



# Measuring the holistic impacts of investing in Indigenous businesses: a knowledge review

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This paper presents findings of a review of the literature to understand the broader impacts of investing in Indigenous businesses. The findings from this review will inform the development of a framework to measure the personal, social, cultural, and environmental impacts of investing in Indigenous businesses.

## Background

Business success is largely measured based on economic growth, which relies on the flawed assumption of endless material wealth. This shortcoming is addressed by more progressive, sustainable, and holistic ways of understanding the global economy, including doughnut economics, regenerative economics and circular economies - models that privilege holistic wellbeing through cultural, social, environmental and economical sustainability.<sup>1,2,3</sup> For example, since 2007, as part of a global movement towards more inclusive, equitable and regenerative economies, businesses can register for B Corporation (BCorp) certification based on how they create value for employees, community and the environment.<sup>4</sup> Similar concepts have emerged elsewhere, for example, the Bhutan government replaced Gross Domestic Product (GDP) with Gross Domestic Happiness (GDH) - a wellbeing model that values collective happiness as a goal of governance.<sup>4</sup> New Zealand has also created a 'wellbeing budget' that addresses social inequities and environmental sustainability through economics.<sup>5</sup>

These emerging mainstream models are increasingly coming into alignment with ancient Indigenous values of interconnectedness with people and the natural world.<sup>6,7</sup> Indigenous authors assert that mainstream businesses have much to learn from Indigenous ways of working towards success based on Indigenous values, rather than the other way around.<sup>6,7</sup> Australian Indigenous entrepreneurs, for

example, have signalled the value of industries adopting ancient cultural knowledge and practices to mitigate current issues such as bush fires and flooding.<sup>7,8,9</sup> While the potential benefits of integrating Indigenous values, knowledge and practices into contemporary business have been acknowledged, there are few established systems to guide and measure the impact of this process.<sup>6</sup> At present, Indigenous businesses supported by Supply Nation represent a microcosm of the broader business world with the potential to show and grow the wellbeing benefits of investing in Indigenous business.

## Policy context

Measuring the holistic impacts of investing in Indigenous businesses is an essential part of establishing measurable impact pathways towards achieving Indigenous policy targets in areas including Indigenous procurement, economic development, workforce participation and health and wellbeing. It also offers a structure for corporates to meet social and environmental targets, offering value beyond the Indigenous business sector.

## Supply Nation and the 'Sleeping Giant'

Under the Indigenous Procurement Policy, an Indigenous business in Australia is defined as a business with at least 50% Indigenous ownership.



Supply Nation registers businesses meeting this definition and certifies businesses whose ownership is 51% or more. Over 3,900 Indigenous businesses are verified through Supply Nation from a range of industries including construction, food and hospitality, graphic design, information technology and sustainability. Demonstrating the value of investing in Indigenous businesses beyond economic value is crucial to support the growth of Indigenous businesses and their broader wellbeing impacts on communities and societies.

Following on from an earlier report, [The Sleeping Giant. A Social Return on Investment Report on Supply Nation Certified Suppliers](#), Supply Nation is developing a more culturally meaningful model to measure and monitor the broader holistic benefits of investing in Indigenous businesses than what is possible with standard analyses of Social Return on Investment (SROI).<sup>10</sup> While the report calculated that every dollar of revenue for Indigenous businesses returned, on average, \$4.41 worth of economic and social value, it also highlighted a range of other cultural and community benefits of investing in Indigenous businesses that are difficult to measure and do not lend themselves readily to existing SROI models.

A key finding was that Indigenous businesses “don’t just create a little social value on top of the value of the goods and services they deliver: **the creation of value is their whole approach to business**”.<sup>10</sup>

Every business owner interviewed “uses their business as a vehicle to drive change for their family and wider community”. Business owners and employees spoke of “increased confidence, autonomy and aspirations”, and that they were committed to making the business work for the wider community.

Until we can map, monitor, and measure these factors, the true value of investment in Indigenous businesses remains underrated.

## The Interplay Project

The Interplay Project<sup>11,12</sup> (Interplay) is a scientific social technology developed from the ground up in Indigenous communities nationally. Interplay is co-led by Aboriginal people and researchers with over 25 years of experience in Aboriginal wellbeing. It has three key features based on Indigenous holistic values and aimed at bridging worldviews to develop shared visions and measures of success.

1. A ‘shared space’ model of collaboration where all stakeholders including the community are collaborators in all phases.
2. Translating ‘stories into numbers’ to quantify cultural and community values, building an evidence base to create sustainable change.
3. Taking a ‘holistic approach’ to data analysis by applying structural equation modelling that identifies the strongest impact pathways.

These strategies are applied to develop an Interplay ‘Story of Change’ that is in turn used to identify and strengthen the key components and pathways to sustainable impact.

## Developing a holistic impact framework for Indigenous business

Supply Nation is working with The Interplay Project to develop a framework that provides deeper insights into the personal, social, cultural, and environmental impacts of investing in Indigenous businesses.

The Interplay Project’s methodology<sup>11</sup> involves engaging Indigenous businesses to collaboratively design an impact framework to measure:

- what they value
- what they bring to workplaces and communities



- the many ways they make a difference to themselves and broader societies and economies

This ensures the framework has real world integrity and collective ownership, and is therefore collaborative, meaningful, and impactful. The Interplay Project is collaboratively developing the framework and indicators to measure and understand the true value of investment in Indigenous business.

## Brief review of the literature

This brief review was conducted to identify key themes and how they create value for Indigenous businesses. A literature search was conducted with the following inclusion criteria:

- peer reviewed journal publications
- published in the last 10 years (since 2012)
- published in English
- focused on Australian Indigenous people, Indigenous enterprise and business, and

how social value and broader return on investments are measured in this area.

An initial search identified 1,139 relevant publications. Abstracts were further screened for their relevance and usefulness with prioritization of studies that report Indigenous business outcomes, performance and broader impacts including social, cultural and community impacts. A total of 33 publications from the search were reviewed in detail together with additional articles identified through a snowball effect.

## Key themes

The following key themes identified in the review suggest that Indigenous businesses value more than just economic priorities and provide the basis of a holistic measurement system to inform policy (e.g., see Figure 1). Further, these insights and framework offer potential value to the corporate sector beyond Indigenous businesses.

Figure 1. Interim Supply Nation ‘Story of Change’ based on integrating the literature with the Interplay framework.





### Indigenous values and worldviews

Indigenous values and worldviews lie at the core of Indigenous businesses, based upon holistic concepts of communality and interconnectedness.<sup>6,7,13</sup> By contrast, global economic markets are based on concepts of individualism and capitalism. A growing body of research is exploring the cultural ‘clash’ of Indigenous values and capitalism and how it plays out for Indigenous businesses.<sup>6,13</sup> Altman defines a unique hybrid economy for Indigenous people who live within an inherited economy of customary service that they must balance with economic participation in mainstream private and public sector markets.<sup>14</sup> Values of communality and reciprocity are deeply embedded in Indigenous cultures through spiritual beliefs passed on through antiquity, creating an implicit commitment to community and caring for the natural world.<sup>6,7,8,9,14,15</sup> These inherent values are essential seeds for cultural, social and environmental flourishing. Their interrelationship with Indigenous business as a vehicle for economic prosperity is evident in the themes below.

### Working for the community

In line with the findings from the Sleeping Giant report, a key finding is that a primary motivation and desired impact for Indigenous business owners and employees is to ‘work for the community’.<sup>15</sup> This plays out in several ways.

### Service to culture and community

Culture and the importance of nurturing and protecting cultural identity, knowledge and practices through business and its flow on effects to communities are prioritised.<sup>15,16,17</sup> These include employment and skills development for Indigenous people and the strengthening of cultural and community assets.<sup>13,16</sup>

Indigenous businesses place high value on aligning with community goals and aspirations and being accountable back to the community through their business.<sup>15-18</sup> In many cases, service to the community is the primary purpose of the business.

The core focus of service to culture and community including local employment, for example, is outlined in the organisational mission statement of a Yolŋu social enterprise in Arnhem Land.<sup>16</sup>

These priorities align with corporate social responsibility strategies that aim to build the assets of communities through community development including supporting employment, education, and other drivers of cultural and social impacts.<sup>19</sup>

### Relationships and networks

Building and strengthening relationships, connections and networks is highly valued and achieved through involvement in Indigenous businesses.<sup>6,18,20</sup> This includes strengthening relationships in one’s own community and culture as well as improving intercultural understandings and relationships, across cultures. Business enables people to build networks and resources outside of their own culture and community, as well as the capacity to bring together and create opportunities within the community.

### Indigenous employment

Indigenous businesses have an employment rate for Aboriginal and Torres Strait Islander people that is 60% higher than other businesses.<sup>29</sup> In turn, Indigenous employees find their employment creates safe spaces for families and culture, strengthens connection to culture, creates opportunities for healing and training, and relates to feelings of pride in the business.<sup>10,21</sup>

Indigenous employment rates vary across sectors, being higher in the not-for-profit sector particularly amongst community and social services, and in smaller businesses.<sup>21</sup> However, “even larger Indigenous businesses (revenue over \$10 million) have a proportional Indigenous employment rate at or above 30% - ten times the estimate of the Indigenous proportion of the population (3%) as a whole”.<sup>21</sup>

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### Establishing place

Caring for Country including land, sea, flora, fauna, and people is highly valued in all Indigenous cultures.<sup>15</sup> Being involved as an owner or employee of an Indigenous business enables people to strengthen their connection with 'place' in several different ways ranging from improving housing security to improving land tenure arrangements and working towards and achieving environmental outcomes including protection, restoration and other components of caring for Country.<sup>6-10,15,18</sup> A study in west Arnhem Land interviewed 60 people of which 93% said that looking after Country was part of their cultural responsibility, and that natural resource management, "should be carried out communally, primarily under the direction of Elders and family".<sup>15</sup> The deep knowledge and commitment to caring for the land and sea carried by Indigenous people has created opportunities for culture-based economic development with cultural, social and environmental benefits.<sup>22</sup> One study reported Indigenous people have greater interest to participate in wildlife-based enterprises than other forms of workforce participation.<sup>23</sup> There were different priorities based on demographics within the study cohort, however they all aligned with community and cultural practices and beliefs.

### Culture through work

The ways in which Indigenous businesses work within culture or bring 'culture through work' include integrating cultural knowledge and values into business, learning about, and strengthening culture through work, cultural leadership, culturally safe workplaces and culture-based products and services.<sup>6,13,15-20, 24</sup>

### Cultural leadership

Cultural leadership builds and strengthens cultural identity for Indigenous business owners, employees, and the businesses themselves. This occurs predominantly through growing genuine systems of Indigenous governance and leadership and embedding knowledge and strategies for learning

from Elders and Indigenous leaders in the business.<sup>13,18</sup>

### Culturally safe workplaces

Feeling culturally safe in the workplace is a critical condition for successful Indigenous employment and a key reason why Indigenous employees will stay or leave a job. Culturally safe workplaces are defined by these factors:

- respecting family and cultural responsibilities
- flexible, less formal working arrangements to balance work with cultural obligations and customary practice
- celebrating cultural events and practices
- cultural sensitivity in the workplace
- respecting and learning about other cultures
- strengthening intercultural relations and cross-cultural communication
- mentoring, learning on the job, training, and career development opportunities.<sup>10,13,15-20, 24</sup>

### Culture based products and services

Many Indigenous businesses grow cultural knowledge and awareness through delivering products and services that draw from cultural wisdoms, knowledge, and practices.<sup>10,13,16,17,18,23,26</sup> These culture-based products and services range from artworks and stories that value and promote Indigenous cultural heritage to nature-based enterprises that apply Indigenous knowledge to solve contemporary challenges such as land and wildlife management.

### Empowerment through work

Business offers Indigenous people and communities the opportunity to prosper and grow through cultural identity and Indigenous ways of working, with further growth achievable with support from mainstream economies and wider networks.<sup>19</sup>



### Personal Empowerment

The personal empowerment benefits for Indigenous business owners and employees include feeling proud, feeling good, the ability to support family and community, strengthening culture, restoring personal and community pride, financial stability, building capabilities and capacity and gaining opportunities for career development.<sup>16,20,25</sup> One case study from a remote community in northern Australia highlights the close linkages between Indigenous social enterprises and capacity development for Indigenous people, particularly in the areas of environmental stewardship and cultural maintenance.<sup>26</sup>

### Capacity and capability building

The opportunity and benefit of developing business skills and other capabilities is an essential part of success for Indigenous businesses, particularly in areas of business management, business development, financial management, accounting, commercial literacy, research and development, business networking and English literacy and numeracy.<sup>16,19, 27</sup>

### Support to overcome barriers

Indigenous business owners and employees often must overcome structural barriers when they participate in the economy including structural racism, working across worldviews and intercultural spaces, adapting to different knowledge systems, interrupting cultural synergies and the impacts that their participation in enterprise have in disrupting their own cultural and social networks.<sup>27,28</sup>

## Conclusion

This brief review has identified that investing in Indigenous businesses creates value in the following ways.

- Indigenous values and worldviews
- working for the community

- connecting with culture and community
- relationships and networks
- Indigenous employment
- establishing place
- culture through work
  - cultural leadership
  - culturally safe workplaces
  - culture based products and services
- empowerment through work
  - personal empowerment
  - capacity and capability building
  - overcoming barriers

These findings will inform the development of a holistic framework to measure the broader impacts of investing in Indigenous business. Benefits include providing measurable impact pathways towards policy targets for governments, and towards social and environmental targets for the corporate sector beyond Indigenous businesses.



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