigenous communities, particularly in remote regions, have high levels of engagement with traditional social and cultural patterns of customary economy (Altman 2003). These complex hybrid mobile economies, which are distant from markets, often dependent on state provisions or welfare, adapted to hunter gatherer pursuits are radically different to normal entrepreneurial commercial profit orientated business arrangements demanding compliance with administrative, legal and governance mechanisms. The sensitive cultural and economic circumstance of Australian Indigenous communities, which allows diffusion of responsibilities, is fundamentally different to "... profit orientation and social commercial management skills, including asset accumulation and maintenance." (Foley, 2006a: p.3). Discriminating these differences has yet to be integrated into government initiatives in the pursuit of economic independence for Australian Indigenous people. Past government endeavours have emphasised prudential financial management and lesser importance to the internal functioning of community business.

The increased interest in Australian Indigenous entrepreneurship is a fascinating opportunity for understanding the relevance for differences in values between cultures. For Indigenous enterprises to be successful in a free enterprise system managerial acumen has to be more accustomed to the acceptable organisational operating procedures as well as the legal and regulatory structures of the dominant Australian society, and less sensitive to the local cultural relationships. An implicit effect of these homogenising forces is for firms to become similar in business practices, which has been referred to as a converging effect (Webber 1969), and is now a commonly accepted phenomenon in the international management literature (Rowley & Benson 2002). In contrast, the seminal work of Hofstede (1980) led to the generation of a perspective there are distinctly different economic cultures and institutional architectures with particular procedural arrangements. These networks reflect the values held by the employees and the relationships with their families, conditions that have been reported in both the international management literature (Hung 1991, Ralston, Thanh & Napier 1999), and within the Yolngu people (Trudgen 2000). This notion is the divergence philosophy. These two different viewpoints provide foundation for assumptions the business environment and the regional culture can interact to create a unique set of organisational member values and behaviours. The convergence – divergence controversy has inspired further exploration and Ralston and colleagues (1993) coined *crossvergence* as a cross bred form of values that emerges with the amalgamation of the two distinct frameworks. A salient challenge for Indigenous entrepreneur is to understand the business philosophy of their counterparts in the dominant Australian society, and to engrain this knowledge with the parochialism and ethnocentrism dimensions of their community. Adjusting to these competing pressures will be difficult (hence, the demise of many Australian Indigenous entrepreneurial endeavours), but the constraints are likely to be attenuated if the intersection between the externally imposed business conditions and the sensitivities to cultural meanings and practices are incorporated into defining Australian Indigenous entrepreneurs.

The Gumatj clan social entrepreneurial model (shown as Figure 2) embodies the concept of crossvergence. Convergence forces are installed by the employment of mandatory legal and governance mechanisms of the Australian entrepreneurial commercial landscape. In addition, prudential financial management, conventional business practices and the employment of a range of technologies, in the quest for efficiency and success, will push organisational systems towards uniformity (Rowley & Benson 2002). Nevertheless, adoption of these features may be incompatible with community values and clan nuances, which may cause

serious issues for family members. For instance, trust and mutual respect is vital for social partnerships, which influence the way members cooperate, communicate and relate to one another. These networking arrangements, which greatly affect the success of a business venture, are the forces of divergence. Consequently, the Gumatj clan social entrepreneurial model will operate as a hybrid arrangement blending the legal statutory imperatives and commercial regulations with personal relationships and cultural sensitivities. In practice regulatory structural business arrangements will become fused with clan cultural and social expectations. While this framework will expose dimensions of a market orientated economy the historical trading legacy and the accumulated value system of the clan will inherently provide opportunity for shaping the integration of processes critical for the entrepreneurial organisational operations.

Conclusion

Although the Indigenous social entrepreneurship initiative is novel the Gumatj clan is in a position to promote their model with a high degree of intrepidity. Some level of support can be expected from the Australian government, which has been consistently encouraging Indigenous entrepreneurial activity with an array of administrative and political precedents. The relatively successful establishment of a number of small entrepreneurial business on the Gove Peninsula during the past decade is a strong foundation on which to confidently expand involvement of the community. Achieving these results, in spite of stringent commercial eligibility requirements and overcoming a host of recognised barriers to brokering Australian Indigenous entrepreneurship, attests the importance of managerial acumen and resolute leadership. The Gumatj clan leader, Mr Galarrwuy Yunupingu, who was Australian of the year in 1978 and Chairman (for over a decade) of the powerful Northern Land Council has the potential to attract political patronage, industry linkages, and ultimately consolidation by the business sector.

The Gumatj clan social entrepreneurship venture has potential to enthuse a great deal of interest to a range of stakeholders. Social entrepreneurship is an emerging stream of the literature that challenges many of the traditional assumptions of economic and business development. Adding the flavour of Indigenous presents an even higher level of complexity in hybridisation of cultural and institutional conventions, which have to be appreciated for understanding the potential sustainability of social entrepreneurs. Lessons learned from the

Gumatj clan innovation will provide useful knowledge for explaining and understanding Indigenous social entrepreneurship, that addresses critical Indigenous social problems, which have consistently defied the Australian government with considerable expenditure of public resources.

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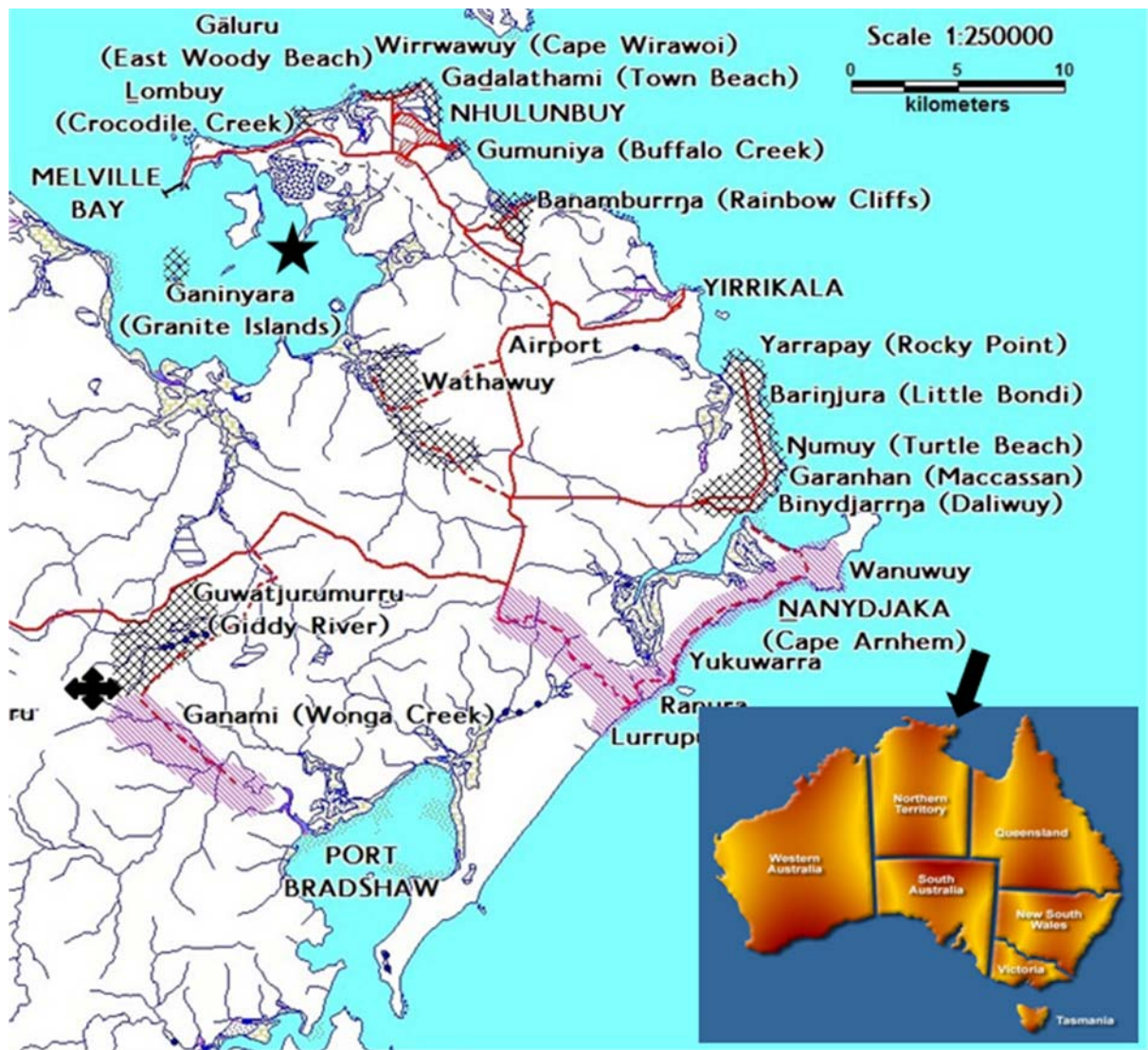
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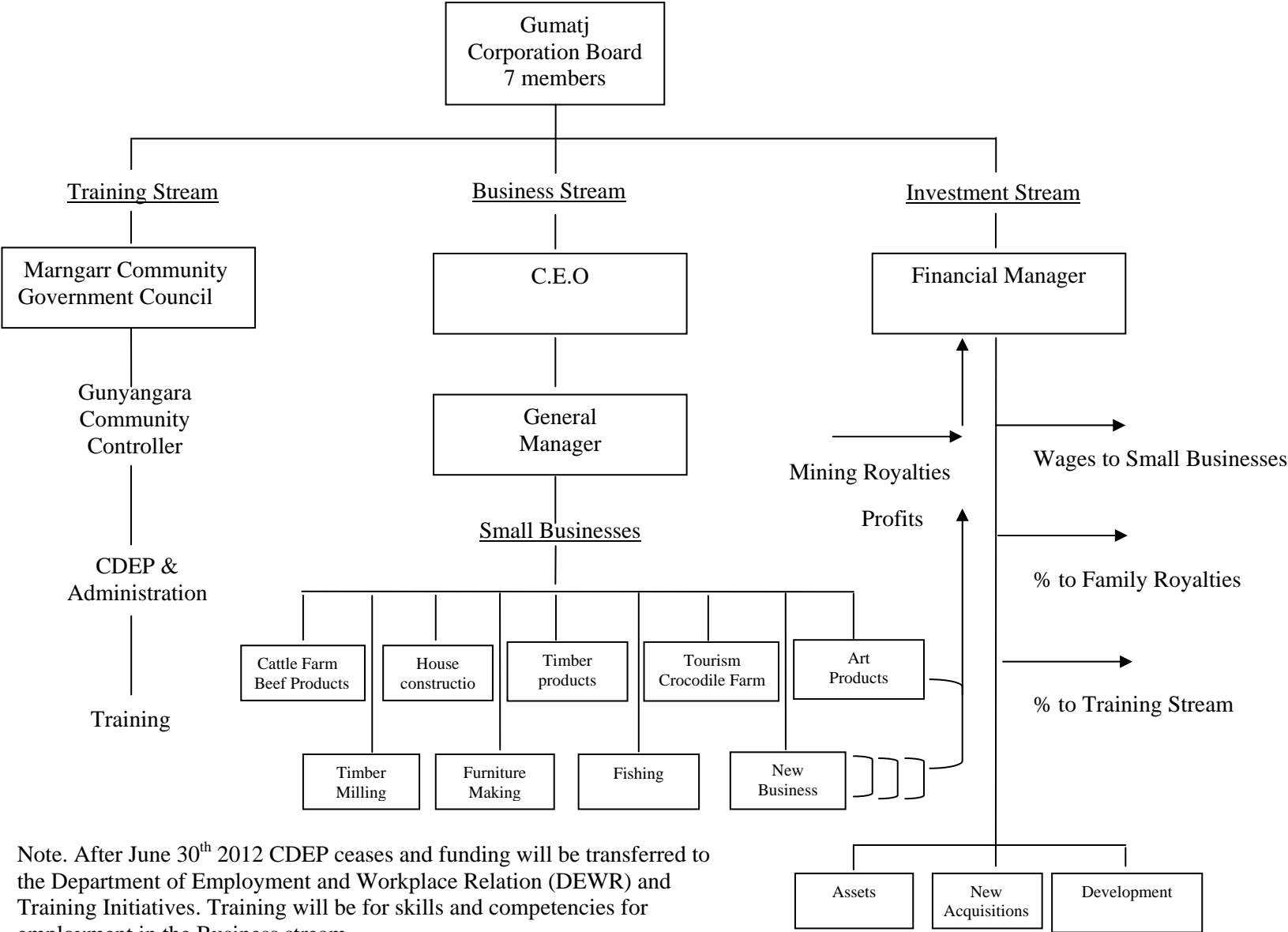
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Figure 1. The Gove Peninsula and places of interests



Notes. ◆ represents the location of the Garrathiya cattle station and ★ is Gungangara. Except for Nhulunbuy, Gungangara and Yirrkala/Yirrikala outstations seldom have populations greater than 25 people.

Figure 2. The Gumatj clan proposed entrepreneurial framework



Note. After June 30th 2012 CDEP ceases and funding will be transferred to the Department of Employment and Workplace Relation (DEWR) and Training Initiatives. Training will be for skills and competencies for employment in the Business stream.